2021 Integrated Annual Report

Consolidated Management Report
Consolidated Financial Statements

Integrating for Growth

Note: This document is a translation of a duly approved Spanish language document, and is provided for information purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish language document which this translation is intended to reflect, the text of the original Spanish language document shall prevail.

Table of contents

2021
Consolidated Management Report

Integrating for Growth

Interview with the Chairman and the CEO

Integrating for Growth

Despite the continued impact of Covid-19, 2021 has seen a return to economic growth in certain areas around the world. How would you assess the year for Cellnex?

BERTRAND KAN This has been a positive year for Cellnex. We are very pleased with the strong growth in all key financial indicators that the Company has achieved. In terms of business composition, we have made excellent progress with operations in one new country, Poland, and consolidation of our position in several European markets, such as France, Portugal, the Netherlands and Ireland. Moreover, we have continued to expand the scope of our business, starting to provide fibre, active equipment and other services to our clients.

As we saw in 2020, connectivity – and the infrastructure that provides it – is more critical than ever for people, societies and economies and has helped to mitigate the adverse economic impact of the pandemic on businesses and individuals. The increasing reliance on connectivity serves Cellnex well, generally providing greater opportunity for growth and enhanced predictability of our key business indicators.

The business numbers have again exceeded your forecasts. What has driven this growth?

TOBÍAS MARTÍNEZ As in other years, growth has been driven by both organic and inorganic factors. The consolidation of our operations in five of the six countries in which we acquired assets from CK Hutchison at the end of 2020 and those announced in the early months of 2021 has grown the Company's geographic footprint, with double-digit increases – above 50% – in revenue, EBITDA and recurring cash flow. This growth will continue to have a significant knock-on effect in 2022, when several of these operations will have been part of the Group for a full year.

We have also seen a positive performance in terms of organic growth, which increased to above 5%, demonstrating the strength of our business and strategy.

As our Chairman pointed out, in 2021 we demonstrated our ability to capitalise on the demand for services that are "adjacent" to towers, supporting the needs of our customers in public transport networks, private networks for industry or with DAS and Small Cell technologies in high-density environments. These business lines will continue to support our organic growth over the coming years.

Within this context, at the close of the first half of the year, we revised the key indicators for 2021 upwards, maintaining our long-term guidance, owing to the early completion of some of our acquisitions. Accordingly, we are happy to be able to close the year above expectations.

Once again, it has not just been a year of consolidation; besides integration of the 2020 acquisitions, in 2021 you announced transactions in Poland, the Netherlands and France, investing almost €9 billion. To what extent does this confirm the trend of splitting infrastructure management from services?

BERTRAND KAN The separation of telecommunications infrastructure and services is driven by a recognition in financial markets of the operating and other efficiencies that can be achieved. Seven years ago, when we were preparing the Cellnex IPO, this model was practically non-existent in Europe, whereas today every mobile network operator (MNO) in Europe has a strategy for autonomous and separate ownership and/or management of its infrastructure.

With this process, the organisation of the European sector increasingly resembles that in the United States, where cellular towers have been owned and developed separately from services since the introduction of mobile communications in the 1980s. At the outset in Europe, mobile operators chose to own and develop their own towers, typically three or four sets of towers in each country, and that is in the process of being rationalised. Now we are seeing long-term partnerships between mobile and telecommunications infrastructure operators, which create operational efficiencies, minimise intrusion and duplication of towers, help to rationalise investments in networks and accelerate the roll-out and implementation of new mobile technologies. At Cellnex, we accompany and support our customers on this journey.

And is the window still open?

TOBÍAS MARTÍNEZ With the roll-out of 5G infrastructure on the horizon, in Europe there will be around 500,000 sites. Including all the towers that we are currently contracted to build, by 2030 Cellnex will be managing around 130,000 sites. We estimate that the total figure, including the other telecommunications tower operators, of existing and planned sites is currently around 250,000 to 300,000. Therefore, some 200,000 sites are either still owned by mobile operators or remain to be constructed. So yes, in Europe there is still significant room for growth for operators like Cellnex.

While your business seeks to open up infrastructure for shared use, further expansion in Europe could raise some competition issues. Where are you focusing your efforts? Are you considering taking the leap outside of Europe?

TOBÍAS MARTÍNEZ We believe that sharing infrastructure is beneficial for everyone down to the mobile end-customer as it reduces costs. It brings the European sector more in line with accepted practices elsewhere and regulators recognise the benefits. We continue to see good opportunities in Europe, although it will be difficult to maintain the growth that we have achieved in recent years. While we would not rule it out and we have been presented with a number of opportunities, for now the conditions are not in place to consider a move outside Europe.

We have reached a certain critical mass in Europe, which gives us more choice where to expand, but our size also means that we are scrutinised more. We will seek to maximise our opportunities for consolidation in the markets where we have operations and consider the best options in those where we are not yet present. We study the state of the market in each case and amongst the various factors, analysis of competition is fully integrated into the feasibility assessment of our growth opportunities.

In 2021, once again you received a very favourable response from investors, this time to the €7 billion rights issue, with more than 99% of the rights taken up by shareholders and 45-times oversubscribed. What's your secret?

BERTRAND KAN The secret is our shareholders' trust, which we have earned by delivering on our promises consistently. In this rights issue, they have once again confirmed their support for the team, the prospects for the business and our ability to execute transactions and integrate businesses. We are fortunate to have a base of excellent shareholders, most of whom have been with us since our IPO in 2015 and who have tangibly expressed their support by committing €14.7 billion in our four rights issues. In the past seven years, this has allowed us to invest more than €36 billion in European telecoms infrastructure and build a business that spans 12 countries and has grown six-fold, which would not have been possible without their trust.

Would you consider further rights issues if opportunities arose?

TOBÍAS MARTÍNEZ As evidenced by our choice to raise equity via rights issues in the past, we strongly believe in the mutually beneficial relationship with our shareholders; it's our job to deliver a business with attractive financial performance and the quid pro quo from our shareholders is to provide us with the equity required to do so. While we have no requirements at the moment, going forward we trust that our shareholders will continue to support us with additional equity as long as we propose projects and conditions that are attractive and deliver on our promises. After the latest rights issue, we have the resources to take advantage of opportunities that the market may offer in the foreseeable future. This rights issue was intended for a portfolio of projects costing an estimated €18 billion, of which we have implemented almost €10 billion to date.

More generally, in terms of financing our projects and operations we will continue to manage our balance sheet aggressively, while maintaining our current "investment grade" status with the rating agencies.

Cellnex has closed another year with a positive stock market performance. How do you assess this sustained effect of the stock's valuation and the confidence that the investment community continues to place in the Company?

BERTRAND KAN Financial markets fluctuations are caused by many factors. Within those aspects over which Cellnex has control, we seek to maximise the growth and predictability of the Group's cash flows and believe that this has served as a catalyst for investor interest. To provide greater transparency to investors, this year we also provided the mid-term guidance for 2025, which should give a clearer perspective of our growth and performance. Generally, we aim to ensure that the Group's fundamentals – financial or otherwise – can sustain, and increase, the value that the market assigns to us. In that light, in terms of revenue, EBITDA, recurring cash flow and the number of sites we manage, we have grown six- to seven-fold since the IPO which has driven and underpins our market capitalisation.

This has also been a very important year in terms of diversification and your role as an industrial partner for your customers that you have often talked about.

TOBÍAS MARTÍNEZ Our opportunities for diversification revolve around our infrastructure assets and expertise and the needs of our customers, whom we aim to support as much as possible. In doing so, we are focusing our efforts and capabilities on the assets and services adjacent to and enabled by the telecommunications towers: Fibre connectivity to the tower, active equipment, edge computing, connectivity and coverage of road and rail transport networks, distributed antenna systems (DAS), small cells, private telecommunications networks and communication systems for security and emergency networks all constitute technologies and services that integrate seamlessly with the telecommunications towers and sites that are the core of our business.

It's an integrated vision that in-house we refer to as the Augmented TowerCo. We have a specific example in Poland where, together with our customers from Cyfrowy Polsat Group, we have begun integrated management of the passive and active elements of the telecommunications network, the towers as well as the antennas, which they use to provide services to their end customers.

The evolution towards a model that goes beyond passive management of the infrastructure may become a trend in our sector in Europe, in the same way that passive infrastructure has been outsourced to neutral and independent operators like Cellnex.

This model seems to be highly scalable, given that your clients include mobile operators in a dozen countries.

TOBÍAS MARTÍNEZ In many cases we are growing alongside our customers, responding to their specific needs. In addition, our diversification policy has driven us to expand our capabilities through very important acquisitions such as Edzcom, a specialist in private networks for industry, ComsCom, operating in the field of DAS and Small Cells systems, Alticom, with extensive experience in the field of data centres, and Xarxa Oberta de Catalunya, specialising in fibre deployment. These companies have enabled us to develop our 5G capabilities, mapped a value-added business model onto our existing infrastructure, and allow us to serve our customers better, always on a shared and neutral basis. As such, our business is highly scalable, making the best possible use of the infrastructure assets that we have acquired over the past few years.

What has your role been in provision of connectivity in the rail corridors that the European Union is so eager to promote? You seem to be establishing yourselves gradually as the preferred operator in the modernisation of these networks and their expansion.

BERTRAND KAN Railways play a fundamental role in ensuring sustainable transport of passengers and freight and the liberalisation of and government support for the sector is opening interesting opportunities for Cellnex. In Europe we currently manage and are engaged in projects that will provide connectivity to 7,700 kilometres of railway lines (metro and main lines) and more than 500 stations in five countries. In 2021 we have been awarded major concessions in the United Kingdom, France and the Netherlands. We continue to develop our capabilities that will enhance our attractiveness as an industrial partner in the sector.

Despite the return to growth, GDP projections in many countries have been scaled back and concerns about inflation are rising. To what extent does inflation affect Cellnex' business? Are you particularly concerned by rising energy costs?

TOBÍAS MARTÍNEZ Inflation is always a concern, of course. However, in the case of Cellnex, the price increases that we have seen so far have not had a notable impact. We provide services to our clients under very long-term contracts which, in the majority, include clauses that offer a reasonable degree of protection against increases in inflation.

With regard to the rise in prices for raw materials and especially energy, in the majority of our contracts, energy costs are passed through to the customer. We manage the infrastructure and access to energy, and transparently pass energy costs on to customers.

For our own supplies, we work with contracts agreed and fixed for a very long term, so we have experienced a very limited impact to date. This may change if the inflationary environment persists for the medium- to longer-term.

BERTRAND KAN Post-pandemic growth and inflation are more difficult to forecast and it is unclear to what extent current distorting factors, such as the supply chain crisis or rising energy prices, are transitory. Having said that, it's important to bear in mind that Cellnex is mostly an asset business with contracts that generally allow us to compensate for inflation in the pricing of our services. As a result, we are less susceptible to price movements and, within limits, on balance inflation is helpful to cash flows because of our significant operating leverage.

With a growth model that relies on access to the debt market, what do you have to say about market conditions? Do you see a risk of an increase in interest rates that could affect your debt structure?

TOBÍAS MARTÍNEZ First of all, we do not expect disruptive changes in interest rates, although it is true that there interest rates have started to increase and that rising inflation is likely to lead to tighter monetary policy. In our case, 88% of our debt is fixed rate and our average debt maturities are around six to seven years, which limits the risk of volatility or an unexpected rise in the cost of borrowing for the foreseeable future and gives us time to adapt our balance sheet strategy to market conditions.

It seems that your commitment to sustainability has paid off. Cellnex has been rising in sustainability indices, gaining a position – in the case of Sustainalytics – among the five companies in the world with the lowest ESG risks in its sector. What do you have to say about that?

BERTRAND KAN We are very pleased with the recognition that we have received for our commitment to ESG from the main indices. In 2020 we completed our first five-year social responsibility plan, meeting 90% of the targets, and we began 2021 with a new ESG plan. Our 2021-2025 ESG Master Plan identifies 92 specific objectives in six areas that link to Environment and climate change, Social impact and good Governance and correlate with the various United Nations Sustainable Development Goals.

As ESG is at the core of Cellnex' values, we make public commitments, which we renew each year, such as Cellnex's adoption of the United Nations Global Compact and its principles. In addition, we have intensified and improved the reporting process both in-house, to ensure proper governance by the Board of Directors, and in terms of transparency (public disclosure) towards the various interest groups, especially investors, who are increasingly active and interested in monitoring the financial and non-financial aspects of the Group's performance.

From the Board's point of view, we have expanded the responsibilities of the Nomination and Remuneration Committee to include sustainability, thus ensuring high-level supervision of ESG policies executed by the management team. We have also prioritised ESG training and awareness-raising of the Board and the Group's management team.

Finally, I would also highlight the significant emphasis we place on ESG factors in the remuneration of the management team, namely 15% in 2021 and 20% in 2022, and we have also incorporated them into the long-term remuneration parameters.

Building on the previous question, from the Board's point of view, what would you highlight in terms of good corporate governance practice for 2021?

BERTRAND KAN Governance has been an important focus for the Board since the IPO and also in the past year we have continued to adopt the Good Governance principles as much as possible. Our Board currently has eleven members, eight of which are independent, two represent our two largest shareholders and one is executive, our CEO. The Chairs of the Board as well as the Audit and Risk Management and the Nomination, Remuneration and Sustainability Committees are all independent. Five of the directors, 45%, are female. This diversity extends to country of origin as well, with seven different nationalities represented. In addition, we have adopted a number of measures to strengthen our governance more generally, including appointing an independent chair to our [Tax Compliance Committee], improving our Ethics and Compliance Committee and aligning the whisteblower channel with European regulations.

In a group that over the past five years has integrated multicultural teams in 12 countries, what can you tell us about the involvement or diversity of the workforce?

BERTRAND KAN Equity, diversity and inclusion are absolute priorities for us. Following our expansion, we have been integrating businesses in countries with very different cultures and circumstances. At present, 55 nationalities are represented in Cellnex. We believe that this provides great opportunity for the company and each of our employees. We are very pleased to have a high level of commitment from our people, as evidenced by the fact that volunteer initiatives have increased significantly this year. We have also placed special emphasis on the value of difference through awareness and training campaigns, and are taking steps to integrate generational, cultural, emotional and gender diversity into our organisation.

How do you assess the first year of the Cellnex Foundation, one of the main examples of your commitment to society?

TOBÍAS MARTÍNEZ It's one of our most important milestones. It combines social responsibility with the aim of giving back to society. We have put the focus on bridging the digital and social divides that may also be caused by a lack of access to connectivity resources that today are a decisive factor for social integration and personal progress. We regard connectivity as a universal right, so our goal is to expand it to reduce inequality.

Among other initiatives, in its first year the Foundation has launched the Cellnex Bridge, a mentoring programme for technology start-ups with a specific social action thrust.

The Foundation has also continued with the 'Youth Challenge' volunteer programme, which began in 2019 under the aegis of Cellnex and whose purpose is to prevent dropouts from school and attract young people at risk of exclusion to Information and Communication Technology (ICT) vocations. With the help of the Cellnex Foundation in 2021 the programme has been extended beyond Spain to include Italy, Portugal and France.

What do you think are the fundamental challenges you face in 2022?

TOBÍAS MARTÍNEZ The main challenge is to consolidate and integrate the acquisitions that we have completed in recent months. Negotiating and concluding transactions that drive growth is clearly key to our strategy, but the day after is just as important or more so because we integrate not only assets, but organisations and people with different cultures from different countries. We have a specific, group-wide department that coordinates these extremely complex processes. To be specific, in 2021 we've been managing nine parallel integration processes.

Because inorganic growth today needs to transition to organic growth tomorrow, you have to manage it on a day-to-day basis from the start. Bear in mind that with integration processes you also need to develop the different business lines on which the organic growth is built. Once we've integrated the acquisitions, we have to keep expanding the geographic footprint of that business organically.

Secondly, we also have significant commitments for building new sites that will continue to be a very important driver of business in 2022.

Lastly, this year we also intend to consolidate the diversification through the assets adjacent to the towers, which we talked about earlier. This is key to the Group's evolution towards an integrated telecommunications infrastructure operator. Projects related to the connectivity of transport networks and private networks for industry also feature in this set of priorities.

As always, we will also remain open to any growth opportunities that may arise. It will always remain an important challenge to find the right next steps but we are confident that we can continue to deliver for our shareholders.

Descubra la entrevista completa en video en el canal de YouTube de Cellnex:: https://youtu.be/IvD8Ao5LpvM

Integrating for Growth

	Achievement	Target	Target year
Environmental			
Sourcing of renewable electricity (SBT) [1,2]	**40%**	**40% ✓ / 100%**	2021 / 2025
Reduction of scope 1 and 2 GHG emissions and scope 3 GHG emissions from fuel and energy-related activities (SBT) [2]	**-18%**	**-70%**	2030
Absolute scope 3 GHG emissions from purchased goods and services and capital goods (SBT) [2]	**-8%**	**-21%**	2025
Social			
Women in management positions [3]	**24%**	**26% ✓ / 30%**	2022 / 2025
Hires of women [3]	**47%**	**45% ✓ / 50%**	2022 / 2025
Hires of young talent [3]	**29%**	**30% ✓ / 30%**	2022 / 2025
Employee engagement [4]	**77%**	**≥75% ✓ / ≥80%**	2022 / 2025
Governance			
Women directors	**45%**	**40% ✓**	2022
Non-executive directors	**91%**	**90% ✓**	2022
Independent directors	**73%**	**60% ✓**	2022
Directors with ESG capabilities and expertise	**25%**	**25% ✓**	2022
Nationalities in the BoD	**7**	**≥5 ✓**	2022
Cellnex Group employees participating in the ESG annual awareness initiative	**100%**	**100% ✓**	2021
Cellnex Group management team participating in the ESG awareness sessions	**100%**	**100% ✓**	2021

1 Energy targets refer to the energy directly managed by Cellnex (Scope 2). Data calculated according to SBT and GHG Protocol methodology applied to FY21 perimeter.
2 Compared to the base year 2020 verified by an external certified entity.
3 According to FY20 perimeter, excluding Edzcom. Intake due to M&A will be included after 3 years after the integration's year.
4 Corporate, Denmark, France, Ireland, Netherlands, Portugal, Spain and United Kingdom

	Actions 2021	Next steps
E	Establishment of specific objectives and milestones for the reduction of emissions validated by the Science Based Targets Initiative (SBTI) aligned with a 1.5ºC scenario	Application of the Internal Carbon Price Common Claims Management Procedure for the entire Company by 2023
	According to the recommendations of the TCFD, 9 risks & opportunities derived from climate change have been identified, thanks to the analysis of climate scenarios carried out in 2020	Identify and assess the impact on biodiversity and natural capital
S	Approval of the Code of Conduct for Suppliers	Obtain the Great Place to Work certification
	Development of the Smart Working project: a constructive culture with a human approach, a results-oriented team and a collaborative and cohesive work environment."Definition of the Cellnex Wellbeing Model	Study of the natural capital contribution of Cellnex
	Unified global customer survey ("Customer Engagement Survey") for all business units	Continue to promote digital skills and create educational and social projects adapted to the challenges of the digital world
	Creation of the Cellnex Foundation and launch of Cellnex Bridge: the first acceleration program for startups with social impact of the Cellnex Foundation	Calculate the return on investment associated with innovation and R&D projects linked to the SDGs by 2023
G	The deployment of the Cellnex Industrial Model consists of a common way of working, replicable, scalable, homogeneous and that allows rapid growth	Extend the variable remuneration associated with the company's performance in ESG topics to all employees
	Update of the Environmental, Social and Governance Policy and Creation of the ESG Committee	Strategic Global Security Plan 2022-2025
	Achievement the recommendation established in the CNMV Good Governance Code on gender diversity and independent members on the Board of Directors	Deployment of the integrated management system and implementation of international certifications for the entire Group
	Variable remuneration of Senior Management linked to the company's performance in ESG criteria	

Strong operational and financial performance exceeding all key metrics in 2021 RLFCF growth >60% vs. guidance 50%

Consistent and sustainable organic growth

- +6.2% new PoPs vs. FY 2020
- Framework agreement with a new entrant in a Cellnex market
- Extension of BTS programs +c.5k sites
- Neutrality leading to stronger partnerships with clients: BT service agreement extended until 2040 (1)
- 2021-2025 efficiency plan on track

Strong financial performance

- Revenues €2,536Mn, + 58% vs. FY 2020
- Adjusted EBITDA €1,921Mn, +63% vs. FY 2020
- RLFCF €981Mn, +61% vs. FY 2020

Fully funded and hedged

- c.87% debt fixed and c.13% linked to Euribor (at historical lows)
- Liquidity €8.6Bn, firepower fully funded
- Flexible capital structure: no covenant, no pledge or guarantee
- Average interest rate in 2022 expected to be lower than in 2021

M&A gaining momentum

- Tailored growth deals (2) with existing clients in France and Portugal (extending BTS program, new acquisitions, FTTT (3)…)
- Reducing rooftop mix in France to execute Hivory's remedies (4)
- Potential swap of minority stakes – acquisition of Iliad's minorities in France and Poland in exchange for plans to open capital of certain business units

Rock-solid cash flows allowing Cellnex to beat 2021 guidance (5)

- RLFCF growth >60% (vs. guidance +c.50%) despite Hivory contributing 2 months only (5)
- 2022 guidance implying strong growth in key metrics
- 2025 guidance reiterated

Making the most of current market conditions: own shares >1% Cellnex's share capital

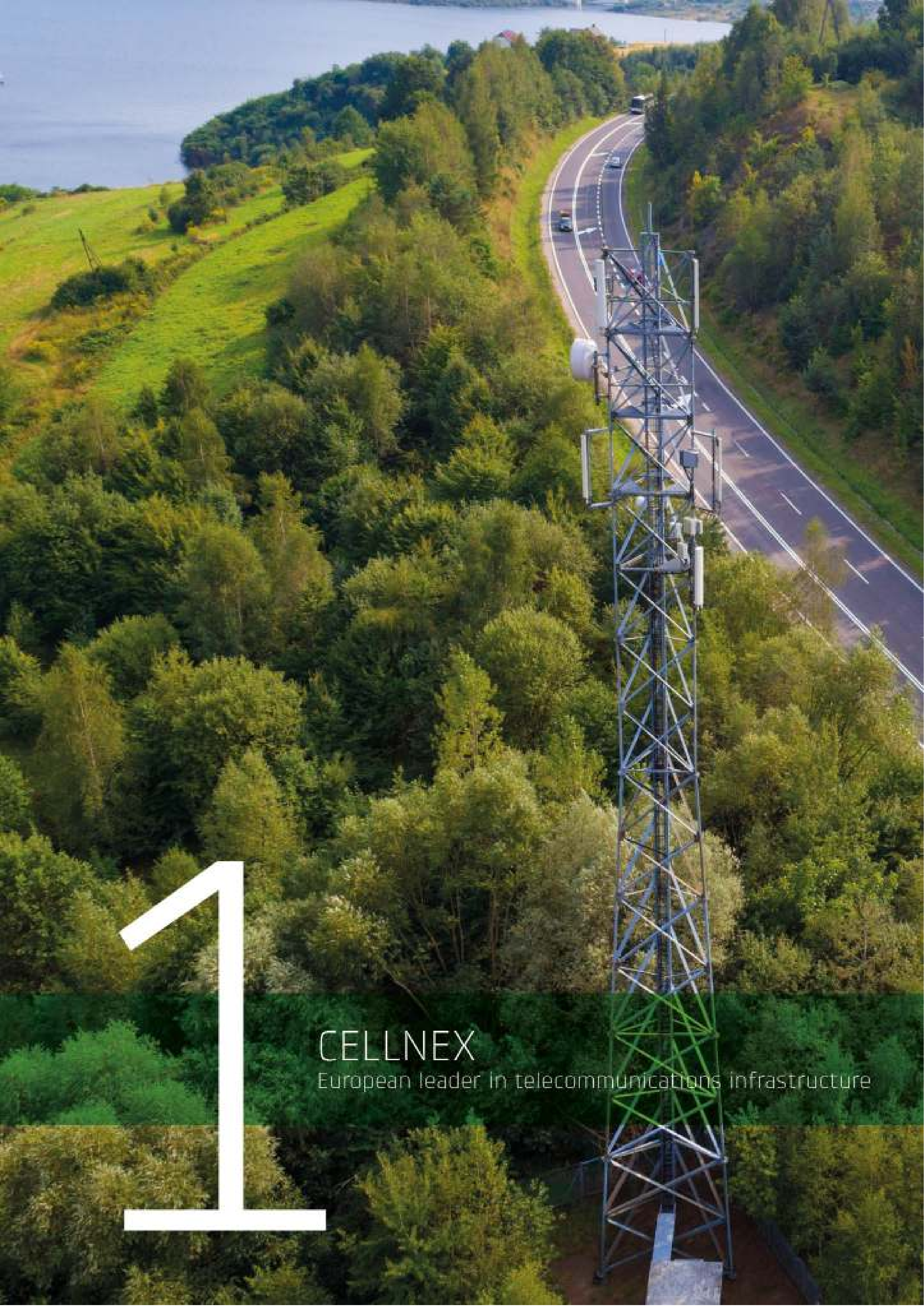
(1) Current Master Site Services Agreement due to end in 2030 will be renewed on an 'all or nothing' basis for an additional period of 10 years

(2) Please see slide 14 of the 2021 results presentation for more information;

(3) Fiber-to-the-Tower

(4) Subject to antitrust approval

(5) Hivory transaction (closed end of October) has contributed 2 months in 2021 vs. guidance assumed 3 months



1 CELLNEX

European leader in telecommunications infrastructure

Cellnex: European leader in telecommunications infrastructure

	Achievement	Target	Target year
Ensuring the awareness of our responsible way of doing			
Cellnex Group employees participating in the ESG annual awareness initiative	100%	100%	2021
Cellnex Group management team participating in the ESG awareness sessions	100%	100%	2021
Cellnex Group employees attending the ESG annual training	Work in progress	80%	2023

Cellnex participates in the following Sustainability Indexes

Dow Jones Sustainability Indices · CDP A LIST 2020 CLIMATE · FTSE4Good · Bloomberg Gender-Equality Index 2022 · MSCI · SUSTAINALYTICS

Actions 2021

The continuity of the services provided by Cellnex has been ensured throughout the Covid-19 health crisis

Remuneration associated with the performance of the company related to ESG issues for the Top Management

Update of the *Environmental, Social and Governance Policy and Creation of the ESG Committee*

Cellnex has participated in the main events held in the sector: **Mobile World Congress, 5G Forum, TowerXchange, Small Cells World Summit, 4YFN, etc.**

Next steps

Extend the **variable remuneration** associated with the company's performance in **ESG matters to all employees**

Cellnex plans to update its **materiality matrix** again to incorporate the inputs of the new business units that began to form part of the Company in 2020 and 2021, deepening the concept of double materiality

Purpose, Mission, Values

As an independent infrastructure operator, Cellnex's goal is to create an efficient, neutral, quality telecommunications platform with innovative management to drive digitalisation in Europe.

The multidisciplinary team, made up of 2,877 professionals, is the key factor that enables Cellnex to be one of the leading telecommunications infrastructure operators in Europe and a successful business project.

The Company's mission is to provide personal and professional development, customer orientation, teamwork and innovation without forgetting its commitment to sustainability. Technological excellence is placed at the service of customers, as well as social progress by offering tools to overcome the digital divide.

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.

Business Model

PORTFOLIO

101,802

sites located in 12 European countries

Business model and value chain

Cellnex is the main neutral[1] infrastructure operator for wireless telecommunication in Europe. 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.

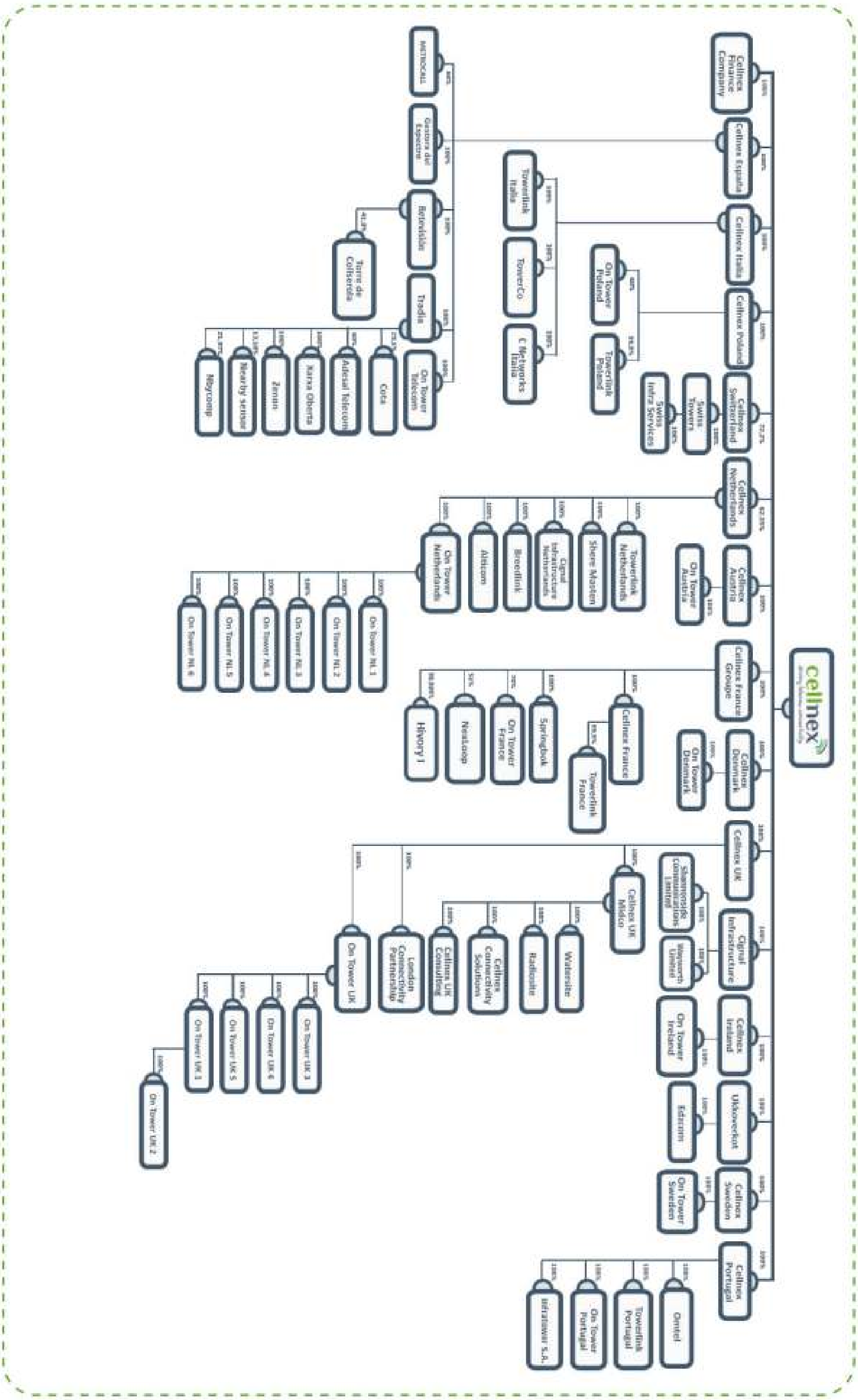
Cellnex has commited up to 125,098 sites, 101,802 of them already in the portfolio and the rest in the process of completion orwith planned roll-outs up to 2030, and positions the Company in the development of new generation networks. Cellnex provides services in Austria, Denmark, Spain, France, Ireland, Italy, the Netherlands, Poland, Portugal, the United Kingdom, Sweden and Switzerland, as a result of its investment efforts to promote its transformation and internationalisation.

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

Cellnex's reference shareholders include Edizione, GIC, TCI, Blackrock, Canada Pension Plan, CriteriaCaixa, Wellington Management Group, Capital Group, Fidelity and Norges Bank.

The Group's organisational structure is presented below.

[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
Cellnex Finance Company
Cellnex España
Cellnex Italia
Cellnex Poland
Cellnex Switzerland
Cellnex Netherlands
Cellnex Austria
Cellnex France Groupe
Cellnex Denmark
Cellnex UK
Cignal Infrastructure
Cellnex Ireland
Ukkoverkot
Cellnex Sweden
Cellnex Portugal
Gestora del Espectro
Retevisión
Tradia
On Tower Telecom
Torre de Collserola
Cota
Adesal Telecom
Xarxa Oberta
Zenon
Nearby sensor
Nby.comp
TowerLink Italia
TowerCo
CK Hutchison Networks Italia
On Tower Poland
Towerlink Poland
Swiss Towers
Swiss Infra Services
Towerlink Netherlands
Shere Masten
Cignal Infrastructure Netherlands
Breedlink
Alticom
On Tower Netherlands
On Tower NL 1
On Tower NL 2
On Tower NL 3
On Tower NL 4
On Tower NL 5
On Tower NL 6
On Tower Austria
Cellnex France
Towerlink France
Springbok
On Tower France
Nexloop
Hivory 1
On Tower Denmark
Cellnex UK Midco
Watersite
Radiosite
Cellnex Connectivity Solutions
Cellnex UK Consulting
London Connectivity Partnership
On Tower UK
On Tower UK 3
On Tower UK 6
On Tower UK 5
On Tower UK 1
On Tower UK 2
On Tower Ireland
Edzcom
On Tower Sweden
Omtel
Towerlink Portugal
On Tower Portugal
Infratower S.A.

The Cellnex Group achieved many milestones during 2021: the appointment of a new Chairman, the completion of the acquisition of several of the CK Hutchison's assets, the acquisition of 100% of Hivory with a portfolio of 10,500 sites in France, the agreement with Deutsche Telekom to integrate the 3,150 sites of T-Mobile Infra BV in the Netherlands, the renewal for the fifth consecutive year of Cellnex's qualification as a "Zero Outage Supplier" in Spain by Deutsche Telekom, a capital increase of €7 billion to finance Cellnex's growth, the acquisition of Polkomtel Infrastruktura in Poland, the approval of Cellnex's emission reduction targets by the Science Based Targets (SBTi) initiative and the launch of the first acceleration programme for social-impact startups by the Cellnex Foundation.

There follows a historical timeline of Cellnex's business model from 2015 to 2021.

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 Towerlink 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.

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

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 acquired the network of c. 7,000 Play sites in Poland.

Cellnex has reached an agreement to incorporate about 30,000 sites from CK Hutchison to its portfolio (Italy, UK, Ireland, Austria, Sweden and Denmark).

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

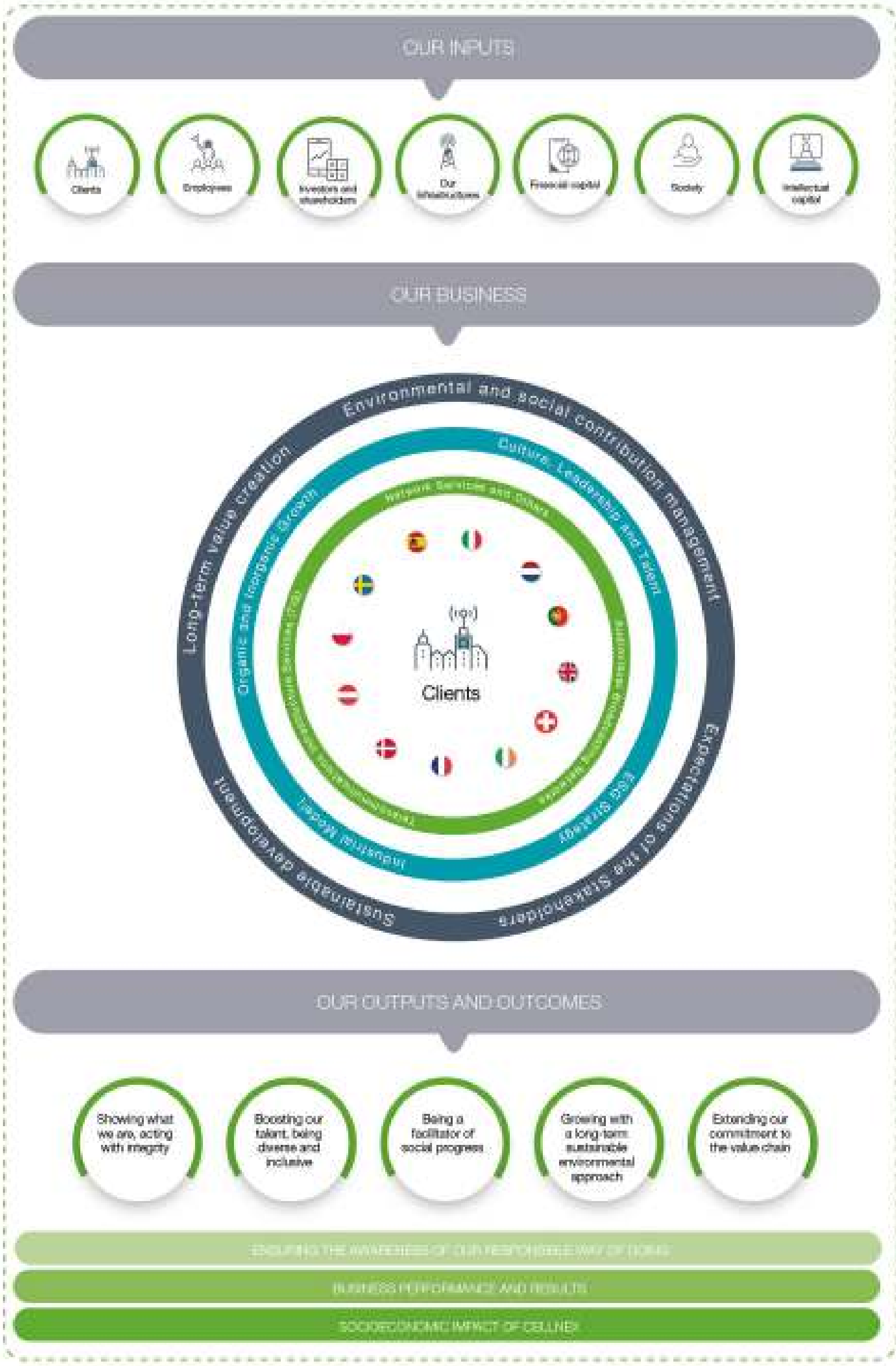
5 bond issuances amounting 6 billion Euros, including an inaugural issuance in the U.S. dollar market

Acquisition of Polkomtel Infrastruktura in Poland

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

Through the ESG Strategy, Cellnex analyses, measures and manages its impacts as a company on society and its environment. The Company's own value creation model, focusing on the shared management of telecommunications infrastructures, fosters sustainability, efficiency – and thus responsibility – in the use of the resources with which it works. By building partnerships with its customers, Cellnex has 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.



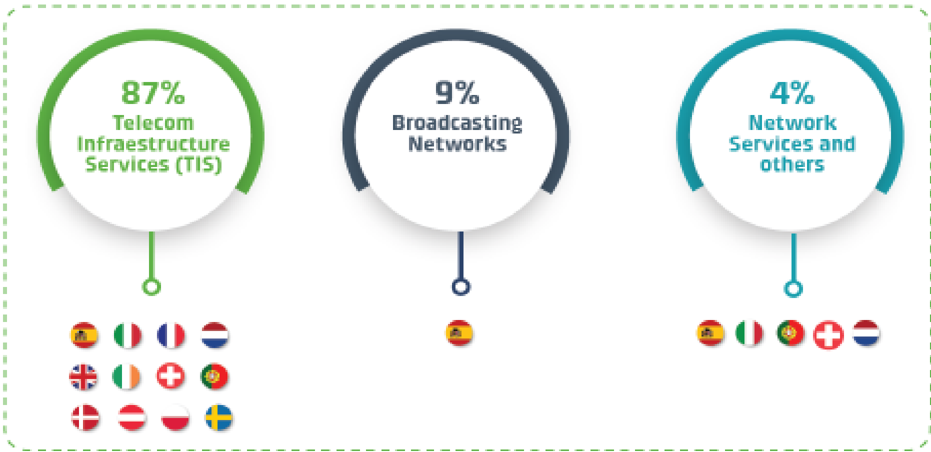
Services

Cellnex offers its customers a range of services aimed at ensuring the conditions for reliable and high-quality transmission for wireless broadcasting of content, including voice, data or audiovisual content.

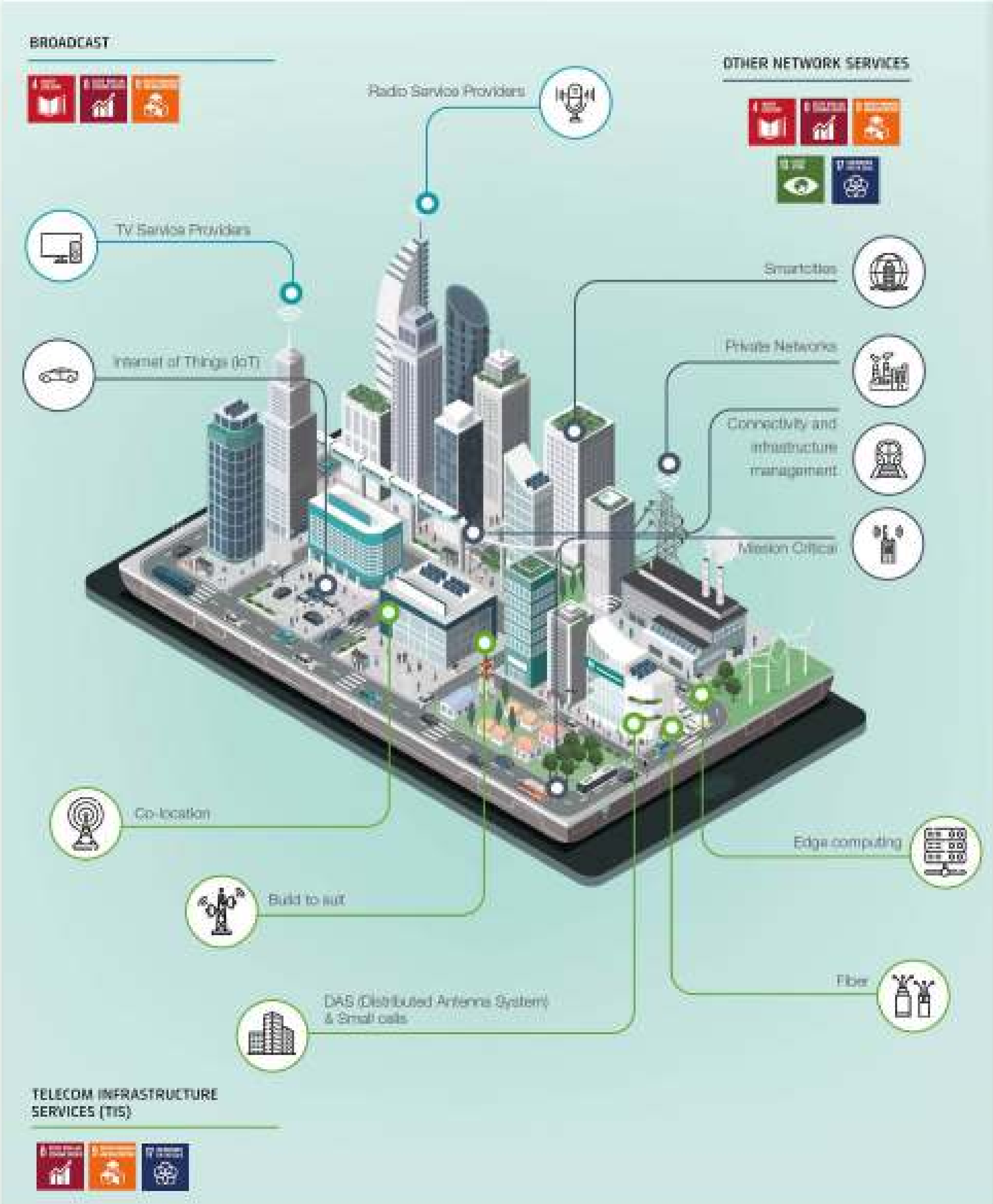
Cellnex also develops solutions in the field of "smart cities" projects, which optimise services for citizens through networks and services that facilitate municipal management. In this field, Cellnex is deploying smart communications networks in several countries, based on various IoT technologies (Sigfox, LoRaWAN...), that enable objects to be connected and, therefore, the development of a robust ecosystem for the Internet of Things (IoT).

Also relevant is the Group's role in the deployment of security and emergency networks for law enforcement agencies, known as Terrestrial Trunked Radio (TETRA) networks or by their acronym PPDR (Public Protection and Disaster Relief). This company business line embodies the skill levels of the human team that manages them and the resilience and reliability of the architecture of the networks themselves and the equipment that make them up. Cellnex also participates in the deployment of Private Network services for business environments where service continuity is critical (such as ports, nuclear power plants, petrochemicals, etc.) and dedicated radio communications networks designed to suit customers' needs.

The services provided by Cellnex in each geographical territory in the field of infrastructure management for wireless telecommunications are presented below. In this regard, Telecommunications Infrastructure Services is still relatively the most significant item in the Group's 2021 income statement owing to the acquisition and integration of new telecommunications sites.



As Cellnex expands its presence in the territory, the Company also increases its portfolio of services. For example, with the integration of Poland, Cellnex has incorporated the provision of active equipment services into its business.


BROADCAST
Radio Service Providers
TV Service Providers
Internet of Things (IoT)
OTHER NETWORK SERVICES
Smartcities
Private Networks
Connectivity and infrastructure management
Mission Critical
Co-location
Build to suit
Edge computing
Fiber
DAS (Distributed Antenna System) & Small cells
TELECOM INFRASTRUCTURE SERVICES (TIS)

Telecommunications Infrastructure Services (TIS)

"In Poland, the Cellnex Team is evolving the telecom infrastructure business by adding emission and transmission services to the traditional passive tower infrastructure. This new Augmented TowerCo model follows the same financial principles but requires new skills and know-how that we are developing in Poland for the first time."

Santiago Argelich, Country Managing Director

Cellnex operates in more than 134,813 Point of Presence (PoPs), has a portfolio of nearly 101,802 sites, including BTS committed deployments and is committed to the development of new generation networks.

Cellnex offers co-location services in its infrastructure for mobile operators to install their telecommunications and wireless broadcasting equipment there. This infrastructure is designed to suit the needs of various technologies (broadband, point-to-point connections or mobile communications) in both urban and rural areas. This service involves adapting sites for new co-locations or multiple network modifications required by the operators (installation of new technologies, equipment changes, reconfigurations...). The objective is to meet and improve the SLAs (service level agreements) offered by Cellnex, which are of two main types:

- The services provided according to SLAs in place, 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.
- The Operation and Maintenance (O&M) SLA to provide the services with the agreed continuity, and service level, and to improve on it. It should be added that one of Cellnex's priorities is the continuous improvement of processes and procedures, and of contingency plans.

Augmented TowerCo

From pure Co-location services to the most developed Site as a Service concept, Cellnex offers to its clients telecom infrastructure services for sustainable connectivity that relief them from the burden of managing the infrastructures and networks over which their systems operate.

The neutral host nature makes Cellnex’s model the most efficient possible, as developing multi-operator sites which means decreasing costs to the clients, increasing sustainability to telecom and connectivity ecosystem and rapidly meeting all stakeholders expectations as services are quickly deployed.

Spain had over

80%

of sites secured at the end of the year

In this regard, it is worth highlighting the efforts and achievements in terms of security, duration and cost achieved in the campaign to negotiate rental contracts with landlords. In the case of Spain, for example, at the end of the year the percentage of sites secured was over 80%, this is a significant level and guarantees the continuity of this line of business in the future.

Jumping project

During 2021, Cellnex Spain's sites have been adapted to facilitate the deployment of the "Jumping" project (sharing of active network equipment in less populated areas) promoted by two of its customers, Orange and Vodafone, thus helping operators to implement this project.

Cellnex also offers a wide range of services for the distribution of television and radio signals via satellite or teleport (Arganda), as well as data distribution via VSAT stations (Very Small Aperture Terminals or private satellite data communication networks). Cellnex combines terrestrial and satellite solutions to offer each customer the best solution in each case.

In addition, Cellnex offers advanced Ethernet and IP transport services, both for the audiovisual sector and for telecommunications operators, thanks to a fibre optic network that currently consists of 40 MPLS nodes. Cellnex has 163 points of presence interconnecting all broadcasters, audiovisual agents, operators, public administrations, TETRA networks (for critical sectors such as emergency services) and the first IoT (Internet of Things) network in Spain with more than 1,300 UNB stations.

Cellnex Netherlands wins bid for management and expansion of ProRail telecom infrastructure

Cellnex Netherlands was selected in 2021 by ProRail as the passive infrastructure provider (PIP). Cellnex will be responsible for managing and expanding the telecom sites for mobile connectivity along the Dutch railway tracks. For implementation, Cellnex works together with VolkerWessels Telecom, a specialist in designing, building and managing digital infrastructure. In addition to its role as a neutral telecomms infrastructure provider for ProRail, Cellnex has exclusive rights for any BTS development along the whole rail network.

DAS (Distributed Antenna System) and Small cells

Distributed Antenna Systems or DAS is a network of spatially separated antenna nodes connected to a common source via a transport medium that provides wireless services in a geographical area or structure. A DAS can be installed inside a building to boost the internal wireless signal. Cellnex uses DAS systems to provide DASaaS services (DAS as a Service) with an end-to-end approach. In addition, DAS systems and Small Cells are one of the base infrastructures from which the new 5G communication standard will be deployed.

DAS projects developed by Cellnex Spain

In Spain, the entire deployment of the 4G network has been completed in the 300 km and 300 stations of the Madrid metro, thus providing connectivity continuity throughout the underground. In addition, agreements and deployments in various football stadiums in the country, such as the Benito Villamarín stadium of Real Betis Balompié in Seville and the Ciudad de Valencia stadium of Levante Unión Deportiva, are also worth mentioning.

Also noteworthy in the field of data centres is the opening of the first data centre in Barcelona, on Paseo de la Zona Franca, in the area of industrial estates (Pedrosa and Zona Franca) and the Fira II exhibition centre. The data centre has several fibre connectivity routes and has been successfully marketed to one of the four mobile telephone operators, among other customers.

During 2021, DAS coverage solutions have been developed to provide connectivity in spaces or venues with a high volume of public that require simultaneous voice and mobile data services.

Grand Paris Express

Cellnex France has been commissioned by the Société du Grand Paris (SGP) to deploy a DAS (Distributed Antenna System) network on the new lines 16 and 17 of the Grand Paris Express metro.

Cellnex France will deploy a DAS (Distributed Antenna System) coverage system on lines 16 and 17 to offer mobile operators an uninterrupted and optimal voice and data service with connectivity in all stations and tunnels between Saint- Denis Pleyel and Noisy Champs (Line 16) and between Charles de Gaulle Airport and Le Mesnil Amelot (Line 17).

"I'm very proud of what has been remotely achieved by a virtual multi-country team in always-on pandemic conditions. Promoting the Cellnex techinal capabilities and business model to a new French customer was not a forgone conclusion since day one. A big thanks to La Société du Grand Paris believing in Cellnex to comply with its key expectations around quality of service & shared connectivity equity."

Loic Besnard . Country Commercial Director

Cellnex Portugal becomes a referent in the Portuguese DAS market

Cellnex strengthens its position in Portugal with the purchase of towers from the Altice group. During 2021 Cellnex Portugal has closed a second transaction with the Altice group comprising 687 assets, including 223 macro sites and 464 DAS and Small-Cells. Because of these acquisitions, 3 new DAS solutions have been implemented, therefore positioning Cellnex as a referent in the Portuguese DAS market.

"For a long time both residents and many tourists of the historic center of Erice had suffered a major lack of connectivity. With Cellnex we managed to deliver to the city the service it deserves, through an ambitious project that we developed with passion and it eventually brought an amazing outcome."

Emanuele Sinosich - Commercial Sales Solutions

Cellnex Italia helps reduce the territorial digital divide in the historic center of Erice

The municipal administration of Erice has long been committed to winning the great challenge of overcoming any outstanding issues regarding the territorial digital divide. The administration's philosophy is to combine the need for modernity and respect for the historical heritage, in order to provide a service not only to the inhabitants but also to tourists. However, its mountain-top position reduces, if not eliminates, the signal coming from the macro sites of the operators serving the internal streets of the centre.

To achieve a solution meeting Erice's needs, Cellnex has installed an Outdoor Distributed Antenna System. To that end, Cellnex created an optical infrastructure within the 3 km of historic centre, to connect the active equipment distributed through the medieval town.

In order to offer a modern system that respects the historic heritage, the antennas chosen for covering the areas are passive panels which have been discreetly positioned with custom fitted brackets in ideal locations to achieve a very low aesthetic impact. The system provides for the use of a total of 25 antennas.

Accordingly, to offer a high-quality service to people in the historic centre of Erice, this multi-operator system comprises a total of 48 sectors dedicated to providing a high-quality performance to residents and tourists in these areas. The system is supervised 24/7 from Cellnex's Network Operation Centre, equipped with all the necessary hardware and software, and an appropriate complement of expert staff.

A summary of the portfolio of Telecommunications Infrastructure Services sites as at 31 December 2021 is presented below.

Framework Agreement	Project	Nº of Sites acquired	Beginning of the contract	Initial Terms + Renewals [1]
Telefónica	Babel	1,000	2012	10+10+5
Telefónica and Yoigo (Xfera	Volta I	1,211	2013	10+10+5 (Telefónica)
				Until 2030+8 (Yoigo)
Telefónica	Volta II	530	2014	10+10+5
Business combination	TowerCo Acquisition	321	2014	Until 2038
Telefónica and Yoigo (Xfera Móviles)	Volta III	113	2014	10+10+5 (Telefonica) Until 2030+8 (Yoigo)
Telefónica	Volta Extended I	1,090	2014	10+10+5
Neosky	Neosky	10	2014	10+10+5
Telefónica	Volta Extended II	300	2015	10+10+5
Business combination	Galata Acquisition	8,459	2015	15+15 (Wind) [2]
Business combination	Protelindo Acquisition	261	2012	+15 (KPN)
			2016	+12 (T-Mobile)
Bouygues	Asset purchase	4,539	2016 - 2017	20+5+5+5 / 25+5+5 [3]
		31	2018	20+5 [3]
Business combination	Shere Group Acquisition	1,042	2011	+15 (KPN)
			2015	+10 (T-Mobile)
			2015	+15 (Tele2)
Business combination	On Tower Italia Acquisition	11	2014	9+9 (Wind)
			2015	9+9 (Vodafone)
K2W	Asset purchase	32	2017	Various
Business combination	Swiss Towers Acquisition	2,239	2017	20+10+10 (Sunrise Telecommunications) [4]
		294	2019	20+10+10 (Sunrise Telecommunications) [4]
Business combination	Infracapital Alticom subgroup	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
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	2,834	2019	20+10 [6]
Business combination	Cignal Acquisition	698	2019	20 [7]
Business combination	Business unit from Iliad Italia, S.p.A.	2,586	2019	20+10 [6]
Business combination	On Tower France Acquisition	7,537	2019	20+10 [6]
Orange Spain	Asset purchase	1,500	2019	10+10+1 [8]
Business combination	Omtel Acquisition	3,222	2018	20+5 [9]
Business combination	Arqiva Acquisition	7,385	2020	10+1+1+4 (MBNL/EE) [10]
			2014	2024 (CTIL) [10]
Business combination	NOS Towering Acquisition	1,966	2020	15+15 [11]
Business combination	Hutchison Austria Acquisition	4,494	2020	15+15+5 [12]

Framework Agreement	Project	Nº of Sites acquired	Beginning of the contract	Initial Terms + Renewals [1]
Business combination	Hutchison Ireland Acquisition	1,136	2020	15+15+5 [12]
Business combination	Hutchison Denmark Acquisition	1,411	2020	15+15+5 [12]
Business combination	Small M&A	9	2020	Various
Business combination	Hutchison Sweden Acquisition	2,668	2021	15+15+5 [12]
T-Infra BV	T-Mobile Netherlands	3,137	2021	15+10 [13]
Play	Play	7,616	2021	20+10 [14]
Business combination	Hutchison Italy Acquisition	9,140	2021	15+15+5 [12]
Cyfrowy Polsat	Cyfrowy Polsat	7,035	2021	25+15 [15]
Hivory	Hivory	10,690	2021	18+5+5+5 [16]
Omtel	MEO	687	2021	20+5+5+5 [17]
Business combination	Iaso Acquisition	5	2021	Various
Shared with broadcasting business		1,682		
Others		92		

(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 CPI-linked.

(3) In accordance with the agreements reached with Bouygues during 2016 – 2020, at 31 December 2020 Cellnex had committed to acquire and build up to 5,400 sites that will be gradually transferred to Cellnex up to 2024 (see Note 7 of the accompanying consolidated financial statements). Of the proceeding 5,400 sites, a total of 4,078 sites have been transferred to Cellnex as of 31 December 2020 (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).

(4) The MSA with Sunrise have an initial term of 20 years with two 10-year periods (undefined maturity), on an all-or-nothing basis.

(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.

(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.

(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).

(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.

(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.

(13) Initial term of 15 years + subsequent automatic renewals of 10 year periods (all or nothing, undefined maturity basis).

(14) Initial term of 20 years to be automatically extended for subsequent 10 year periods (on an all or nothing basis)

(15) 25 years with automatic 15 year renewals.

(16) 18 years with automatic 5 year renewals. All-or-nothing renewal clause, undefined maturity

(17) MLA with 20 + automatic 5 year renewals. All-or-nothing renewal clause, undefined maturity

Audiovisual broadcasting networks

Cellnex Group is the leading operator of broadcasting infrastructures in Spain, with more than

1,700

sites exclusively dedicated to transmitting audiovisual and radio signals

Cellnex is the leading operator of broadcasting infrastructures in Spain, with more than 1,700 sites exclusively dedicated to transmitting audiovisual and radio signals. Cellnex offers a comprehensive network operation and radio spectrum management service. Ensuring the distribution and broadcasting of digital television, radio and multi-screen content to the main private and public audiovisual groups in the country.

For digital television content, Cellnex has led the implementation of DTT in Spain. The solutions offered by Cellnex include signal distribution, encoding in the most innovative formats and broadcasting of Ultra High Definition (UHD) content. For radio services, Cellnex offers configurable sound quality, data services capacity, flexibility in multiple channel composition, spectrum efficiency and cost efficiency.

In 2021, these DTT and FM services were provided with a very high level of service (SLA - Service Level Agreement), and, despite inclement weather, without any significant incident thanks to the operational excellence of the organisation, resources, processes, procedures and people.

In 2021, these DTT and FM services were provided with a very high level of service (SLA - Service Level Agreement), and, despite inclement weather, without any significant incident thanks to the operational excellence of the organisation, resources, processes, procedures and people.

The tasks associated with the Second Digital Dividend were also completed, a process initiated in 2020 aimed at freeing up the 700 MHz frequency band to facilitate the deployment of 5G. To that end, multiple actions were carried out in national, regional and local DTT broadcasting networks, with channel changes, adaptation of elements such as radiating systems, multiplexes, etc., always in coordination with the administration and broadcasters. At the business level, all contracts that were due to expire during the year were successfully renewed.

Cellnex also provides innovative services for the management and distribution of paid and free-to-air Internet content for multi-screen environments. For example, Online Business Support Services is a practical and efficient solution to manage all the processes involved in a customer's complete lifecycle, from first contact to billing and collection, through subscription service management, data modification and customer management.

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. Cellnex provides end-to-end network services for Public Administrations and large companies, integrating and adapting the required solutions. These include: Mission Critical Private

Networks (MCPN) services, Business Critical Private Networks (BCPN) services, connectivity services, Operation and Maintenance services and IoT and Smart services.

- Mission Critical Private Networks (MCPN) services: these are networks for Security and Emergency forces that are provided with very high availability and communications security. During 2021, significant contracts were renewed in Spain (Radiecarm Network in Murcia, Tetra Network in Galicia, Secora Network in Seville, Tetra Network in the Balearic Islands...) and tactical cell pilots were carried out with emerging LTE technology. Also, through the subsidiary Zenon, terminals and accessories were sold to various security and emergency forces.

Spain: A pilot test was deployed with BASF at its petrochemical plant in Tarragona

- Business Critical Private Network Services (BCPN): a pilot test was deployed in Spain with BASF at its petrochemical plant in Tarragona, the largest plant in southern Europe. In this new network, a number of industrial 5G use cases were developed: vehicle guidance, assisted maintenance with augmented reality, monitoring and location for worker safety in professional environments, etc.

- Connectivity services: Cellnex's main transport network in Spain has been renewed to improve its security and enhance its capacity, a key aspect for boosting the connectivity business through mixed fibre and radio link solutions for companies and operators. Radio-link connectivity is provided from high rural towers that have direct line of sight covering more than 95% of Spanish territory and the deployment of new connectivity or fibre back-up has excellent quality and dedicated capacity and a very fast time to market. In terms of fibre, Cellnex, through its subsidiary XOC (Xarxa Oberta de Catalunya, Open Network of Catalonia), has the highest fibre density and is working with the Catalan government to boost high bandwidth communications in Catalonia, offering connectivity for both the Catalan government and wholesale services. Demand for both fibre and radio services continued to grow at a good pace. A new development was the start of the Quantum Communications project with ICFO and the Barcelona Supercomputing Center (BSC). The objective is to implement a node of the European Quantum Communication Infrastructure in Barcelona, and Cellnex provides connectivity between the sites involved through fibre rings, both primary and secondary.

"The pandemic situation has allowed us to find a new way of communication with our clients that we could not even imagine before. Being able to connect remotely with them has offered us an unimaginable immediacy. From now on we will be able to combine the two worlds, remote and face-to-face, getting the best of each of them."

Marta Rubi, Country Head of Segment, Spain

- Operation and Maintenance Services: the agreement has been renewed for the provision of engineering, supply, maintenance and monitoring services for Enel's communications network in Spain (Endesa). Similarly, the agreement with Lyntia has been renewed for the maintenance of its fibre network, broadening its scope to include operational monitoring (Control Centre).

- IoT and Smart Services: the Connecta València project for the Provincial Council of Valencia, an initiative that will enable the development of the province of Valencia as a Smart Tourist Destination, making it possible to develop new management policies. The project includes the implementation of interactive Totems, a tourist Wi-Fi network, the provision of LoRa connectivity through the deployment of a network of 500 gateways for the transmission of information from various meteorological and environmental sensors and the traceability of mobile devices, a survey tool, a data Portal, a Progressive Web Application, a Content Manager, etc. In short, all the necessary elements to understand and analyse the experience of tourists and to guide them on their trips.

Geographical presence and portfolio

In recent years, Cellnex's business has grown exponentially

In recent years, Cellnex's business has grown exponentially through inorganic operations, which has resulted in a significant expansion of its European presence, increasing complexity both in management and in new products and services.

The resulting total amount of infrastructure (sites and nodes), as at 31 December 2021, built and acquired by Cellnex is presented below.

Cellnex in Europe

Cellnex Austria

Cellnex entered Austria, reaching 25% of the market and becoming the main independent telecommunications operator in the country

Cellnex Austria joined the Group in 2020, as part of the agreement between Cellnex Group and CK Hutchison. Cellnex Austria operates more than 4,470 telecommunications sites located in urban, peripheral and rural areas throughout Austria. In addition, several dozen Cellnex sites have been deployed in areas considered dead spots to provide mobile coverage for the first time to isolated rural towns. Cellnex Austria provides services ranging from accommodation and co-location to electrical connections, security and alarm detection to corrective and preventive maintenance, among many others. As a result of this transaction, Cellnex entered Austria, reaching 25% of the market and becoming the main independent operator of telecommunications towers in the country. All this was achieved by Cellnex Austria's employees, a team that has years of experience in the sector, and that provides efficient and quality solutions to customers.

Cellnex Denmark owns more than **1,300** sites throughout Denmark

Cellnex Denmark

At the end of 2020, the telecommunications company HI3G Networks Denmark officially transferred the ownership of its towers and sites, together with the corresponding passive equipment, to Cellnex, operating thereafter under the name Cellnex Denmark. Cellnex Denmark owns more than 1,300 sites throughout Denmark, serving telecommunications operators and technology companies through state-of-the-art telecommunications infrastructure. In addition, Cellnex Denmark maintains the goal of building more than 500 new sites in the next few years with a view to the deployment of 5G in the country. At the forefront of these services is a team of professionals with extensive experience in telecommunications, committed to providing infrastructure services for telecommunications for the benefit of all interested parties and always with a proactive attitude.

Cellnex Group in Spain has over **10,000** operational sites

Cellnex Spain

Cellnex has an important telecommunications infrastructure network in Spain with more than 10,000 operational sites distributed throughout the territory, which provide a wide geographical coverage and allow it to offer services to mobile operators, broadcasters and administrations. Cellnex, as a neutral operator, offers all mobile operators in the country the services necessary for the wireless transmission of data and content, allowing its clients a high degree of efficiency in the deployment of networks and positioning itself advantageously in the development of the networks. 5G networks. Public and private broadcasters entrust the distribution and broadcast of their signal to Cellnex, which boasts high-quality parameters and extensive experience in spectrum management. At the same time, Cellnex is collaborating with state, regional and local public administrations, to develop networks and services that contribute to improving the administration-citizen relationship and pave the way for the Smart City.

The Cellnex France Group is made up of **5** companies: Cellnex France; On Tower France; Nexloop France; Springbok mobility; Hivory

Cellnex France

The Cellnex France Group, which in turn is part of the Cellnex Group, is made up of five companies: Cellnex France, On Tower France, Nexloop France, Springbok mobility, and Hivory. Cellnex in France was founded in July 2016 as part of an initial agreement to purchase more than 600 telecommunications sites from Bouygues Telecom. The vast majority of the sites occupy quality locations in densely populated areas, an ideal situation for the future deployment of 5G. On Tower France was founded in December 2019 after the acquisition by the Cellnex France Group of 70% of the Iliad subsidiary that manages Free Mobile's passive infrastructure. On Tower France currently manages more than 5,700 sites throughout France. Nexloop France was created in May 2020 under a strategic partnership between Bouygues and the Cellnex France Group. Nexloop designs, implements, owns, manages, operates and maintains fiber optic infrastructure networks and numerous regional collection sites, as well as marketing services related to these activities. Springbok Mobility has been 100% subsidiary of the Cellnex France group since 2019. Springbok Mobility 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. In addition, in 2021 Cellnex closed the purchase of 100% of Hivory from Altice France and Starlight Holdco. Hivory manages the 10,500 sites that mainly serve the French mobile phone operator SFR.

Cellnex Ireland provides the necessary infrastructure to support the availability of wireless broadband in rural areas

Cellnex Ireland

Through the acquisition of Cignal in 2019, Cellnex Ireland is the country's newest telecommunications infrastructure provider, focusing primarily on the development and management of fiber infrastructure and tower sites to meet the requirements of the wireless communications industry. Cellnex's portfolio of sites in Ireland consists of more than 550 towers located throughout the country, plus the CK Hutchison sites, for which an agreement was reached in 2020. In addition, 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 these communities.

The sites managed by Cellnex in **Italy** constitute a dense and capillary network that covers the entire Italian territory

Cellnex Italy

Cellnex manages more than 24,000 sites in Italy which form a dense and far-reaching network covering the whole of Italy, and are therefore of great strategic value for mobile telecommunications, as well as for developing the current ultra-fast mobile 4-4.5G networks and the new 5G technology. Cellnex Italy provides multiple services in multi-operator mode, a key concept for the development of wireless networks and services, for optimizing investments and ensuring more rational and efficient use both in operation and in terms of the environmental impact of the reach of the existing and future network. In addition, TowerCo, a company 100% controlled by Cellnex Italy, manages more than 500 infrastructure assets spread over the entire Italian motorway network, operating in multi-operator and multi-service mode.

All specialist from Cellnex Netherlands have had years of **knowledge and experience** with data and telecommunications

Cellnex Netherlands

Cellnex Netherlands emerged from the acquisitions of Alticom BV (in 2017), Towerlink Netherlands BV (in 2016), Shere Masten BV (in 2016), Cignal Infrastructure Netherlands BV (originally T-Mobile Infra BV) (integrated in 2021) and Media Gateway (purchased in 2021). Cellnex's telecommunications infrastructure in the Netherlands consists of antenna masts, broadcasting towers, data centers and advertising masts strategically located in both urban and rural areas. Cellnex Netherlands' infrastructure is managed by a team of professionals from the Utrecht offices in The Hague. All the specialists have years of knowledge and experience in data and telecommunications.

Cellnex UK has over **9,000** sites and has access to hundreds of thousands of street-level assets essential for outdoor Small Cells and 5G deployments

Cellnex United Kingdom

In 2016 Cellnex entered the British market through the acquisition of Shere Group. In December 2019, Cellnex 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 United Kingdom. Cellnex UK has over 9,000 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 the 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 is subject to the satisfaction or waiver of applicable conditions precedent, including in relation to anti-trust and national security clearances, as required. On 16 December 2021, the United Kingdom Competition and Markets Authority ("CMA"), published its provisional findings and notice of possible remedies in relation to the CK Hutchison Holdings Transaction in respect of the United Kingdom, whereby it provisionally found that the CK Hutchison Holdings Transaction in respect of the United Kingdom would lead to a substantial lessening of competition in the market for the supply of access to developed macro sites and ancillary services to mobile network operators and other wireless communication providers in the United Kingdom. The Group publicly responded to the provisional findings and notice of possible remedies in January 2022 and, whilst the Group maintains that the CK Hutchison Holdings Transaction in respect of the United Kingdom will not result in any substantial lessening of competition, it has proposed a divestment remedy comprised of a limited subset of the infrastructures currently operated by Cellnex in the United Kingdom to resolve any potential concerns the CMA may continue to have at the time of its final decision. The deadline for publication of the CMA's final decision is 7 March 2022. If the CK Hutchison Holdings Transaction in respect of the United Kingdom is cleared subject to remedies, the deadline for implementation of remedies is 30 May 2022 (which may be extended by the CMA to 11 July 2022).

Cellnex Poland operates **7,250** sites distributed throughout Poland

Cellnex Poland

In October 2020, Cellnex reached an agreement with Iliad to acquire a 60% majority stake in Play Communications' portfolio of towers in Poland. On September 2020, Iliad launched a takeover bid for Play, agreed with its two main shareholders, which concluded at the end of November 2020. After receiving the green light from the Polish Office for Competition and Consumer Protection, Cellnex formalized the acquisition announced in October to acquire a 60% majority stake in the company. Furthermore, in February 2021 Cellnex announced a transaction with Cyfrowy Polsat Group for the acquisition of 99.9% of its telecommunications infrastructure subsidiary, Polkomtel Infrastruktura. In July 2021, the Polish competition authority (UOKiK) authorized the acquisition of Polkomtel Infrastruktura by Cellnex, formalizing the acquisition at that time. Cellnex Poland operates 7,250 sites distributed throughout Poland, mainly consisting of towers that provide telecommunications operators and technology companies with a state-of-the-art telecommunications infrastructure.

Cellnex Portugal

Cellnex already has in Portugal, through Omtel, On Tower and Infratower, more than 5,000 telecommunications sites located in urban, suburban and rural areas

In Portugal, Cellnex owns the companies Omtel (Omtel, Estruturas de Comunicações, S.A.), On Tower Portugal (On Tower Portugal, S.A.), Towerlink (Towerlink Portugal, S.A.) and Infratower (Infratower, S.A.). In 2019, Cellnex incorporated Towerlink, a company that 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, in Portugal, Cellnex already owns more than 5,000 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 efficiently supporting its growth and commitment to service excellence.

Cellnex Sweden

Cellnex Sweden has a portfolio distributed throughout the country and includes everything from 72-meter towers to highly complex interior space systems

On Tower Sweden was incorporated in January 2021, from the acquisition of the assets of CK Hutchison. This company has more than 2,500 sites and its portfolio is distributed throughout the country and includes everything from 72-meter towers to highly complex interior space systems, which allowsenabling it to offer operators very cost-effective and respectful installation environments with the environment.environmentally- friendly installations. On Tower Sweden provides a full range of services, deploys and optimizesoptimises sites, provides installation services, as well as operation and maintenance. On Tower 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 fiberfibre operators. On Tower Sweden (formerly HI3G) has agreed to conditionally grant a call option (the "Swedish Call Option") to Cellnex to purchase from HI3G interests in certain tower Assetsassets owned and operated by 3GIS but which, upon termination or expiry of the 3GIS Joint Venture Agreement, are transferred to HI3G (the "Swedish Option Towers"). The Swedish Call Option may only be exercised only if, amongst other things, the 3GIS Joint Venture Agreement is terminated or expires no later than 31 December 2030. Such terms of termination of the 3GIS Joint Venture Agreement are subject to agreement by HI3G, and HI3G is not under any obligation to agree to such terms or accept the transfer of the Swedish Option Towers.

Cellnex Switzerland

Cellnex Switzerland is the leading independent, national and neutral telecommunications infrastructure and services operator

In Switzerland, Cellnex is made up of the companies Swiss Towers AG and Swiss Infra Services SA. Swiss Towers AG was acquired in 2017 by acquiring 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, as 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 for a total amount of approximately EUR 770 million (see Note 6 of the Consolidated Financial Statements for the year ended on 31 December 2019). Cellnex Switzerland creates added value for society, its customers and all stakeholders. With a team of experienced industry experts, the company operates a dense network of more than 6,000 telecommunications sites across the country. Cellnex Switzerland is the leading independent, national and neutral telecommunications infrastructure and services operator.

Significant events in 2021

In 2021 the following significant events took place regarding corporate operations at Cellnex Group.

CK Hutchison

Following the various agreements reached in 2020 between Cellnex and CK Hutchison, 2021 has been a year of completing a large part of the agreements and integration of the different acquisitions made. Thus, in December 2020 the assets of Denmark, Austria and Ireland were incorporated and in 2021 those of Sweden and Italy. Currently, the transaction in the UK is still active in 2022. In this regard, Cellnex is working together with the British Competition and Markets Authority (CMA), in relation to the ongoing analysis of Cellnex's acquisition of CK Hutchison's passive infrastructure assets in the United Kingdom. The consideration for the CK Hutchison Holdings Transaction in respect of the United Kingdom is expected to be settled upon closing partly in cash and partly by the issue to Hutchison of new Shares and (if applicable) the transfer to Hutchison of treasury Shares. On 29 March 2021, 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 to be settled in Shares, as described in the item 10 on the agenda of the resolutions passed by the 2021 General Shareholder's Meeting. Hutchison is expected to receive approximately EUR 1.4 billion in Shares (with the exact number of Shares to be received by Hutchison based on the Cellnex Share price at closing[2]).'Hutchison is expected to receive approximately 27 million new Shares, depending on the Cellnex's share price as explained below, with Cellnex expecting to transfer such number of additional treasury Shares as is necessary to reach the number of the Shares consideration payable to Hutchison pursuant to the CK Hutchison Holdings Transaction in respect of the United Kingdom. The aggregate number of Shares to be delivered to Hutchison at completion is also subject to adjustment in the event that certain events (same adjustments events as in the EUR 850Mn 2028

[2] As such, the minimum and the maximum number of shares to be issued and delivered to Hutchison amounts to 23.7 million and 34.1 million, respectively, in the event the arithmetic average of the Volume Weighted Average Price on each of the 20 consecutive trading days ending on and including the date which is five trading days prior to the completion date of the CKH Hutchison Holdings Transactions in respect of the United Kingdom equals to or is above €57.0 per share and equals to or is below €39.6 per share, respectively.

convertible bond) relating to Cellnex's share capital occur prior to completion of the CK Hutchison Holdings Transaction in respect of the United Kingdom, including, among others, issues of Shares in Cellnex by way of conferring subscription or purchase rights (such as the issuance of Shares by Cellnex that occurred on 23 April 2021). As described in item 10, paragraph 10, of the Resolutions passed by the 2021 General Shareholder's Meeting, the General Shareholders' Meeting acknowledged that the potential differences in value between (i) the implicit value attributed to Cellnex's shares which will be issued in the context of the share capital Increase resolution; and (ii) the volume weighted average price of Cellnex's shares on a date which is close to the date where the share capital increase will be executed (subject to a collar mechanism limiting, exclusively to this purpose, the potential fluctuations in the share price(2)) will be adjusted. Such adjustment, which has a purely contractual significance and does not affect in any way the terms of the share capital increase, will be effected, if applicable, by means of Cellnex's shares transfer and/or, if agreed between Cellnex and Hutchison, by cash payment. Hutchison is expected to hold at closing of the CK Hutchison Holdings Transaction in respect of the United Kingdom an interest of between approximately 3.4% and 4.8%(2) in Cellnex's share capital, depending on the Cellnex's share price as explained in the presentation to the market of 12 November 2020 as well as the capital increase prospectus of 30 March 2021, assuming that no further adjustment events occur. However, in the event that the Cellnex shareholder approval to issue new Shares expires and is not renewed before completion, payment of the total consideration for the CK Hutchison Holdings Transaction in respect of the United Kingdom can be made fully in cash, unless otherwise agreed between the parties. In relation to the consideration for the CK Hutchison Holdings Transaction in respect of the United Kingdom that is expected to be partially settled through the issuance to Hutchison of new Shares and (if applicable) the transfer to Hutchison of treasury Shares, if as a result of a takeover bid prior to closing of such transaction a third party (alone or in concert with another person) acquires the majority of the votes in Cellnex, instead of delivering Shares, Cellnex shall procure that Hutchison receives at completion such equivalent consideration as Hutchison would have received had it been a shareholder of Cellnex at the time of the takeover bid.

In Italy, the closing of the purchase of CK Hutchison's telecommunications tower assets in the country (9,100 sites) was completed in June 2021, following the green light from the Italian competition authority (Autorità Garante della Concorrenza). In this sense, during the second half of 2021 and during 2022, work will be done to integrate Hutchison into Cellnex Italia.

In Ireland, the completion of the asset purchase was announced in December 2020. Thus, during that year the focus was on integrating the Hutchison team into Cellnex Ireland and understanding the assets, challenges and opportunities to operate as a just business.

In the case of Austria, Sweden and Denmark, representing new markets, the challenge in 2021 has been to enter a new market and to create the team and integrate it into the Cellnex model. In the case of Sweden and Denmark, a Shared Services team has been set up to support both countries and in the case of Austria, a Shared Services team has been established with Switzerland. In both cases, the Shared Services centers carry out business support functions such as Finance, IT or People amongst others.

Cellnex reached an agreement with **Deutsche Telekom** to integrate **3,150** sites.

T-Mobile Infra BV

In June 2021, the agreement announced in January of that same year was signed whereby Cellnex had reached an agreement with Deutsche Telekom to integrate the 3,150 telecommunications sites of T-Mobile Infra BV's in the Netherlands. This operation allows Cellnex to operate a total of 4,314 sites in the country and to play an important role as a telecommunications infrastructure operator in the Netherlands. Likewise, Cellnex and T-Mobile Netherlands BV will sign a long-term service contract of 15 years, automatically renewable for periods of 10 years. The agreement also includes the deployment of 180 new sites. In addition, 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. Thus, Cellnex, as a consequence of the terms set forth in paragraph 23 of IAS 32, recorded a liability in the amount of EUR 296 million (see Note 19.b.VI.) corresponding to the contingent commitment to purchase the 25.10% of the Cellnex Netherlands' shares from third-party shareholders, whose interests in this consolidated company are reflected as of 31 December 2021 under "Non-controlling interests".

Play

The agreement with Iliad announced in October 2020 was completed in March 2021, whereby Cellnex would now have a 60% controlling stake in the company that operates the nearly 7,000 Play telecommunications sites in Poland. Thus, the remaining 40% will continue to be owned by Play (Iliad), following the model agreed upon by Cellnex and Iliad in the case of the sites that Free (Iliad) operates in France. This new Polish telecommunications infrastructure company controlled by Cellnex plans to invest up to 1,300 million euros between now and 2030 in the deployment of up to c. 5,000 new sites.

Polkomtel Infrastruktura

In July 2021, the completion of the transaction with Cyfrowy Polsat Group was announced, in relation to the agreement to acquire 99.9% of its telecommunications infrastructure subsidiary, Polkomtel Infrastruktura. Polkomtel operates the passive infrastructure assets (7,000 towers and telecommunications sites) and active infrastructures (37,000 radio carriers covering all the bands used by 2G, 3G, 4G and 5G, a backbone network of 11,300 km of fiber - backbone– and fiber to the tower –backhaul– and a national network of microwave radio links). The agreement represents an investment of 1,600 million euros for Cellnex, accompanied by an additional deployment program of up to 1,500 sites, as well as investments in active equipment, mainly for the deployment of 5G, for another 600 million euros in the next 9 years.

Upon completion of the Polkomtel Acquisition, Polkomtel Infrastruktura, Polkomtel and Aero 2 sp. z.o.o., a MNO within the Polkomtel Group ("Aero", and together with Polkomtel, the "Polkomtel Customers"), entered into a master services agreement whereby Polkomtel Infrastruktura provides access to its passive infrastructures, render the services necessary to maintain the technical conditions that are necessary to provide the transmission of radio signals of a cellular telecommunication network and provide transmission "backhaul", among other ancillary services, to the Polkomtel Customers (the "Polkomtel MSA"). 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 programmeagreed 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.

The acquisition of Polkomtel Infrastruktura places Cellnex in a strategic position in Poland while incorporating a new service within Cellnex's business portfolio: Active Team management. This marks an unprecedented event at Cellnex, where the challenge from now on is to expand the active team management service throughout the Company's portfolio.

Hivory

In October 2021, Cellnex's purchase, announced in February of that year, of 100% of Hivory from Altice France and Starlight Holdco in France by Cellnex was completed. Hivory manages the 10,500 sites that mainly serve the French mobile phone operator SFR. The agreement represents an investment of €5,200 million for the company, which will be accompanied by an eight-year programmefor another €900 million for the deployment, among other projects, of up to 2,500 new sites. The authorization of this operation by the French competition authority also establishes that Cellnex will have to divest approximately 3,200 urban sites of the total number of sites that the Group will be managing in France after the integration of Hivory.

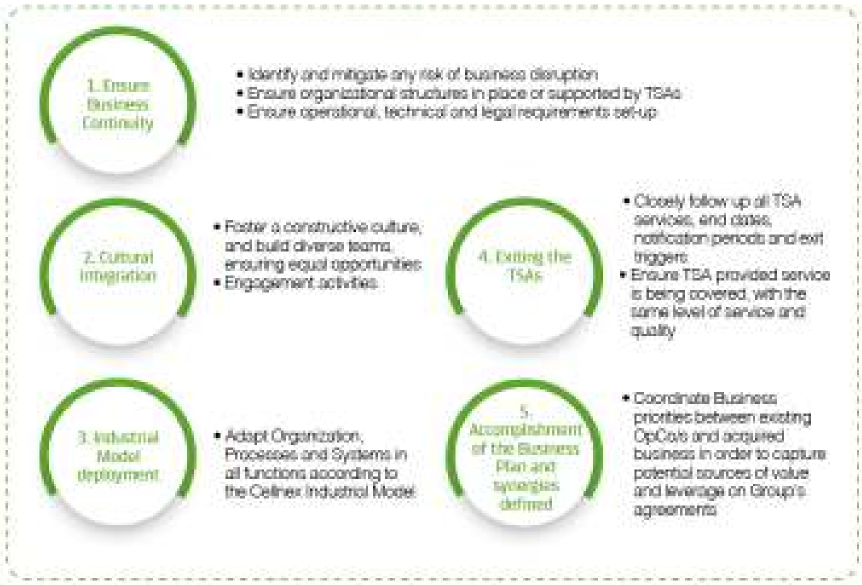
Cellnex's Integration Process

Integrating the companies that are acquired and absorbing growth in an agile and efficient way, while at the same time ensuring business continuity is not an easy task. Achieving both of these and maintaining high quality standards represents a challenge for Cellnex. The the mission of the Integration team is therefore to lead the integration processes while preserving the existing value of the acquired business and guaranteeing coordination between local and corporate teams. During the projects, the processes of the acquired company are evaluated, the defined priorities are carried out and implementation plans are defined, thus ensuring the deployment of Cellnex's Industrial Model.

Cellnex has demonstrated its ability to grow

Cellnex has demonstrated its ability to grow, ensuring business continuity, optimizing synergies and maintaining a high level of team commitment. This is possible by the definition of an integration framework, which allows the process to be carried out in a more agile, flexible and efficient way.

Below are the main challenges Cellnex faces during an integration process.



The Business Development Team is in charge of developing the business side of mergers and acquisitions (M&A) projects. They identify targets for possible deals that fit with the geographical areas and businesses in the countries where Cellnex operates, participate in the definition of the business plan, preparation of bids, Due Diligence procedures and the signature for the acquisition of business and/or assets. Also, once the operation has been completed, they transfer all the information collected to the relevant corporate departments so that the integration process of the company and/or assets can begin.

Before starting the integration process, there is a Pre-closing phase, which runs from the signature to the completion of the acquisition. This phase begins with the transfer of information from the M&A team to the Integration team. Based on the information available, the Integration team analyzes and defines the best integration strategy in coordination with the rest of the areas, and prepares the necessary actions to, once the transaction is closed, ensure the continuity of the service of the acquired company.

Each integration is divided into three phases:

1. "Day 1" phase: the objective of this phase is to preserve the existing value of the acquired business and initiate coordination between local and corporate teams. All the necessary internal and external communication is carried out, the project is launched and a first version of the integration plan is prepared taking account of priorities and objectives, as well as the governance structure to follow.

2. "90 Days" phase: In this phase, the processes, organization and systems of the acquired company are understood and reviewed and the main integration actions are carried out, in addition to defining and prioritizing the deployment plan of Cellnex's industrial model (based on of the country/company casuistry) during the optimization phase.

3. Optimization Phase: this lasts about 7 months, but this duration is flexible, since it depends on the complexity of the integration, the type of integration and the strategy to be followed. This phase is mainly based on the deployment of the Cellnex's Industrial Model.

As each integration takes place, Cellnex adjusts its Integration Framework based on experience and lessons learned. To that end, during 2021 the Integration Team improved and adapted its Integration methodology on the basis of the lessons learned from previous integrations, and their context, always with the speed, scalability and flexibility that the organization requires. The main actions carried out in 2021 were:

- Shortening of the integration period to 10 months (instead of 12 months, as before).
- Strengthening the local leadership of the project markets where Cellnex already operates (e.g: Italy).
- Ensuring that the Integration Methodology for different businesses or product lines is applicable to different businesses and product lines (e.g: active infrastructure).
- Improving in coordination during the transfer processes of both the M&A team and the local team.
- Improvements in communication actions to make it as effective as possible and cause the necessary and desired impact.
- Agility in negotiating of transitory service agreements.

To ensure that integration projects are properly carried out, together with monitoring and control, a similar governance structure has been defined and is being implemented in all projects. The resulting structure for integration projects is as follows:

- Identification of a single point of contact/manager, both local and corporate, for each department (as a general rule, 10 departments, such as Sales, Operations and Shared Services are identified). The main priority is to avoid putting the existing business at risk, always ensuring its continuity. Meanwhile, the Integrations Team is totally dedicated to integration and is usually equipped, depending on the maturity of the country, with an internal team and a support team of external consultants. In some cases, a corporate employee is seconded to the country, as an expatriate, to cover the necessary functions and thereby promote professional development.
- In other cases there are corporate teams to provide temporary support to the country, as needed.
- In countries where Cellnex already has a presence, local teams acquire more prominence and leadership by managing integration themselves.

During 2021, 15 integration projects have been managed, 12 of them simultaneously

In 2021, 15 integration projects were managed, 12 of them simultaneously. Each project involves the participation of about 90 people from 12 different areas. As a result of these integrations, approximately 550 new employees have been incorporated into Cellnex, more than 35,000 locations and new service lines.

Integration Buddy

The Integration Buddy project is the informal point of contact during the integration process. The objective is to help understand the culture and the formal and informal structures of the company, as well as to act as an informal link between the headquarters and the country.

Therefore, the Integration Buddy has the following functions:

- To provide information and support on the intangible aspects of the integration process.
- To provide information and support on how the company operates.
- To provide information and support on where to look for sources of information.
- To Increase the feeling being welcomed to the Company.
- To help reduce the learning curve of new colleagues, increase their well-being and have a direct impact on the efficiency of the entire integration process.

"As a "buddy" of Malgosia I have tried to support her from my Cellnex experience in order to ensure a successful and smooth integration.Aslo I have tried to be an informal point of contact beyond our day to day and stablish an strong connection between us. Really, to be her "buddy" was worth it for many reasons."

Anna Bufí, Country People & Organization Director

"Anna was the first person from outside the group of my manager and my own team who introduced me to the organization . In addition, we perform the same functions in different countries - which is why Anna's experience was very valuable to me. I knew that I could turn to her any time in any matter and with any question and I still can."

Małgorzata Rozwałka-Tłok, People Director

"At Cellnex, a good induction process is key for igniting a high motivation and sense of belonging in our new colleague. This is even more important when it comes to welcoming a new country in our footprint. The Buddy Programme is a brilliant initiative which helped me to try and being useful to Peter in his first 90 days."

Alfonso Álvarez, Country Deputy Managing Director

"The integration process of AT into the Cellnex world was based on a very professional and HR driven integration Team. Thanks to that we could settle in and feel part of the family immediately. On top of that the personal contact to Alfonso as a "buddy" was an additional value to speed up this process and can be considered as one of the key success factors of Cellnex."

Peter Haupt, Country Managing director

Industrial model

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

Cellnex's industrial model is applied to all Cellnex business units and departments

This 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. The deployment of the Industrial Model is deployed both through integration projects for new acquisitions, as well as through value creation or continuous improvement projects, always under an Integrated Management Model. Cellnex's industrial model is applied to all Cellnex business units and departments.

Global Governance is based on the Cellnex Industrial Model being supervised by Cellnex's Senior Management at corporate and country levels, through a common Management Model for monitoring the strategy, objectives and results, and 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.


Guidelines
People & Organization
Process
IT Tools
Dashboard
THE INDUSTRIAL MODEL IS IMPLEMENTED ACROSS ALL CELLNEX BUSINESS UNITS AND AREAS
GLOBAL COMMERCIAL
GLOBAL SHARED SERVICES
GLOBAL GOVERNANCE
GLOBAL OPERATIONS

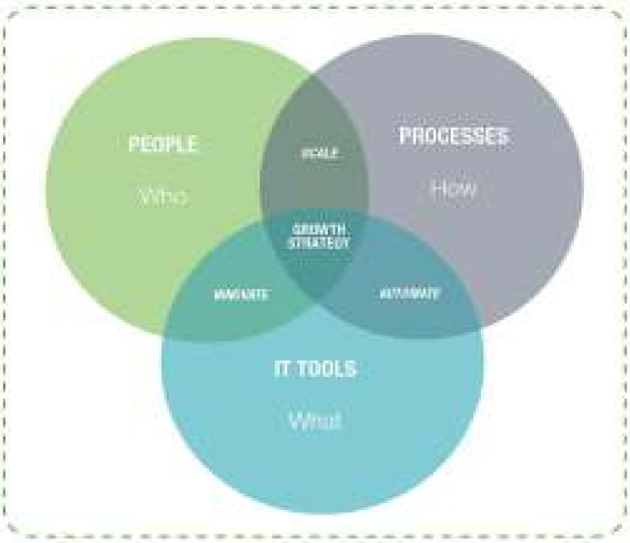

Servicios compartidos globales:
Industrialización de funciones de Servicios Compartidos para definir políticas y procedimientos y brindar servicios a las diferentes BUs
Servicios compartidos globales
Economía y Finanzas
• Políticas contables, modelo de reporting y criterios fiscales comunes
• Funciones contables y administrativas centralizadas y externalizadas en un BPO común
• Centralización de las funciones de Tesorería
Asuntos legales y regulatorios
• Criterios comunes para Personas Jurídicas, Junta Directiva y Poderes Notariales
• Términos y condiciones de Contratos Compartidos, seguros y políticas de protección de datos
Asuntos públicos y comunicación
• Coordinación ESG
• Estrategia de comunicación
• Imagen corporativa, branding y redes sociales
Compras
• Políticas y reglas comunes para compras y procesos estándares. Mapa de eficiencias en proveedores
• Equilibrio entre empoderamiento y control
Personas y organización
• Estructura organizativa y modelo relacional
• Cultura global
• Esquema de compensación y beneficios comunes
• Mismos programas de talento y liderazgo
• Smart Working
Procesos
• Procesos comunes en la empresa
• Metodología y herramientas compartidas
IT
• Arquitectura IT única
• Mismas aplicaciones para todo el Grupo
• Lugar de trabajo único
Medio ambiente, salud, seguridad y calidad
• Políticas y criterios comunes
• Certificaciones

In this sense, the model defined by Cellnex has a matrix structure to facilitate joint working between corporate departments and countries, combining a global and local vision. Consequently, in each country the various departments report to the relevant General Manager (who, in turn, reports to the Corporate Deputy General Manager) 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.

For the progressive implementation of the Cellnex Industrial Model in each new Business Unit, there is a Change Management Methodology, which covers the following stages:

People, Processes and IT Tools are the three central elements that support the implementation of the Industrial Model. In the case of People, it is essential to develop and implement a Corporate Culture built on the values that best define the Company and its employees. Cellnex wants to ensure that it is a reference as well as a great place to work in all the markets in which it operates.



With the Processes, Cellnex adds value to customers and employees, facilitating growth, change management and continuous improvement, through standardized processes and best practices. And, finally, the IT Tools allow information technology services that support the Industrial Model to be planned, implemented and provided, leveraging the Group's sustainable growth, with the highest quality, efficiency and commitment to service.

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.

PRIME Project

The Global Governance section of Cellnex’s transformation program includes the PRIME Project initiative, which has the main objective of defining and implementing the new industrial model for the Group’s accounting and administrative functions. The PRIME Project defines a homogeneous and scalable model for all the countries so that efficiencies can be captured and the Group's fast growth absorbed.

The project started in 2018 by defining the common target model from a processes, policies, systems and organization perspective. The defined model includes the outsourcing of administrative and lower value-added activities to an external partner, while keeping the activities with the highest added-value related to administration and accounting and controlling them inside the organisation. The implementation of the model started in 2020, led by a transversal team from Finance, IT and Organization and Integrations from both corporate and country levels. In 2020 the model was implemented in six countries of the Cellnex Group (Spain, the Netherlands, the United Kingdom, France, Switzerland and Italy) and during 2021, the model was successfully implemented in five other countries, namely Portugal, Austria, Ireland, Denmark and Sweden. The deployment of the project is expected to continue during 2022, incorporating new countries such as Poland and other companies recently added to the Group.

Integration of Omtel in Portugal

At the end of 2020, the integration of Omtel into Cellnex Portugal was completed, since then the Portugal team has focused on launching Cellnex's industrial model, mainly using SAP, Agora and Prime, and achieving compliance with more 90% of the milestones of the integration project.

Organic growth generation

Recurring Leveraged Free Cash Flow (please see section 2.3 of this Consolidated Management Report) organic growth generation in the year ended December 31, 2021 amounted to 125 million euros (please see full year 2021 results presentation), driven by a number of contributors: i) BTS programme execution (approximately 58 million euros), ii) escalators or inflation (approximately 18 million euros), iii) Operating expenses, ground lease efficiencies and synergies (approximately 15 million euros) and, iv) New colocations and associated revenues (approximately 34 million euros). These are the assumptions that the management has taken into account:

- The contribution from BTS programs corresponds to approximately 2,400 average BTS PoPs, adjusting for its respective incremental contribution in 2021, along with a low double-digit 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 a million euros low-single digit figure.

- 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 Note 6 of the accompanying Consolidated Financial Statements), while the remaining c.35% is linked to fixed escalators (1% of 2% - please see Note 6 of the accompanying Consolidated Financial Statements). For the year ended 31 December 2021 management estimates assume approximately 1.5% 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 expenses savings related to energy consumption and connectivity costs that are offset by the impact of the CPI (allowing an Opex flat like-for-like). In 2021 there were no synergies contribution. Under management estimates, the corresponding investments deliver an approximate 10x pay-off.

- New colocations and Associated revenues corresponds to new third party colocations (approximately 2,300 average third party PoPs, adjusting for its respective incremental contribution in 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 customers such as adaptation, engineering and design services, which represent a separate income stream and performance obligation). It also includes the impact from contracts renewal in the Broadcasting Infrastructure business (approximately -€8Mn in 2021).

Strategic vision

The materiality diagnosis serves as a starting point for the preparation of the new ESG Plan 2021-2025

Materiality

In 2020 Cellnex updated its materiality matrix based on an internal and external diagnosis carried out that year, which identified the issues of relevance to Cellnex and its stakeholders. The diagnosis was also used to update the Company's stakeholder map, and as a starting point for the drafting of the new ESG Plan 2021-2025.

For the internal diagnosis, a questionnaire was devised with eight aspects or topics, and within each one, 35 specific aspects and the focus of the analysis were defined. For each specific aspect, the importance and management by senior management and general managers in each country in which Cellnex operates was analysed. The public and internal documentation available at Cellnex relating to the management of the various business aspects related to environment, social and governance (ESG) issues was also analysed, such as the Strategic Sustainability Plan (2019-2023) and the Equity, Diversity and Inclusion Programme (2019-2022).

"At Cellnex UK we believe we must embed ESG in all we do. It's the responsible way to do business, contributes to a sustainable economy, and establishes solid values to build a cohesive and fair society. I am proud to be part of a company with this at the core of its business."

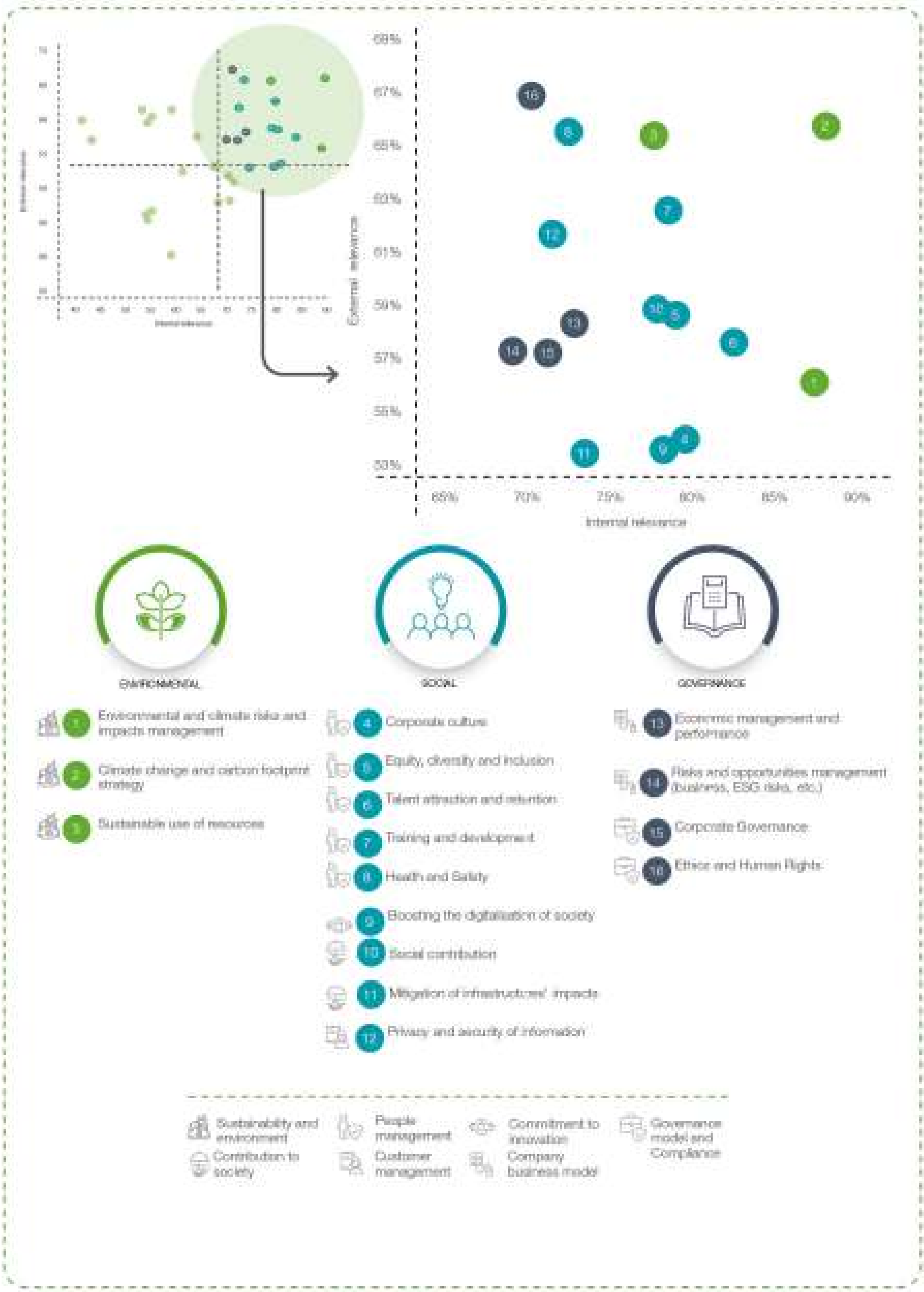
Claire Cranton, Country Communication and Public Affairs Expert

For the external diagnosis, the demands of opinion leaders and trends in the media in the various predefined thematic areas were identified. In addition, an analysis was carried out to identify good practices in ESG issues in the telecommunications sector. For this purpose, eight companies similar to Cellnex were selected and their ESG initiatives were analyzed based on publicly available information on each company. It was also consulted public information on benchmark opinion leaders, including sectoral sustainability prescribers (DJSI, CDP, MSCI, Sustainalytics), reporting frameworks (IIRC, TCFD, GRI, SASB, SDGs) and national and international regulation (ILO, CNMV), among others.

For both the internal and external diagnosis, the various inputs considered for the analysis were weighted according to their relevance. This enabled Cellnex to identify significant and non-significant issues for the Company. These issues of relevance to Cellnex and its stakeholders are shown in the materiality matrix presented below, which identifies 16 specific material aspects of the 35 initial ones.

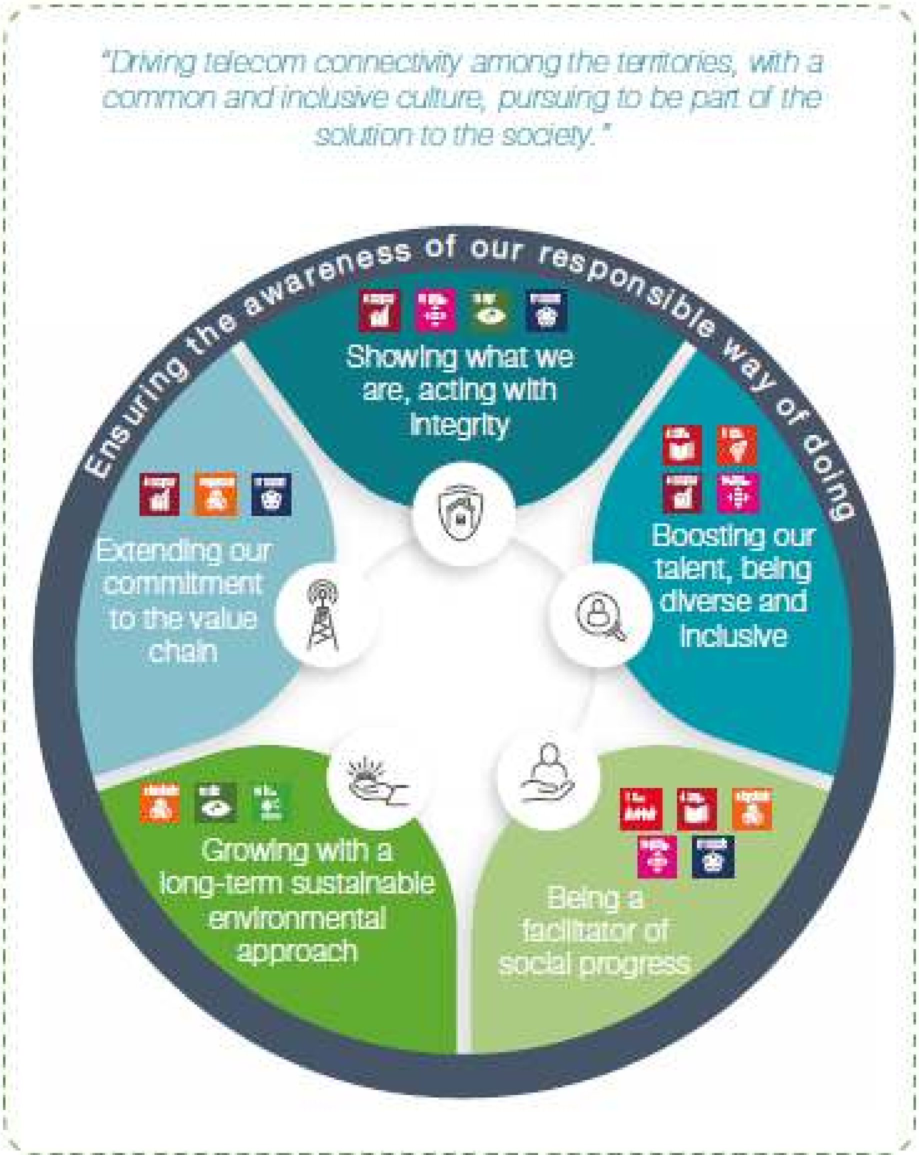
The materiality analysis was carried out with a dual approach. One focused primarily on the impact of sustainability issues on the entity (a more financial approach, or “outside-in”). The second, considering a qualitative analysis of the important issues for Cellnex's stakeholders related to a greater impact of the business on the environment (impact approach, or "from the inside out").

By 2022 Cellnex plans to update its materiality matrix again to incorporate the inputs of the new business units that joined the Company in 2020 and 2021.


69%
67%
65%
63%
61%
59%
57%
55%
53%
External relevance
65%
70%
75%
80%
85%
90%
Internal relevance
ENVIRONMENTAL
SOCIAL
GOVERNANCE
1 Environmental and climate risks and impacts management
2 Climate change and carbon footprint strategy
3 Sustainable use of resources
4 Corporate culture
5 Equity, diversity and inclusion
6 Talent attraction and retention
7 Training and development
8 Health and Safety
9 Boosting the digitalisation of society
10 Social contribution
11 Mitigation of infrastructures' impacts
12 Privacy and security of information
13 Economic management and performance
14 Risks and opportunities management (business, ESG risks, etc.)
15 Corporate Governance
16 Ethics and Human Rights
Sustainability and environment
Contribution to society
People management
Customer management
Commitment to innovation
Company business model
Governance model and Compliance

ESG Master Plan

Cellnex's commitment to ESG is a priority for the Group and a central and essential element of the corporate strategy. In 2020 the Company approved the ESG Master Plan 2021-2025, a framework for deploying the Group's ESG strategy in all the countries where is present.



This Master Plan is an example of how more time and resources are being dedicated to ensure that Cellnex operates responsibly in all aspects of the ESG concept. For example, the remuneration of senior management has been linked to the Company's performance on ESG issues in 2021. To this end, the Group's efforts in these areas have been evaluated and monitored based on a combination of the overall score obtained in a selection of ESG indexes in which Cellnex participates (e.g. Dow Jones Sustainability Index, Sustainalytics, MSCI and FTSE4Good).

By 2022, the Company will link the Management objectives[3] to the ESG Master Plan, specifically related to the Science-Based Target (SBT) objectives and to diversity indicators. Additionally, 2022 will be the first year in which all Cellnex employees will have a percentage of their evaluation by objectives (MBO) linked to ESG objectives.

Cellnex executed the new

ESG Master Plan (2021-2025)

The definition of the ESG Master Plan considered the evolution of the Company in recent years and its growth and internationalisation, as well as the new trends and expectations of stakeholders.

Based on the internal and external diagnosis of the materiality analysis, 5 strategic axes and a transversal axis were defined within the ESG Master Plan. Based on these 6 axes, 17 strategic lines were established which gave rise to 92 specific actions.

In addition, the actions contemplated in the ESG Master Plan take into account the results obtained from the analysis of the prioritisation of the SDGs for Cellnex conducted in 2020, their specific objectives and their corresponding targets.

Below is a table showing the relationship between the materiality matrix, the ESG Master Plan, the GRI reporting standards and applicable non-financial reporting requirements.

[3] See Annex 11. Annual Report on the Remuneration of Directors of Cellnex Telecom

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	102: Company Profile 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	102: Strategy	Risks
Governance model and Compliance	Corporate Governance	Showing what we are, acting with integrity Ensuring the awareness of our responsible way of doing	102: Governance	Competitive Behavior & Open Internet
	Ethics and Human Rights	Showing what we are, acting with integrity Ensuring the awareness of our responsible way of doing	102: Ethics and Integrity 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	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
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	417: Marketing and Labeling 418: Customer Privacy	Data Privacy Data Security Manage systemic risks from tecUology disruptions

Follow-up of the ESG Master Plan

In order to monitor the implementation of the ESG Master Plan, as well as its degree of compliance, a five-year schedule has been drawn up that includes the indicators (KPIs) and targets to be achieved in some actions. The main KPIs corresponding to the Environmental, Social and Governance dimensions are presented below.

	Target year	Target	FY21 Achievement
Environmental			
Growing with a long-term sustainable environmental approach			
Sourcing of renewable electricity (SBT) (1) (2)	2021 / 2025	40% / 100%	40%
Reduction of scope 1 and 2 GHG emissions and scope 3 GHG emissions from fuel and energy-related activities (SBT) (2)	2030	(70)%	(18)%
Absolute scope 3 GHG emissions from purchased goods and services and capital goods (SBT) (2)	2025	(21)%	(8)%
Social			
Boosting our talent, being diverse and inclusive			
Women in management positions (3)	2022 / 2025	26% / 30%	24%
Hires of women (3)	2022 / 2025	45% / 50%	47%
Hires of young talent (3)	2022 / 2025	30% / 30%	29%
Appointments of foreign Directors at Cellnex HQ	2022 / 2025	45% / 60%	40%
Appointments of foreign employees at Cellnex HQ	2022 / 2025	20% / 40%	20%
Career advancement for women (3)	2022 / 2025	33% / 40%	36%
Employee engagement (4)	2022 / 2025	≥75% / ≥80%	77%
Employees responding to the pulse survey (4)	2022 / 2025	≥70%	78%
Inclusive leadership positive scores on the employee pulse survey (4)	2022 / 2025	≥75% / ≥80%	75%
Extending our commitment to the value chain			
Critical suppliers homologated considering ESG criteria	2023	100%	*Work in progress*
Critical suppliers audited	2025	80%	*Work in progress*
Ensuring the awareness of our responsible way of doing			
Cellnex Group employees participating in the ESG annual awareness initiative	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%	*Work in progress*
Governance			
Showing what we are, acting with integrity			
Women directors	2022	40%	45%
Non-executive directors	2022	90%	91%
Independent directors	2022	60%	73%
Directors with ESG capabilities and expertise	2022	25%	25%
Nationalities in the BoD	2022	≥5	7

(1) Energy targets refer to the energy directly managed by Cellnex (Scope 2). Data calculated according to SBT and GHG Protocol methodology applied to FY21 perimeter.
(2) Compared to the base year 2020 verified by an external certified entity.
(3) According to FY20 perimeter, excluding Edzcom. Intake due to M&A will be included after 3 years after the integration's year.
(4) Corporate, Denmark, France, Ireland, Netherlands, Portugal, Spain and United Kingdom

During this first year of the ESG Master Plan the performance has been 97% of progress in planning and 91% in the implementation of the actions defined for 2021. Detailed progress on each of the plan's axes are shown below.

Actions by strategic axe	Number of actions to be carried out in 2021	Planning status	Implementation status
Showing what we are, acting with integrity	8	94%	93%
Boosting our talent, being diverse and inclus	8	94%	79%
Being a facilitator of social progress	5	100%	100%
Growing with a long-term sustainable environmental approach	3	100%	77%
Extending our commitment to the value chain	3	100%	100%
Ensuring the awareness of our responsible way of doing	6	100%	100%

97% of progress in actions' planning

91% of progress in actions' implementation

Cellnex ESG Governance

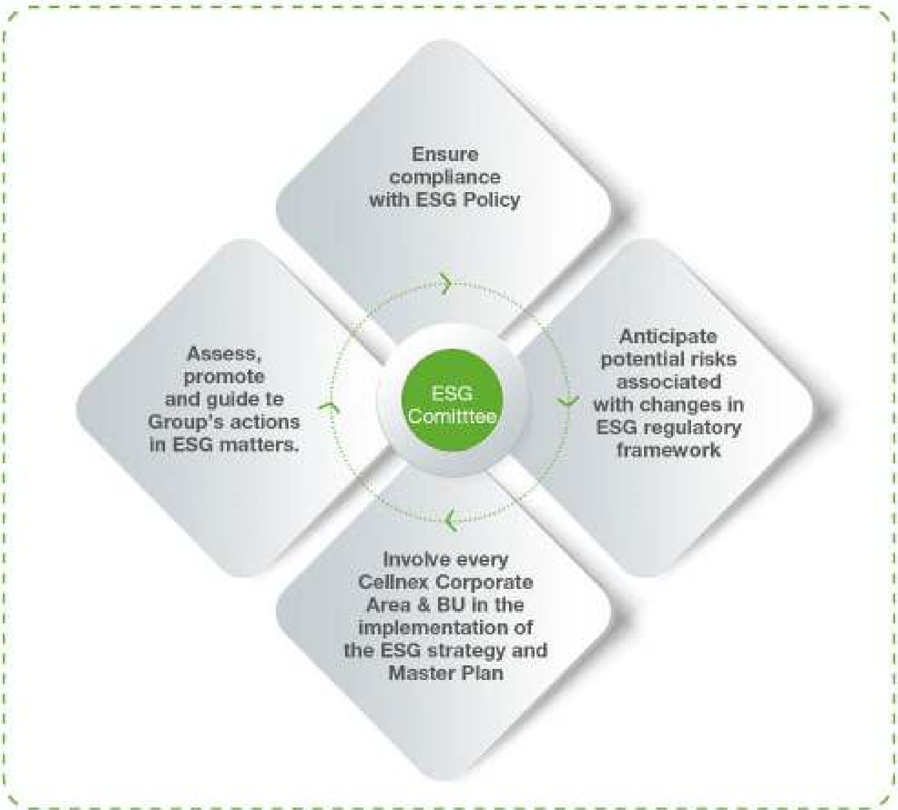
Nominations, Remunerations and Sustainability Committee (NRSC)

To monitor the ESG strategy at Cellnex, on 19 February 2021, the Board of Directors amended its Regulations, including the functions of the Appointments and Remuneration Committee, which is now called the Nominations, Remunerations and Sustainability Committee (NRSC). The functions of the NRSC include:

- Supervising the application of general policy regarding the communication of economic-financial, non-financial, and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders.
- Evaluating and periodically reviewing 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.
- Ensuring that the Company's environmental and social practices are in line with the strategy and policies set.
- Reviewing and reporting on the Annual Integrated Report and the implementation of the ESG Master Plan.

Cellnex ESG Committee

For the development of perform these functions, in 2021 the Cellnex ESG Committee was created, an executive committee coordinated by the Corporate and Public Affairs area, and composed of various departments related to ESG issues (Management Systems, People, ESG, Operations, Board Secretariat, Investor Relations and Procurement). During 2021, the The ESG Committee met 3 three times in 2021.



Stakeholders

In 2020, as part of the update of the materiality matrix, Cellnex updated its stakeholder map. In this regard, the consultations carried out with various stakeholders allowed Cellnex to identify and understand the expectations of all of Cellnex's stakeholders in the field of ESG.

Cellnex has different channels (common and specific) to continuous maintain fluid and constant communication with its Stakeholders and consequently provide an appropriate response to their needs.

Thus, the new Stakeholder map includes the seven most relevant key actors for Cellnex. The following table details the communication and relationship tools with each of these groups, as well as the company's specific commitments, the related ESG Master Plan axes and Sustainable Development Goals linked.

Stakeholders	Communication tools and relationship with Stakeholders – Common	Communication tools and relationship with Stakeholders – Specific	Cellnex commitments	ESG Master Plan Strategic axis	SDG
Suppliers Group of companies, regardless of their size, that supply goods and/ or provide services to Cellnex	ESG Committee Appointments, Remuneration and Sustainability Committee (CNRS) Ethical channel Integrated Annual Report Materiality Analysis Web page Social networks Cellnex Trends	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, 9, 17
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, 10, 13, 17
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. As well as the creation of alliances for development and global well-being	Showing what we are, acting with integrity + Being a facilitator of social progress	1, 4, 8, 9, 10, 13, 17
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, 9, 17
Investors and shareholders Person or entity that owns Cellnex shares and / or makes an investment in the Company.		General Shareholder Meeting Quarterly and annual results reports Sustainability indices Investor Roadmap Meetings with investors (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, 10, 13, 17
Employees Professionals, regardless of their seniority, who carry out a job in each of the countries where Cellnex operates.		Intranet Pulse survey Individual Development Plan Training Internal communications Volunteer program	Fulfillment of employee expectations through active listening, engagement and development of a corporate culture. As well as 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	4, 5, 8, 10
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, 9, 10, 13, 17

In addition, to deepen and expand awareness to Cellnex's stakeholders, in 2021 a video[4] of the Cellnex's ESG Master Plan was launched as a lever to involve all the stakeholders.

Partnerships

Cellnex is a member of various associations, which allows the Company to strengthen its commitment to other players in the sector and to participate in decision-making that could affect the Company. Below are some of the associations in which Cellnex participates.

Cellnex participation in EWIA

The European Wireless Infrastructure Association (EWIA) is the European trade association of wholesale wireless infrastructure providers. Its members invests in and operate wireless infrastructure essential to the delivery of mobile voice, wireless broadband and other wireless networks. EWIA advocates policies that encourage the network infrastructure investment and deployment necessary to make advanced wireless broadband available everywhere for consumers, businesses, health care, public safety and the countless other sectors that rely on always-on wireless connections. It is composed by 10 towerco, which are operating across 14 European countries. On September 2020 Tobias Martinez, Cellnex CEO, was elected as EWIA Chairperson for a two-year term.

Cellnex France participation in OFITEM

OFITEM is an association that brings together the four main operators of mobile telephony infrastructure in France: ATC France, Cellnex, Hivory and TDF. Within OFITEM, the office is responsible for steering the Association’s strategic actions and ensuring its representation to public authorities and various stakeholders. OFITEM leads several working groups which, at the initiative of its members, produce the Association's reflections and public positions. Cellnex is one of the founding members and currently Vincent Cuvillier is the President of the Association.

[4] Link to video, Cellnex ESG Master Plan 2021-2025: https://youtu.be/VBYZmalJqm0

Representation of Cellnex in InfraNum

Vincent Burgert, nexLoop Managing Director has been elected to the Board of Directors at Infranum, a federation for telecom infrastructure professionals.

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)	RES Roma VIII S.r.L.
European Innovation Partnership on Smart Cities and Communities (EIP-SCC)	Cámara Comercio de España	Associazione Centro ELIS
SmartCat Challenge	5G MAG	Unindustria - Unione degli industri
IoT Catalan Alliance	SCF (Small Cell Forum)	ASSTEL
Clúster audiovisual de Catalunya	Foment del Treball	Camera di Commercio Spagnola
Cátedra RTVE	Centro de Innovación Tecnologica de Logistica y Transporte (CITET)	F.A.I. Fondo Ambiente Italiano
Global Compact	As Nacional de Operadores (AOETEC)	Consorzio Elis S.C.A R.L.
ENERTIC	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)	Elis Italia	Associazione Nuvolaverde 2.0
DIRCOM (Directores de Comunicación)	Cámara Comercio Reino Unido	Lad Onlus
Cluster de la Industria - CIAC	Cámara Comercio Francia	UHD spain
Asociación Empresarial de l'Hospitalet de Llobregat (AEBALL)	Enterprise Ireland	Lega Italiana Fibrosi Cistica Odv
Ambientech	IDA Ireland	

Cellnex is also a member of several Foundations, participates in forums and collaborates with Universities and training centres, where Cellnex shares its knowledge and experience while benefitting from knowledge transfer and keeping abreast of the latest trends. In this regard, in 2021 Cellnex continued to be a relevant actor in the field of R&D, actively participating as a patron of technology centers such as Eurecat and i2Cat. Cellnex also participated in the selection, jury, launch of challenges and awards to startups in initiatives such as The Collider or the Expansión startups 2021 awards.

Foundations

EURECAT	Fundación Circulo de Tecnologías para la Defensa y la Seguridad	Banco Alimentos Portugal
i2CAT	Fondazione Banco Alimentare Onlus	Casa dos Rapazes
Fundación Seres	Comunità di Sant'Egidio	Terra dos Sonhos
Fundación Circulo de Telecomunicaciones (Roberto Prieto)	Lega Del Filo D'oro	Fundación Gran Teatre del Liceu
Het Oranje Fonds	Croce Rossa Italiana	Fundación NPH Spain
Fundació BEST	Medici Senza Frontiere	UNICEF
Fundación Hermes	Operation Smile Italia Onlus	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	Médicos sin Fronteras Switzerland	Armoedefonds
Fundación Privada Caja de Ingenieros	Cancer fund for children Ireland	National Ouderen Fonds
Fundación Privada Cercle d'Infraestructures		

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 Madrd	Universidad Politécnica de Barcelona
HRC International Academy Srl		

All this activity has given Cellnex regular exposure in the media, such as television, radio and the press, as well as at international events to explain Cellnex's approach to the future of the industry. During 2021 Cellnex also participated in several events, some of the most significant of which are presented below:

- Mobile World Congress (MWC): This is the main event in the telecommunications world. It is held in Barcelona and Cellnex has taken part since its inception. In 2021, in response to healthcare needs, the Company's stand featured open spaces while showing a complete vision of its activity in the various market segments and territories.

- 5G Forum: International meeting where experts in the development of 5G meet in the city of Malaga. Cellnex has participated in this event since its first edition as a 5G infrastructure operator and a benchmark in the creation of technological solutions.

- Small Cells World Summit: As a member of the Small Cells Forum organisation, Cellnex has participated in several conferences at this event held in Italy. The Company is very active in the DAS and Small Cell field in Italy, and this conference reinforces its position in the business.

- Critical Communications World: Event held in 2021 in Madrid, where the Company had a stand to showcase its areas of business and meet its main customers in the security and emergency communications sector.

- 4K Summit: One of the leading events in the broadcast sector in which Cellnex has participated since its inception. The Company demonstrates the latest technologies in the audiovisual field.

- Digital Summit: As a member of the DigitalES association, Cellnex is one of the sponsors of this event which brings together companies and organisations involved in the development of the telecommunications sector.

- Smart Expo Milano: Cellnex participates in this event, which is the stage for showcasing the solutions that the company is developing for the smart city.

- Vivatech Technology: Event dedicated to startups and technology, which in 2021 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 start-ups.

- 4YFN: Event dedicated to startup innovation in the framework of the Mobile World Congress (MWC) taking place in Barcelona, Spain. The event features conferences, panels, talks and startup competitions.

- South Summit: The aim of the event is to be the hub of reference that shapes the future through initiative, entrepreneurship, open innovation and business opportunities. To this end, the event aims to activate connections between the main players in the ecosystem, providing a platform of reinforcement for all. And bringing together the most disruptive startups, the most visionary investors and the most dynamic corporations. Mixing the voice of experience with the entrepreneurial spirit and sharing a common ecosystem. In 2021 Cellnex has been an innovation partner at the South Summit, where Cellnex participated in the startup judging panel, allowing it to get closer to the entrepreneurial world together with local authorities.

- Telecom 2021: is an event organised in Spain by the National Federation of Telecommunications Installers and Integrators (FENITEL). The event was attended by a relevant representation of the telecommunications sector, senior representatives of the Ministry of Economic Affairs and Digital Transformation, other areas of the Public Administrations and the CNMC. The aim of the event was for the entire value chain of the sector to learn about NextGenEU resources to sustainably boost levels of economic activity and promote the momentum of a "connection to recovery". Thus, different round tables were organised, as well as a networking meeting. Albert Cuatrecasas, CEO of Cellnex Spain, participated in the round table on "5G: Use cases, deployment models and the impact on the sector's activity".

- TowerXchange Europe Meet Up: This is one of the main annual meeting of the European telecommunications infrastructure industry, in which Cellnex has participated since 2016. In 2021, -again marked by Covid-19- it was held in a virtual format, across three days, different meetings and sessions were held in the form of round tables, conferences and bilateral meetings, among others. Cellnex sponsored the event and the company's management participated as speakers and moderators in several of the sessions.

- Choose France: This event held in Versailles brings together senior representatives of the French government and the main foreign investors in France. In 2021, more than 110 top-level executives from around the world participated, including Cellnex. During the event, 22 investment projects led by foreign companies, with an investment value of more than €3.5 billion, were announced.

Cellnex Portugal participates in the ESG Portugal Forum

On 29 June, ECO and Capital Verde organized the ESG Portugal Forum 2021, an event that brought together the main experts, entrepreneurs, managers and consultants on ESG issues. The event focused on two central topics: the state of ESG reporting in Portuguese companies, and the sectoral and regulatory diversity of ESG approaches. Nuno Carvalhosa, Managing Director of Cellnex Portugal, participated in the panel on this second topic as a speaker.

During 2021, Cellnex professionals also took part in several conferences, notably in the areas of innovation, mobility and sustainability.

In the innovation sector, José Antonio Aranda took part in conferences organized by GSMA and Capgemini, among others. He was also a speaker at the BITAM conference on innovation in the audiovisual sector and at the meeting organized by the El País newspaper with the main players in technology and innovation.

Mobility was the focus of a conference organized by ANFAC in which Fernando Brea represented Cellnex. Moreover, Raül González participated in the meeting organized by Mobile World Capital, sharing the 5G MED project.

On sustainability, Aitor Rubio gave a presentation of the 5G LEAN project in the framework of DigitalES.

Cellnex awards and recognitions in 2021

Cellnex's good performance and its social, environmental and economic contribution have earned the Group international recognition, as evidenced by the awards and recognitions received over the years.

In 2021 Cellnex was the winner in the "Efficient Consumption" category of the first edition of the Retina ECO Awards for its contribution to reducing CO_2 emissions to zero in rural telecommunications towers through the "Zero Emissions Rural Site" project. The first edition of the Retina ECO Awards, organised by El País Retina in collaboration with Capgemini, sought to recognise the best projects developed during 2020 in the field of combating climate change and achieving sustainability thought technology.

Albert Cuatrecasas, Managing Director of Cellnex in Spain, receiving the award

Zero Emissions Rural Site

"Zero Emissions Rural Site" is a project designed and developed by Cellnex at the Company's Mobility Lab in the Barcelona municipality of Castellolí, Spain, and consists of an innovative zero emissions telecommunications site that includes a solar panel, wind turbine, 5G antennas, millimetre band (mmW) links, video cameras, environmental sensors and various mobile connectivity technologies related to mobility and connectivity with vehicles. It is an autonomous energy generation, storage and management system aimed at mobile communication sites without access to the electricity grid that, until now, have been equipped with polluting generators.

In 2021 Cellnex received the Company of the year 2021 award

Another major recognition received in 2021 is the "Company of the Year 2021" award from the Federation of Official Spanish Chambers of Commerce in Europe, Africa, Asia and Oceania (FEDECOM). This milestone recognises the outstanding commercial activity and process of growth and internationalisation developed by Cellnex in recent years.

Tobías Martínez, CEO of Cellnex, at an official ceremony held at the Spanish Embassy in London.

Cellnex France received the BECC award for Spanish investor in France

The Official Chamber of Commerce of Spain in France (BECC) has rewarded Cellnex as the most important foreign investor in France. BECC recognizes Cellnex's commitment to the French market and its role in reinforcing economic and business cooperation between France and Spain. During the ceremony, eight prizes were awarded to honor the most successful Spanish and French companies in 2021, as well as the two personalities of the year.

Cellnex received the Catalonia Award for Business Trajectory, recognized for the ESG category

Another award received by Cellnex in 2021 that highlights its efforts in and commitment to environmental, social and corporate governance (ESG) issues was the Catalonia Award for Business Trajectory, organized by "La Razón"; the Company was recognized in the ESG category. La Razón recognized that Cellnex's objectives include the analysis and management of its impact on society and the environment, following internationally recognized standards, such as the United Nations Global Compact or the Science Based Target initiative.

Sustainable Development Goals

Cellnex's contribution to the Sustainable Development Goals

In 2020, Cellnex carried out a study to identify and prioritise the most relevant Sustainable Development Goals (SDGs) for the Company, as well as an analysis of the Company's contribution to the achievement of the SDGs. These analyses, together with the internal and external diagnosis carried out to define the Group's new materiality, served as the starting point for the definition of the new ESG Master Plan. In this regard, the opportunities and actions that Cellnex should undertake within the framework of the new ESG Master Plan were identified in order to maximise the company's current contribution to the SDGs and their specific targets, thereby reducing the risk of non-compliance.

To identify and prioritise the relevant SDGs and their specific targets for Cellnex, the necessary information was gathered on the company in the different countries in which Cellnex operates. In this way, the relevance of each SDG and its targets in the company's direct and indirect operations associated with its value chain was defined.

For the company's contribution to the achievement of the SDGs and their specific targets in 2030, the risk associated with non-compliance with these SDGs by the countries in which the company operates was assessed.

Identified five SDGs of high importance

This resulted in the identification of five SDGs of high importance (SDGs 4, 5, 8, 9 and 13) and four SDGs of medium importance (SDGs 1, 10, 15 and 17).

Once the main SDGs for Cellnex were defined, they were aligned with Cellnex's ESG Master Plan. The following infographic shows the direct relationship between the axes of action of the ESG Master Plan (2021-2025) and the specific goals of the priority SDGs for Cellnex is contributing.

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	8.3 8.7 8.8
	Reduce inequality within and among countries	10	10.2 10.3 10.4
	Take urgent action to combat climate change and its impacts	13	13.1
	Revitalize the global partnership for sustainable development finance	17	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	4.3 4.4 4.5
	Achieve gender equality and empower all women and girls	5	5.1 5.2 5.3 5.b 5.c
	Promote inclusive and sustainable economic growth, employment and decent work for all	8	8.3 8.5 8.6 8.8
	Reduce inequality within and among countries	10	10.2 10.3 10.4
Being a facilitator of social progress	End poverty in all its forms everywhere	1	1.4
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	4	4.3 4.4 4.5 4.7 4.b
	Build resilient infrastructure, promote sustainable industrialization and foster innovation	9	9.1 9.4 9.5
	Reduce inequality within and among countries	10	10.2
	Revitalize the global partnership for sustainable development finance	17	17.7 17.15
Growing with a long-term sustainable environmental approach	Build resilient infrastructure, promote sustainable industrialization and foster innovation	9	9.1 9.4
	Take urgent action to combat climate change and its impacts	13	13.1 13.2 13.3
	Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss	15	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	8.3 8.7 8.8
	Build resilient infrastructure, promote sustainable industrialization and foster innovation	9	9.3
	Revitalize the global partnership for sustainable development finance	17	17.14 17.15 17.16 17.17

During the first year of implementation of the ESG Master Plan, Cellnex has contributed to achieving the main Sustainable Development Goals through its activity. The most important initiatives linked to each goal are shown below:

Cellnex's main contribution to the SDGs in 2021

SDG of High Relevance for the Cellnex Group

SDG 4

- Third edition of the "Youth Challenge" programme. The Cellnex Foundation's programme to improve the skills of young people
- Launch of the Young Talent Programme
- Creation of the Celnex "Talent Factory"
- Second edition of the Cellnex MBA
- Career Development Assessment Framework (CDA) and 360º assessments

SDG 5

- Cellnex Group's Equity, Diversity and Inclusion (EDI) Policy and Programme (2019-2022): 90 actions derived from 20 commitments and 35 strategic lines, with specific KPIs and objectives
- Identification of EDI champions in countries
- Participation in Global Compact's Target Gender Equality programme
- Equality Plan and Harassment and Discrimination Protocol

SDG 8

- Continued implementation of regulations that ensure decent working conditions in the Cellnex Group: 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

SDG 9

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

SDG 13

- Strategic Sustainability Plan (2019-2023)
- Analysis of climate change scenarios in all countries, following the recommendations of the "Task Force on Climate-related Financial Disclosures (TCFD)
- Establishment od specific targets and milestones for emissions reduction validated by the Science Based Targets initiative (SBTi)

Cellnex's main contribution to the SDGs in 2021

SDG of Medium Relevance for the Cellnex

1 FIN DE LA POBREZA

- 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

15 VIDA DE ECOSISTEMAS TERRESTRES

- Strategic Sustainability Plan (2019-2023)
- 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.

10 REDUCCIÓN DE LAS DESIGUALDADES

- Social projects and volunteer programmes through the Cellnex Foundation to guarantee equal opportunities
- Actions linked to the ESG Master Plan
- Cellnex Group Equity, Diversity and Inclusion Programme (2019-2022)

17 ALIANZAS PARA LOGRAR LOS OBJETIVOS

- 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 different Stakeholders

Since November
2015
Cellnex has been a participant of the United Nations Global Compact

United Nations Global Compact

Cellnex has been a participant of the United Nations Global Compact since November 2015, as an expression of its commitment to include the concept of corporate social responsibility into its operational strategy and organisational culture. Each year, the Company publishes its COP (Communication of Progress) on the official Global Compact website.

WE SUPPORT UN GLOBAL COMPACT

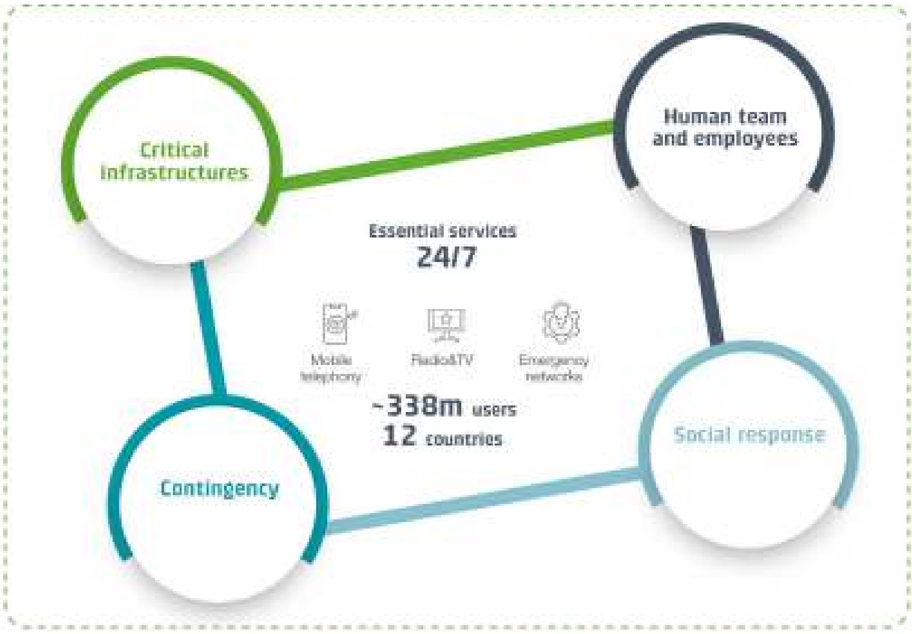
Present context

Current COVID-19 Context

The COVID-19 pandemic has changed the way people work, interact and even behave on a day-to-day basis. Over the past two 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's business has therefore been critical over these two years.

Cellnex Group has more than 101,802 sites (towers and communication nodes) throughout Europe to provide mobile network communication and television and radio broadcasting (it has more than 1,700 sites exclusively dedicated to transmitting audiovisual and radio signals in Spain), dedicated communication networks for security and emergency services and monitors communication and security in the maritime rescue network, among other things. Cellnex serves more than 338 million people in Europe.

In this regard, even before states of emergency were declared in several European countries in which the Company operates, Cellnex professionals worked on contingency plans to ensure the proper functioning of telecommunications infrastructures, which has ensured round-the-clock continuity of uninterrupted services throughout the entire COVID-19 pandemic.



In addition, a specific Global Contingency Plan was drawn up for the COVID-19 situation to guarantee the continuity of critical services, and a Global Crisis Committee was set up, as well as local crisis committees (which report periodically to the Global Committee) to monitor the contingency plan and to respond and take action based on the evolution of the situation.

In this regard, 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 assistance 24x7, 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 center 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 10,000 cellular sites in Spain.

There are other activities also requiring uninterrupted service to which Cellnex has to give guarantees of continuity. One of the most important of these is maritime communications, which Cellnex Spain has been operating under a public mandate from the government for the past 10 years. The Company provides uninterrupted radio coverage to 35 stations distributed throughout the territory to aid navigation and guarantee safety, with three territorial centers in A Coruña, Valencia and Las Palmas. This is an essential service with information on weather and any incidents, and enabling vessels to communicate directly with maritime rescue.

In addition to guaranteeing the continuity of its services, Cellnex has also prioritized the health and safety of its employees. In this regard, since the pandemic began, all Cellnex employees worked from home and, by the end of 2021, gradually returned to the office with health, hygiene and distancing measures in place.

Cellnex has implemented a COVID-19 Recovery Plan, which defines the preventive measures that the organization must take to manage the gradual return to productive activity in Cellnex work sites. Under the Cellnex Recovery Plan there are secure protocols that include a series of general measures for preventing COVID-19 that have been specifically implemented in each country.

For instance, in Spain there is a COVID-19 Safe Work Protocol in offices and another for technical sites, these were audited and certified by TÜV in June 2021, for the corporate headquarters in Barcelona and Madrid, and all the Spain Business Units. In addition, there is a procedure for returning to face-to-face working. It includes health and safety, organisational, and risk-prevention measures designed to reduce the risk of infection.

"Amidst the profound and constant changes in our environment caused by the SARS-CoV-2 pandemic, we have demonstrated as an organization our infinite capacity for resilience, anticipation and adaptation, always placing the people at center of our decisions, guaranteeing the protection of life and safe and healthy work environments."

Xavier Gil - Global Health & Safety Expert

The main preventive measures ensure social distancing and limit the number of people in the workplace. Below is a non-exhaustive list of measures implemented in the various countries:

- Voluntary return to work sites in the first phases of recovery of productive activity.
- Number of employees at work sites limited to a maximum percentage depending on the recovery phase.
- Mandatory wearing of masks in the workplace.
- Disinfectant gel is provided for staff at all work sites.
- Temperature measurement for everyone accessing a Cellnex work site.
- Assessment of the current immunological status of the staff by performing rapid tests and repeating the test in accordance with criteria determined by medical services.
- Special cleaning and disinfection measures (facilities, work surfaces and equipment, vehicles, roads, etc.), applying protocols to ensure regular cleaning, and the use of authorised viricidal products. Cleaning is intensified in common areas and additional cleaning is carried out with each change of staff shift in all work sites.
- Physical barriers, signage, new safe circuits/routes/paths are used to guarantee social distancing.
- Rotation of shifts for each of the work groups established by each directorate/ department. During each shift, the same people will always go to the office in person. Under this system, office staff who perform the service work in person during the morning and preferably by teleworking in the afternoons.
- Buildings and shared spaces are accessed in a staggered manner to avoid confluence.

Employees are informed of measures taken by:

- Specific signage at work sites.
- Space on the intranet as a single repository for the entire company with the information related to COVID-19 and preventive measures (COVID-19 blog).
- Periodic communications via email to the entire organization with all the relevant updated information.
- Online training on safe protocols against COVID-19.

Cellnex has also been aware of the impact that the pandemic has had on society beyond the need to guarantee the continuity of telecommunications services to ensure social connectivity. Thus, since 2020 Cellnex has run the COVID-19 Relief Initiative, a project involving all Cellnex companies and with funding of more than €10 million to be donated to various organizations and social causes in the countries where Cellnex operates. This initiative is explained in more detail in Chapter 4: Being a facilitator of social progress.

Next Generation EU

The European Union has reached an agreement on the recovery package and the 2021-2027 budget that will contribute to European reconstruction after the coronavirus pandemic and support investment in green and digital transition.

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 Re-industrialisation.

1. 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" ..

2. Digitalisation: The EU's data and Artificial Intelligence (AI) strategies seek to boost and develop new technologies:

    - Create a single European market for data, both public and private, allowing it to flow freely across the EU and between sectors.

    - Proposals to promote the development of AI by setting out the options available to maximise the benefits and address the challenges.

3. 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, CO2 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. For example, in the digitalization of rural areas, where the objective is to bridge the divide between rural and urban areas and thereby mitigate depopulation by creating the conditions for reliable and resilient access to communication networks and to provide coverage with high-speed networks for the local development of public services such as education and health.

Cellnex's position as a neutral and independent infrastructure operator gives it 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 aspires to participate in initiatives in which, as a company, it can add value. The lines of action are: urban and rural agenda and combating depopulation, resilient infrastructures and ecosystems, 22nd century administration, modernization and digitization of the business ecosystem.

Accordingly, Cellnex has actively worked on multiple proposals for the deployment of Next Generation funds in Cellnex's scope of operation and in the eligible countries, providing ideas and proposing approaches, leading and acting as partners 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 expectations or connectivity needs which the digital transformation 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.

Cellnex contributes to the digitalisation of public spaces and public services

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 crisis.

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-outt of 5G technology.

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 has started a revision process and a new proposal is expected by the end of 2022.

The Broadband Cost Reduction Directive reduces the cost and helps to accelerate broadband deployment by:

- Simplifying permitting 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.
- Equipping new buildings and major renovations with high-speed physical infrastructure.

Therefore, the Directive introduces measures to simplify permitting and make it more transparent. This leads to time savings and, potentially, to 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 new Cost Reduction Directive, as well as the costs and opportunities it will bring, is a strategic priority for Cellnex's business.

Digital decade

The digital society and digital technologies bring new ways to learn, entertain, work, explore and fulfil ambitions. They also bring 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. This digital compass for the EU's digital decade is developed around four cardinal points: Skills, Digital transformation of enterprises, Secure and sustainable digital infrastructures, and Digitisation of public services. Key policy areas to ensure that these objectives are met include cloud computing, artificial intelligence, digital identities, data and connectivity.

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.

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.

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 final result of the opinion concluded that the results of current scientific research show that there are no obvious adverse health effects if the 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. 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.

Electromagnetic emissions

Cellnex works with groups of experts conducting research on electromagnetic emissions and their impact on the environment and human health

In order to demonstrate its commitment to society regarding the possible electromagnetic impact of its sites, Cellnex works with groups of experts in research on electromagnetic emissions and their impact on the environment and human health. 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, in 2020 Cellnex created an internal multidisciplinary working group made up of representatives from different functional areas and from all the countries in which Cellnex operates, which coordinates Cellnex's approach to EMC problems in order to be an internal forum for exchange of knowledge and best practices, monitor national, international and European Union developments, coordinate technical and regulatory approaches, and work on an eventual EMC strategy.

One objective of the working group is to achieve the participation of its interest groups (ORM, public administrations, sectoral associations, employers) in each country. To this end, the EMF Working Group collaborates with national and international telecommunications industry associations, supports initiatives such as 'Speed up Britain' and 'Chance5G', participates in events, webinars and training sessions, and develops and disseminates area reports.

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.

Furthermore, Cellnex Switzerland is a member of a working group related to mobile communications and radiation created by the Department of the Environment, Transport, Energy and Communications (DETEC) in Switzerland. As a member, Cellnex contributes to shape the future development of the mobile network in the country.

Cellnex also participates in the working groups on EMF in the following international associations, of which it is a member:

- ETSI (European Telecommunications Standards Institute)
- GSMA (GSM Association)
- SCF (Small Cell Forum)
- ITU (International Telecommunication Union)
- EWIA (European Wireless Infrastructure Association)

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.

Management of Cellnex sites visual impact

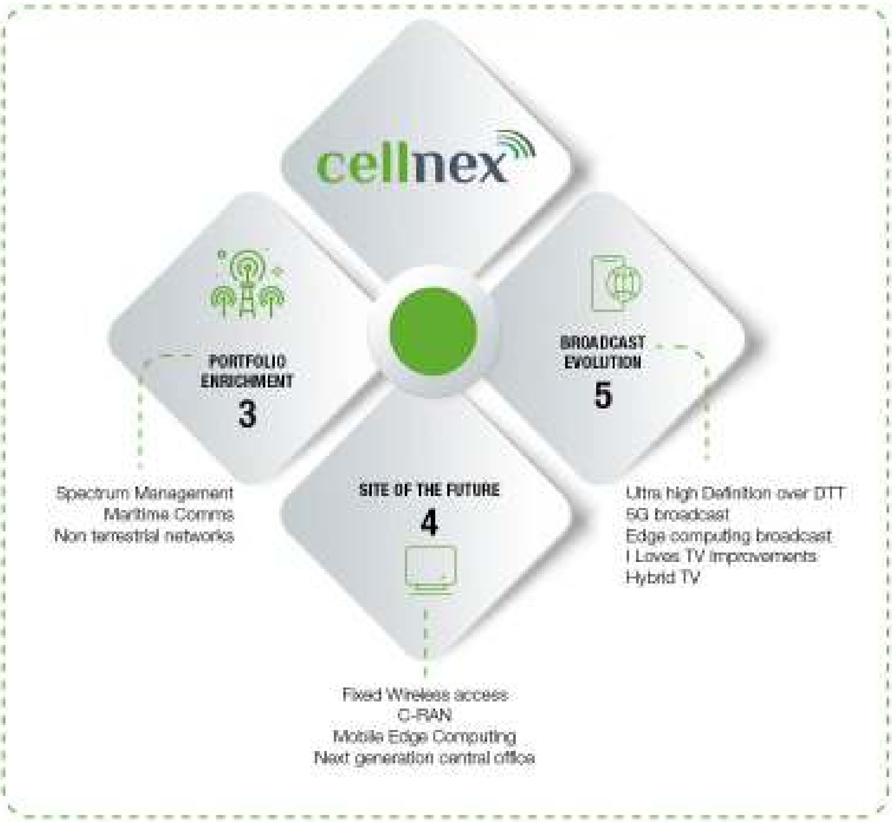
Cellnex complies with municipal regulations regarding the location of sites. For this, criteria such as the emission of radio frequencies and the visual impact are taken into account.

In relation to the visual impact, camouflage measures are carried out based on a "catalog of camouflage". Another initiative is to build multi-operator infrastructures capable of satisfying more customers while reducing the environmental impact. Therefore, regarding the visual impact, Cellnex works for the complete integration of the sites in the urban or rural environment.

In 2021, 93 complaints were received, generally related to damage terrain, noise and no access permission (88 in 2020).

Innovation

Innovation at Cellnex is led by the Product Strategy and Innovation Department, which consists of three sections: New Product Strategy, Innovation, and Project Management Office. The Innovation area is responsible for monitoring the evolution of current technologies, as well as monitoring new technologies that may have an impact on the company's business (e.g. 6G). The New Product Strategy area is responsible for the design, validation, and launch of new innovative products and services (e.g. Edge Computing). Finally, the Project Management Office area transversally manages all administrative, legal, and economic aspects related to management. The main lines of work focus on future site design, broadband communications available anywhere, and security management (information, infrastructure, and people).



In addition to the material and human resources that Cellnex makes available to all Product Strategy and Innovation activities, Cellnex is investing €10 million in facilitating the conception, development, testing, and launch of new products and innovative solutions in the various countries in which it operates.

Successful completion of four 5G technology use cases in Andalusia and the start of the deployment of seven use cases in Catalonia.

Access to communications

In 2021, it is worth highlighting the successful completion of four 5G technology use cases in Andalusia and the start of the deployment of seven use cases in Catalonia. All these pilots are part of the RED.ES initiatives for the deployment of services, promoted by the Ministry of Economic Affairs and Digital Transformation.

In the field of 5G pilots, Cellnex Spain has developed several initiatives in Andalusia jointly with Vodafone and in collaboration with other companies:

These four use cases with Vodafone are:

1. Precision Agriculture (automatic mango picking). Intelligent harvesting and crop automation through 5G: Cellnex has facilitated the integration of Artificial Intelligence in the EDGE computing, for data processing after capturing images of the fruit from cameras located on the harvesting robot, thus enabling efficient decision-making based on fruit ripeness.

2. 5G Energy Efficiency. High-efficient shelter used as Edge data center: In this project Cellnex has designed a new generation shelter to be used in 5G sites that achieve low consumption and use of renewable energies. Besides, Cellnex designed a physical probe to test energy consumption in all the IT equipment of an edge datacenter. Cellnex conducted lab validation and on-site measurements to find out consumption patterns and allow optimization.

3. Rural Internet (Fixed Wireless Access). The incorporation of Cellnex technology into Vodafone's antennas to provide bandwidth in rural areas: This project has been developed over the last two years in Guadalema de los Quinteros (near Seville) where Vodafone has provided one of its sites so that Cellnex could take charge of the purchase and management of both the Huawei antennas to be placed on the site and the installation of CPE receivers on the roofs of the buildings for the use of 5G services. This has enabled the benefits of 5G broadband to be brought to rural areas where they can benefit from advanced video conferencing services and ultra-high-speed data access. The trials tested two different frequency bands: C-Band and millimetere wave band.

4. 5G security(Port of Algeciras digitalization). 5G pilot project in the port of Algeciras. Two use cases were developed:

- Streamlining the flow of vehicles through the Port to the ferry boarding areas: automatic guidance of vehicles by means of signalling on luminous panels which indicate to the driver the route to follow to the boarding area corresponding to the ticket previously purchased. For this purpose, a car plate recognition system based on video cameras connected to the 5G infrastructure is used, including MEC resources for image processing and consultation of shipping company databases.

- Alerts related to the identification of suspicious persons: video processing on the MEC infrastructure, where the vectors associated with the faces of vehicle passengers are obtained and matched against the database of wanted individuals. The project envisages the visualization of the alerts through a dashboard installed in a control centre, as well as through glasses with VR/AR capability.

Pilots have also been developed in Catalonia with Masmóvil, Lenovo and Naecomunicaciones, among others.

5G Cataluña is an ambitious project to turn the city of Barcelona and its surroundings into a Hub for innovation and testing of different 5G solutions has focused its efforts on the design of the network throughout the city. To this end, it has worked intensively with Barcelona City Council and the different technology partners on the feasibility and deployment plan that will enable connectivity between the different areas:

- The locations for the equipment, the fibre design to connect the equipment and the locations of the datacenters housing the different network elements have been defined. This year, the hardware equipment that will serve as the basis for the Edge Computing service and the development of advanced services has already been received. The first antennas with Open RAN technology and the 5G SA core that will be used to manage the 7 use cases have also been received.

- Lastly, a pre-production laboratory has been created, which has allowed us to start integrating the different RAN and core software. This is a key piece to be able to integrate the developments of the applications that have already been finalised for two of the use cases: the Apps for La Boqueria market and the holography system for IESE.

Other very relevant innovation projects have also been developed, such as the digitization of the Port of Bristol.

Together with the Port of Bristol, the City of Bristol and the consortium of Gravity, a planned industrial estate 45 km from Bristol, Cellnex has proposed the creation of two interoperable private networks to assist Bristol in the creation of a leading Free Port in the UK. The project was submitted to the UK Government under the 5GUK Solutions Incentive Framework and was selected by DCMS to receive a grant to begin the process of digitalizing the Port of Bristol. The project will demonstrate during 2022 how private 5G networks can deliver efficiency and productivity improvements to the logistics ecosystem by:

1. The ability to track in real-time location of containers, which improves port logistics management and efficiency of arrival/handling/shipping logistics. The system will use the accuracy that can be achieved with new tracking technologies to have the exact position with high precision of containers, from the time they arrive at the post, are transported across the city of Bristol and arrive at Gravity's production line.

2. Enable improvements in road traffic management in collaboration with Bristol city authorities, including continuous traceability and geolocation, and tracking of goods and materials to coordinate movements between the Freeport and related areas. The aim is to be able to assess and minimise the impact of road traffic from container trailers leaving the port and transiting different intersections in the city of Bristol. Different advanced sensors will be used to obtain accurate data that will allow the administration to make decisions to improve the lives of its citizens.

3. Replacing manually intensive, low-value processes with 5G-enabled autonomous intelligent systems. This project is highly innovative because of the cutting-edge technologies it uses: the latest generation of optical equipment, distributed radio networks based on Open RAN technology and Cellnex Edge Computing services are being used to provide advanced services.

This innovative network architecture will allow us to offer services with processing and decision-making capacity very close to the end-user and as part of the differential value of the private networks that are being built. In addition, this implementation will enable the use and control of 5G drones for perimeter surveillance of the port area.

During 2021 focus has been placed on the entire design, both at high and low level, of the infrastructure. Work has been carried out on the construction of the sites, the design of the architecture, the deployment of the fibre and the testing in a laboratory environment of the different technical innovations that are being developed to enable the different use cases.

SMART NOC Project

In 2021 Cellnex submitted a project to the Spanish Government's Centre for the Development of Industrial Technology (CDTI) to build a "Smart NOC" (Network Operation Centre). The grant has been awarded and is expected to introduce Artificial Intelligence processes in Cellnex's NOCs in order to offer an improved service to its customers. This project joins the 6 existing projects that the innovation team is currently developing: AIMARS, Cybersec, Resisto, Resiltrack, Estiba and Bicisendas.

In addition, 2021 has also been a year in which the use of European Recovery Funds has been discussed. Thus, the Product Strategy and Innovation teams at Cellnex have proposed to the Spanish Government almost twenty proposals for innovation projects in different areas such as the fight against the digital divide, the space industry, the connected vehicle, artificial intelligence and the management of critical infrastructures.

Resisto Project

The Resisto project has enabled Cellnex to collaborate in the development of a European critical infrastructure protection solution to improve risk control and resilience of communications against a wide range of cyber-physical threats, such as malicious attacks, natural disasters or unexpected network failures.

Led by an Italian company, the project has implemented an innovative platform that enables efficient decision making in the face of such attacks along several lines: prevention, protection, detection and reaction.

For the development of the project, Cellnex has worked with cyber-attack prevention algorithms for telecommunications networks, maritime networks and IoT. Thus, the system is able to minimise service disruption by implementing preventive mitigations. It has also improved the reliability of 5G Edge systems and integrated Machine Learning models for NFV MANO orchestration services, 5G SA core and network slicing.

Resiltrack Project

The Resiltrack project has made it possible to design and test a solution to improve preventive and predictive maintenance for the railway sector. The pillars of this solution have been a real-time information system on the state of railway infrastructures and the impact of adverse weather conditions. For communications, a LoRA network has been built that collects different sensors located on the tracks and catenaries that are processed on the Cellnex Smart platform. Based on the information collected, a system has been designed to predict future states, detect faults before they occur and mitigate their impact.

"2021 has been the year of Open Innovation for Cellnex, creating different programmes for the search and acceleration of Startups. And not only with external programmes but also internally, opening up the world of participatory and business-oriented innovation."

José Antonio Aranda, Global Innovation Director

The R&D+i projects and initiative being developed are periodically updated on the corporate website (https://www.cellnextelecom.com/en/projects/).

2021 has also been the year of the take-off of Open Innovation at Cellnex, a process that allows the Company to explore external capabilities to introduce potential new products, and which has significantly increased the analysis of solutions from startups, applied to improve existing products or create new ones that enrich the Cellnex portfolio. This process has even led Cellnex to prospect with leading innovation companies in Israel or with public entities in England, Ireland and France.

Cellnex Bridge, a training and mentoring programme for startups.

In addition, the Product Strategy and Innovation team, together with the Cellnex Foundation, has also launched a startup acceleration programme in 2021 under the name of Cellnex Bridge. A training and mentoring programme for startups of a social nature, which in this first edition has been considered a success, with the presentation of more than 50 proposals. Further information on Cellnex Bridge programme in Chapter 4. Being a facilitator of social progress

In order to continue sharing knowledge and making innovation accessible to other internal areas, throughout 2021 the Product Strategy and Innovation team worked closely with the Human Resources department to organise the "Innovation Talks". These aim to bring all areas of the Company closer to the latest developments in which Cellnex is investing efforts, as well as to extend the culture of innovation and give the opportunity to gather ideas to the entire workforce of the company. In this regard, they have highlighted the interest in topics such as 5G Living Labs Andalucía, Corporate Venturing, 6G or 5G Broadcasting.

Innovation Corner

In 2021, the Innovation Corner was launched, a website to make available to all Cellnex employees, and especially to the Commercial team, all the information on Innovation projects, reports on technological advances and presentations of the new products that Cellnex is working on.

The Innovation Corner is a space for sharing knowledge of trends, innovation initiatives and multimedia material on all activities where Cellnex looks to the future.

5G: The fifth generation of telecommunications systems

"In 2021 we have secured a solid foundation to position Cellnex at the forefront of the 5G private networks industry. This year we are proud to have included in our portfolio six live deployments of 5G Private Networks - in four countries - ,a strong testimonial of our already deployed base of 35 4G private networks and power of Edzcom, now proudly a Cellnex company."

Mikko Uusitalo - Global MCPN Director

5G is the next generation critical network technology that will enable innovation and support digital transformation in Europe, as it is a technology that provides near-universal, ultra-high bandwidth, low latency and ultra reliable connectivity. In addition, 5G will also be a key enabler of artificial intelligence systems, providing real-time data collection and analysis. At the same time, it will take the cloud to a new dimension by enabling distributed computing and storage.

As such, it is expected that in the upcoming years there will be an intense deployment of 5G to serve a wide range of applications and sectors, for example in connected automated mobility, eHealth, energy management, security applications and more.

In this context, Cellnex, as an infrastructure operator, will have to adapt the sites to accommodate this new technology and do so with the required quality and speed. 5G is an opportunity and an obligation for Cellnex to demonstrate once again its willingness to serve its customers. To this end, in 2021, the sites and the infrastructures have been adapted for the deployment of 5G in all the geographies in which Cellnex operates. In addition, Cellnex is working with its customers on the development of 5G technology.

First private network based on 5G technology in Spain

In 2021, the Innovation Corner was launched, a website to make available to all Cellnex employees, and especially to the Commercial team, all the information on Innovation projects, reports on technological advances and presentations of the new products that Cellnex is working on.

The Innovation Corner is a space for sharing knowledge of trends, innovation initiatives and multimedia material on all activities where Cellnex looks to the future.

Cellnex as enabler of 5G in Portugal

Cellnex has around 2,800 works and studies in Portugal for the adaptation of sites to 5G technology. In this sense, the impacts of the 5G auction at Cellnex Portugal are manifested in the form of a significant effort to adapt infrastructures to accommodate a greater intensity of equipment from the commercial launch of 5G services.

First 5G laboratory dedicated to industry 4.0 in France

Cellnex France and Edzcom, a subsidiary of Cellnex and specialized in mobile network solutions, signed an alliance with MGA Technologies, specialized in the design and production of customized machines for the biopharmaceutical and 4.0 industry, for the development of the first fully dedicated 5G laboratory to the industry of the future.

With the launch of this first 5G laboratory for industry 4.0 and biopharmaceuticals, MGA Technologies intends to boost its ecosystem by using it as a laboratory for its innovations, but also as a totally safe place for experimentation, accessible to all its industrial partners.

2 Governance

Showing what we are, acting with integrity

Showing what we are, acting with integrity

	Achievement	Target	Target year
Showing what we are, acting with integrity			
Women directors	45%	40% ✓	2022
Non-executive directors	91%	90% ✓	2022
Independent directors	73%	60% ✓	2022
Directors with ESG capabilities and expertise	36%	25% ✓	2022
Nationalities in the BoD	7	≥5 ✓	2022

Actions 2021

Achievement the recommendation established in the CNMV Good Governance Code on gender diversity and independent members on the Board of Directors

Definition and deployment of the Global Continuous Improvement Model

Design and deployment of a risk management communication and awareness plan for the entire group

Cellnex has improved its performance in all the sustainability indices of which it is a part of

Approval of the Policy on financial, non-financial and corporate information and contacts with shareholders, institutional investors and proxy advisors

Definition of the Quality Master Plan 2021-2022

Evaluation of the main risks of the company, *including financial and non-financial risks, in the different countries in which Cellnex operates*

Next steps

Implement a GRC (Governance, Risk & Compliance) tool at a corporate level ir order to implement the 3LoD (Three Line of Defense) within the whole company

Deployment of the **integrated management system** *and* **implementation** *of international certifications for the entire Group*

Implementation of continuous improvement initiatives at a global level and fostering continuous improvement initiatives in all business units of the company.

Corporate Governance

Cellnex has adapted its internal regulations to the new Code of Good Governance approved by the CNMV.

A revised version of the Code of Good Governance for Listed Companies of the Spanish Securities Market Commission (CNMV) was published in 2020. The Code of Good Corporate Governance contains a series of recommendations aimed at ensuring the proper functioning of the governing and administrative bodies of Spanish companies in order to lead them to the highest levels of competitiveness; to generate confidence and transparency for shareholders and domestic and foreign investors; to improve internal control and corporate responsibility of Spanish companies; and to ensure the proper segregation of functions, duties and responsibilities in companies, from a perspective of maximum professionalism and rigour.

Thus, based on the recommendations set out in the amended version of the Code of Good Governance, during 2020 Cellnex reviewed the organisation's corporate documents to incorporate these recommendations. In addition, the corporate governance regulations were revised to bring them into line with the Draft Law transposing Directive (EU) 2017/828 of the European Parliament and of the Council with regard to the promotion of long-term shareholder engagement, which subsequently resulted in Law 5/2021 and came into force on 3 May 2021.

Law 5/2021, of 12 April 2021, abolishes Article 120 of the Consolidated Text of the Stock Market Law and therefore eliminates the obligation for companies whose shares are listed on regulated markets to publish quarterly financial information. In this regard, Cellnex plans to continue submitting the quarterly financial reports for Q1 and Q3 on a voluntary basis, with an in-house analysis in each case as to whether these reports may contain inside information, in which case they will be reported as "Inside information"; and otherwise, they will come under "Other relevant information".

The list of Policies updated in 2021 is as follows:

- Policy on the composition of the Board of Directors, replacing the Policy on the Selection and Appointment of Directors, dated 19/02/2021.
- Policy on communication of financial, non-financial and corporate information and contacts with shareholders, institutional investors and proxy advisors, replacing the former Policy on communication and contacts with shareholders, institutional investors and proxy advisors and adding the new General Policy on the communication of economic-financial, non-financial and corporate information referred to in recommendation 4 of the Code of Good Governance revised in 2020. Amended on 19/02/2021.
- Environmental, Social and Governance (ESG) Policy. Update of the Policy formerly known as CSR Policy. Amended on 26/03/2021.
- Equity, Diversity and Inclusion Policy. Amended on 19/02/2021.
- Treasury Stock Policy, dated 27/10/2021.
- Global Quality Policy. Updated on 26/03/2021.
- Environment and Climate Change Policy. Updated on 26/03/2021.
- Directors' Remuneration Policy. Approved on 29/03/2021.
- Occupational Health and Safety Policy. Amended on 26/03/2021.

- Tax Policy, replacing the Tax Strategy, dated 28/07/2021.
- Global Risk Management Policy. Amended on 16/12/2020.

Following the revision of all internal regulations, the Articles of Association and the Regulations of the General Meeting of Shareholders were approved by the Ordinary General Meeting of Shareholders of the Company on 29 March 2021 and the Regulations of the Board of Directors and the Internal Code of Conduct on matters relating to the Securities Market were approved by the Board of Directors on 19 February 2021.

The Board of Directors approved the new policy on financial, non-financial and corporate information and contacts with shareholders, institutional investors and proxy advisors.

Additionally, on 19 February 2021, the Board of Directors approved the new Policy on financial, non-financial and corporate information and contacts with shareholders, institutional investors and proxy advisors, which includes the General Policy on the communication of economic-financial, non-financial and corporate information, and was published on the Company's website.

In addition, on 19 February, 2021, the Company included sustainability in the functions of the Appointments and Remuneration Committee, which was renamed the Nominations, Remuneration and Sustainability Committee, and also incorporated risk management into the Audit and Control Committee, renamed the Audit and Risk Management Committee. Likewise, on the same date the Company approved an Environmental, Social and Governance (ESG) Policy. Consequently, Cellnex fully complied with recommendations 53, 54 and 55 of the Code of Good Governance.

"To ensure the Board of Directors has the right oversight of the ESG issues we designed with IESE a sustainability program. This experience is providing value on the ESG discussions."

Marieta del Rivero, Board member and NRSC President

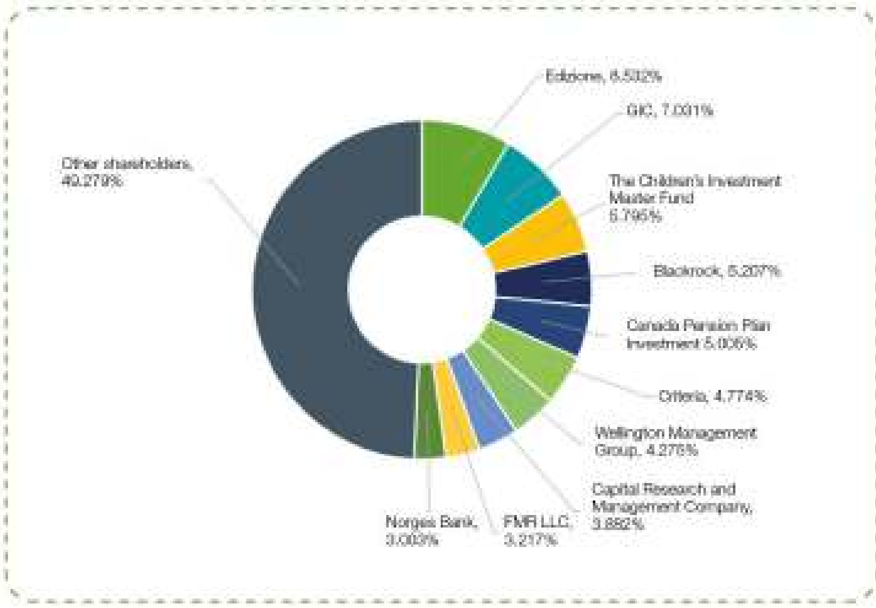
In this regard, from the Board's point of view, the expanded responsibilities of the Appointments and Remuneration Committee in relation to Sustainability was intended to ensure best practices of the management team in governance oversight. In addition, the specific training and awareness of the Board and the Group's management team has been prioritised with an ad hoc updating programme in the field of ESG in collaboration with IESE.

The new Directors' Remuneration Policy approved by the Ordinary General Shareholders' Meeting of 2021 maintains the fundamental lines applied in previous years, but introduces some adjustments to strengthen alignment with the Company's strategic priorities, with corporate governance recommendations and with the practices of comparable sectors and companies. Likewise, the new requirements established in the then Draft Legislation for the transposition of Directive (EU) 2017/828 of the European Parliament and of the Council have been taken into account with regard to promoting the long-term involvement of shareholders, transposition made in Law 5/2021 that entered into force on May 3, 2021.

As a new feature, the 2021 Annual Directors' Remuneration Report (see Annex 10. Annual Report on the Remuneration of Directors) has been prepared in open format to reinforce the Company's good governance practices in line with the best standards in Europe. Therefore, in addition to the information provided in the CNMV format, further information will be provided to increase the transparency of the information contained in this report, and will also be provided in a more visual manner.

Shareholding structure

During 2021 there have been no significant changes in the shareholding structure of the Company since the previous year's General Shareholders' Meeting. Therefore, the main shareholders of Cellnex are presented below.



The Cellnex Board of Directors

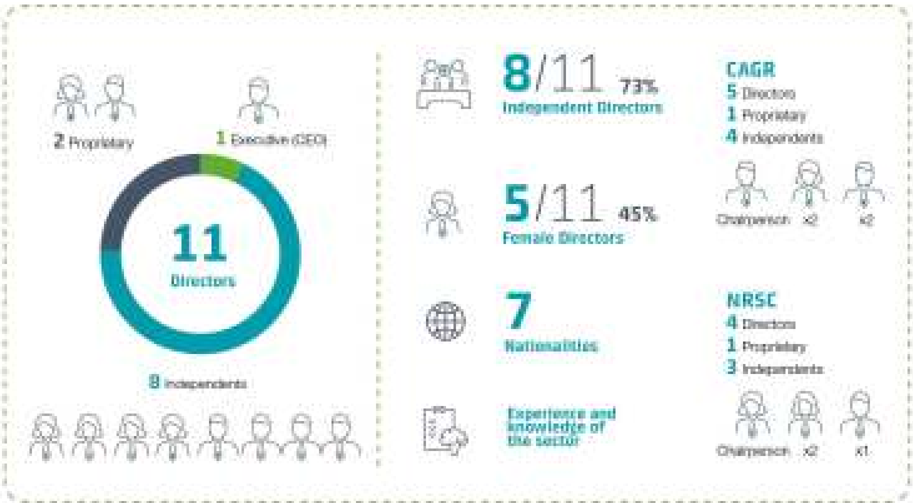
The Cellnex Board of Directors approved the new Policy on the composition of the Board of Directors.

On 19 February 2021, the Board of Directors of Cellnex, a proposal of the Nominations, Remuneration and Sustainability Committee, approved the new Policy on the composition of the Board of Directors. This Policy aims, among other things, to achieve an appropriate composition for the Board in line with the recommendations of the Code of Good Governance for listed companies of the Spanish Securities Market Commission (CNMV).

The appointments made in recent years have always complied with the criteria established in the former Policy for the Selection and Appointment of Directors, now by the Policy for the Composition of the Board of Directors. The Company also complies with the recommendations of the Code of Good Governance of Listed Companies regarding diversity on the Board. However, on the occasion of the upcoming reappointments, the Nominations, Remunerations and Sustainability Committee has formulated a matrix of competencies of the Board of Directors which has been approved by the Board, following the best practices set out in the Technical Guide on Nomination and Remuneration Committees, in order to analyse and, where appropriate, strengthen the composition of the Board of Directors.

Accordingly, an amendment to the new Board of Directors' composition policy and to the Board of Directors' Regulations is to include the objective that the least represented gender should represent at least 40% of the total number of Board members by the end of 2022. This objective has already been achieved as of the date of this report (the number of female directors currentl 45.45% of all the members of the Board). In addition, following its commitment to Diversity, the Council includes representatives of 7 different nationalities. Likewise, on the same date, February 19, 2021, an amendment to the Equity, Diversity and Inclusion Policy was also approved, in order to highlight the commitment to the presence of senior managers in the Company.

In 2021, 14 meetings of the Board of Directors were held, with 100% attendance at all meetings with the exception of the meeting held on 6 May, where one Director excused his absence. All meetings were held electronically, except for the last meeting in October and December, which were held in person.



Composition of the Board of Directors

Mr Bertrand Kan **was appointed Chairman of the Board of Directors**

Ms Kate Holgate **joined the Board as a new independent director.**

The changes made to the composition of the Group's Board of Directors in 2021 include the following:

- Mr. Franco Bernabè, proprietary director of Edizione, resigned for personal reasons, this change was accepted by the Board on January 4, 2021.
- Mr Bertrand Kan was appointed Chairman of the Board of Directors on 22 January 2021. Note that he serves as an independent director.
- Ms Kate Holgate joined the Board as a new independent director on 28 July 2021.

With the incorporation of Kate Holgate, the number of independent directors rises to eight, representing 72.72% of this governing body and thus exceeding the recommendation established in the Code of Good Governance listed companies of the Spanish National Securities Market Commission (CNMV) on this topic.

The current composition of the Board of Directors of the Cellnex Group is set out below.

Independent Directors

- **Bertrand Boudewijn Kan**, 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 a member of the Advisory Council of Wadhwani Asset Management and 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..

- **Giampaolo Zambeletti** has spent much of his professional career in the chemicals/pharmaceuticals and telecoms sectors. He was previously Founder and Managing Director of Zambeletti España, President and CEO of Zambeletti Group, President of Italgas SpA, President, Managing Director of Ellem Industria Farmaceutica SpA and Vice-President of Unidad Editorial, S.A. He served as Vice President of the pharma labs association, Farmindustria. In 2001 he has been appointed Group Senior Vice President International Affairs of Telecom Italia. He has furthermore been a member of the Board of Directors of Telecom Italia International (Netherlands), Auna, S.A. (Spain), Avea (Turkey), Oger Telecom (Dubai), Ojer Telekomunikasyon (Turkey) and Telekom Austria. Giampaolo Zambeletti holds a degree in Chemistry from the Università degli Studi di Pavia, and received the Isabel la Católica Award from King Felipe VI in 2015.

- **Peter Shore** has extensive experience in the telecommunications and tech sector. He held the position of Chair of Unwired in Australia (2003)and Chair of Arqiva in the UK (2007-2014). He has also been Chair of Uecomm, Lonely Planet Publications, the Hostworks Group and Airwave. Shore was Group Managing Director at Telstra in Australia, CEO of MyPrice (Aust/NZ) and Managing Director of Media/Communications/Partners. He has served as a Director of Objectif Telecomunications Limited, Foxtel, SMS Management and Technology and OnAustralia. He was furthermore a member of the Advisory Board of Siemens Australia. He also served as member of the 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.

- **Marieta del Rivero**, is independent director of Cellnex Telecom and Gestamp Automoción and a member of its sustainability committee. Non-executive Chairperson of Onivia. She is a member of the Advisory Board of the Mutual Society of Lawyers, Trustee of the Tecnalia Foundation and member of the Board of the Spanish Association of Directors and Co-Chair of Women Corporate. 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 Chairperson of International Women´s Forum Spain. She was one of 'The 500 Most Influential Women in Spain' in 2018, 2019 and 2020 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. Marieta del Rivero is BA in Business Administration by University Autónoma of Madrid (UAM).

- **Anne Bouverot**, is currently Chairperson of the Board of Technicolor, as well as Senior Advisor of TowerBrook Capital Partners and Board member of Ledger. She is also Chairperson of Foundation 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 developed her professional career mainly in the Telefónica Group since 1996 and until 2016, where she has held, among others, the positions of Global Director of Marketing and Sponsorship, CEO of Terra España, Director of Marketing and Business Development in Spain and,ultimetly, member of the Executive Committee in Spain as head of Strategy and Quality. She is a proprietary director of EQT in Adamo Telecom Iberia, S.A. and Adamo Telecom, S.L. She holds a degree in Economics from the Universidad Autónoma de Madrid.

- **Kate Holgate** has extensive professional experience in multiple sectors such as technology, professional and financial services, real estate and others, mainly in the UK and Asia-Pacific, in the field of financial, corporate and crisis communications. A specialist in mergers and acquisitions and IPOs, she is currently Co-Director of Global New Business at the international communications and public affairs consultancy Brunswick Group. From 2019 until December 2020, she was a director of the company in Hong Kong and, between 2013 and 2019, in Singapore, after holding other senior positions at Brunswick Group London, which she joined in 2000. Kate Holgate joined Kleinwort Benson's Corporate Advisory department in 1994, and previously worked in the UK diplomatic service after graduating with an honours degree in Physics from Oxford University.

Proprietary Directors

- **Christian Coco**, is Chief Investment Officer of Edizione Srl. He is also a director of the Edizione Group companies, Benetton Srl and CEO of ConnecT Due, as well as non-executive Chairman of Benetton Group Srl. He started his professional career in the field of strategic planning in the energy sector and in 2002 he joined Mediobanca in the acquisition finance department. From 2007 until 2011 he worked in private equity firms, especially focused on investments in the infrastructure sector in Europe. Subsequently, and until joining the Edizione Group in 2015, he was the head of Planning, Control and M&A of the CIR Group of the De Benedetti family. Christian Coco holds an engineering degree from the Politecnico di Milano and a postgraduate degree in Utilities Companies from the MIP of Milan (Politecnico Business School).

- **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 and of IKANO (IKEA) SEA . 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 Chief Executive Officer (CEO) and sole director of the subsidiary Cellnex Finance Company, S.A.U . He joined Acesa Telecom (Abertis Group) in 2000 first as Director and General Manager of Tradia and, later, of Retevisión. Before joining the Abertis Group, he ran his own business project in Information Systems and Telecommunications for more than 10 years. He studied Telecommunications Engineering and holds a Diploma in Senior Management from IESE (PADE), and a Diploma in Marketing Management from the Instituto Superior de Marketing de Barcelona.

Non-director Secretary

- **Jaime Velázquez Vioque** holds a degree in Law from the University of Extremadura and is a State Lawyer on leave of absence. He has extensive experience in commercial law, mainly in corporate mergers and acquisitions in regulated sectors and in matters related to corporate governance of companies. He currently heads an international law firm in Spain, which he joined in 2005. Previously, he held the positions of secretary of the board of directors and director of legal advice of the Instituto de Crédito Oficial ICO and secretary general and board secretary of the Comisión del Mercado de las Telecomunicaciones -CMT-. He has participated in numerous conferences and has been an associate lecturer in commercial law at the Pompeu Fabra University in Barcelona.

Non-director Vice-Secretary

- **Virginia Navarro Virgós**, is Director of Legal M&A & Financing at Cellnex. Previously, she was Senior Manager of the Legal Department of Abertis Infraestructuras, where she spent ten years actively participating in M&A and financing projects of the Group both nationally and internationally. Previously, she worked at Linklaters as an Associate in the Corporate Department, as well as in the legal department of Morgan Stanley.Virginia Navarro holds a Law Degree from the Pompeu Fabra University (UPF) and a Master in International Legal Practice from the Instituto de Empresa (IE).

Bertrand Boudewijn Kan
Chairman
Independent
●

Tobias Martinez
Chief Executive Officer
Executive

Giampaolo Zambeletti
Coordinating director
Independent
●

Pierre Blayau
Independent
●

Anne Bouverot
Independent
●

Marieta del Rivero
Independent
●

María Luisa Guijarro
Independent
●

Peter Shore
Independent
●

Christian Coco
Proprietary
●

Alexandra Reich
Proprietary
●

Kate Holgate
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 governing bodies of Cellnex are completed with:

- The **Nominations, Remunerations and Sustainability Committee (NRSC)**. Formed by 4 members (3 independent and 1 proprietary). In 2021, 14 meetings were held with 100% 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 is required disclose public from time to time. It is also responsible for assessing and periodically reviewing the corporate governance system and the Company's environmental and social policy, in order to ensure that they fulfil their mission of promoting social interest. Significantly, on 6 December the Independent Director the independent director Giampaolo Zambeletti notified the Company of his resignation as a member of the Nomination, Remuneration and Sustainability Committee.

- The **Audit and Risk Management Committee (ARMC)**. Formed by five members (4 Independent and 1 Proprietary). In 2021, eight 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 Internal Regulations of the Board of Directors.

As established in the CNMV's Code of Good Governance for Listed Companies, every three years an external consultant assesses the functioning of the Board and its committees, and Cellnex carries out an internal assessment on an annual basis. Based on the results of the assessments, an Action Plan is drawn up for the following year, which is approved by the Board of Directors.

Ethics and regulatory compliance

The Board of Directors and the Management of Cellnex Telecom S, Aare 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 Ethics and Regulatory Compliance Committee ("CEC") is responsible for the proactive oversight in respect to ethics, 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 Regulations of the Ethics and Regulatory Compliance Committee, the applicable law and other Cellnex Group corporate governance rules.

The Cellnex Ethics and Regulatory Compliance Committee is an internal and permanent collegiate committee, linked to the Audit Committee and Risk Management and reports to the Cellnex Telecom, S.A., Board of Directors.

In Accordance with the Regulations of the Ethics and Regulatory Compliance Committee, the Ethics and Regulatory Compliance Committee has the following responsibilities:

- Responsible for Ethical compliance matters under the Code of Ethics, in the procedure of the Whistle-blower Channel and the Complaints Channel Form ("Ethical Channel").

- Responsible for regulatory compliance matters under the Corruption Prevention Procedure, responsible for Criminal Compliance and the Disciplinary System.

- Responsible for corporate integrity in the internal regulations covered by the "Ethics and Regulatory Compliance Committee: Rule Zero".

During the 2021 financial year, the Regulations of the Ethics and Regulatory Compliance Committee and a document on "Responsibilities of the Ethics and Regulatory Compliance Committee" were both approved by the Board of Directors its meeting of 28 July 2021.

Furthermore, during 2021 the composition of the Ethics and Regulatory Compliance Committee was reorganized with a view of promoting and developing new measures and policies that were implemented throughout the year.

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

- José Mª Miralles (Chairman). General Counsel – Legal and Regulatory Affairs

- Sergi Martínez (Secretary). Global Head of Internal Audit and Risk Control

- Yolanda Menal. Director People Global

- Daniela Sonno. Director of Economic Control and Management of Cellnex Italy

- Yvette Meijer. Deputy General Manager Cellnex Netherlands

Crime Prevention and Detection Model

In 2020 Cellnex reviewed and updated its Crime Prevention Model 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.

The updated version of the Crime Prevention Model and the Independent Expert Report were approved by the Ethics and Compliance Committee, the Nominations, Remunerations and Sustainability Committee and the Board of Directors in 2021.

Corruption prevention Procedure

As an essential part of the Crime Prevention and Detection Model ("MPDD"), Cellnex also has a Corruption Prevention Procedure the content of which is in line with the requirements laid down by the ISO 37001 standard. The Corruption Prevention Procedure PPC is intended to establish mandatory principles for combating corruption, and to be configured as the guide to be followed by all directors, employees, and governing bodies at Cellnex, as well as by third parties, establishing appropriate standards of conduct in relation to the prevention, detection, investigation and remedy of any corrupt practice within Cellnex. The PPC therefore simbolises Cellnex's commitment combat against corruption. In this connection, thanks to planned by Cellnex's to prevent corruption,prevention measures, no cases of corruption were identified in 2021.

The current version of the Corruption Prevention Procedure was approved by the Ethics and Regulatory Compliance Committee, the Nominations, Remunerations and Sustainability Committee and finally by the Board of Directors in December 2020.

Moreover, in line with the desire for continuous improvement indicated, during 2021, with the help of an independent third-party expert, a Gap-Analysis Report was drafted on the content of the MPDD and the PPC and the proposals in relation to recommendations laid down by UNE.ISO 37001, with the view to making the improvements identified during the 2022 financial year.

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

Finally, during 2021, work was carried out on the implementation of a tool that can automatically assess any compliance risk that Cellnex bares when contracting with third parties, such as customers or suppliers, with the aim of avoiding 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 of its administrators as politically exposed persons or if a company appearing in the media or social networks for reasons related to corruption, money laundering or tax evasion.

Code of Ethics

In 2015 the Board of Directors of Cellnex Telecom, S.A approved the Cellnex Code of Ethics, which has been updated in 2019.

The Cellnex Code of Ethics is a fundamental regulation of the Cellnex Group and its objectives are as follows:

- To establish general guidelines for action and behavior.
- To define a mandatory ethical reference framework that regulates the work and professional behavior of the people bound by it.
- To create a set of rules of conduct for any actor who has contact with any of the Group companies.
- to create regulations for the prevention of corruption in order to implement the guidelines for combating corruption.

In accordance with the Cellnex Group Code of Ethics, the guiding principles of the Cellnex Group are as follows:

Principles of the Cellnex Group Code of Ethics

- We base our activity on the ethical principles of integrity, honesty, and transparency, always maintaining a conduct based on good faith.
- We seek and commit to protect and respect basic universally accepted human rights.
- We comply with all applicable legislation in the countries in which the Cellnex Group operates as well as with the Cellnex Group's internal regulations.
- Ethical conduct and compliance with rules take precedence over the Cellnex Group's results.
- The applicable legislation shall prevail whenever there is a conflict between the latter and the internal regulations which apply to the Cellnex Group.
- We avoid any personal situations involving the People Subject to this Code directly or indirectly clashing with the interests of any of the Cellnex Group's companies.
- We handle information with the utmost care.
- We use and protect the company's assets in an appropriate manner and we believe that people are the most important asset.
- We ensure equal opportunities and we do not discriminate against the People Subject to this Code.
- We guarantee freedom from reprisal for anyone who submits a query/notification regarding non-compliance with the Cellnex Group Code of Ethics and its implementing regulations, whenever the aforesaid are made in good faith.
- We protect the environment.
- We encourage political neutrality.

Cellnex includes the full contents of the Code of Ethics in all employee and supplier contracts.

Since 2019, the General Conditions of Procurement of the Cellnex Group have included a clause on the Group's Code of Ethics to require suppliers to declare knowledge of and full compliance with the contents of the Code of Ethics. In addition, suppliers have to inform their employees and any subcontractors of the existence and content of the Code of Ethics and to ensure full compliance. The same clause has been incorporated into the employment contracts in the new Cellnex Group hires.

Training associated with the Code of Ethics and Ethical Channel is available for all employees.

Furthermore, all Group employees always have access to training related to and associated with the Code of Ethics.
The Cellnex Group Code of Ethics has a whistleblowing channel (known as the Ethical Channel for reporting, anonymously and confidentially, any potentially significant irregularities observed within the companies of the Cellnex Group. The Ethical Channel is managed by the Group's Ethics and Compliance Committee.

In 2021 the Ethics and Regulatory Compliance Committee made fuerther progfress on disseminating and communicating of the Group's Code of Ethics through number of actions in each geographical area.

Whistleblowing channel (Ethical Channel)

Cellnex has a whistleblower channel (Ethical Channel) Available to all employees.

The Cellnex Group, in its mission to promote a robust culture of compliance, has implemented a whistleblowing channel, known as the Ethical Channel.

The Ethical Channel is a communication tool accessible to all employees and stakeholders of the Group for reporting, confidentially and anonymously, any irregularities of potential significance detected within the companies of the Group.

Through the Ethical Channel, all concerned individuals and groups can:

- Ask questions about the interpretation of the Cellnex Group Code of Ethics and other applicable internal regulations.
- Report conduct that might be in breach of the Code of Ethics, internal regulations or, in general, the current legislation applicable to the Group (as such, crimes or irregularities related to finance or accounting, labour or human rights aspects).

Both people working in the Cellnex Group and third parties with whom the Group has relationships must cooaperate on the early detection and reporting through the Ethical Channel, of anu conduct that might be in breach of the applicable regulations, especially when such conduct might give rise to criminal liability for Cellnex.

The Ethical Channel is easily accessible as follows:

- On the Cellnex Group Intranet;
- Via email canal.etico@cellnextelecom.com, by filling in the form available on the website; and

- By post for the attention of the Chairman of the Ethics and Regulatory Compliance Committee (Ref. Ethical Channel- Passeig Zona Franca, 105; 08038 Barcelona).

Complaints received through the Ethical Channel will be handled by the Group's Ethics and Regulatory Compliance Committee, the body responsible for regulatory compliance. Such reports will be confidential and anonymous.

Given the importance of the Ethics Channel as a powerful communication tool for reporting irregularities of potential significance by employees and stakeholders of the Cellnex Group, the company works continuously to improve this channel, ensuring that it works correctly. Accordingly, in 2021, technical and organisational aspects of the Channel were modified to guarantee not only the inherent confidentially from the beginning, but also the possibility of submitting complaints and reports in general in an anonymous manner.

These updates to the Ethical Channel herald an even more in-depth reform that will lead to its enhancement during 2022, thereby taking another step towards fulfilling the firm commitment to promote a robust culture of compliance, ethics and integrity in the performance of all Cellnex Group activities.

Finally, the number of complaints received in the Ethical Channel, has risen from two in 2020 to seven in 2021. Four of those complaints were related to issues that were not the responsibility of the Ethics and Regulatory Compliance Committee. None of the complaints received was related to a violation of human rights or corruption.

Global Management System

The Global Management System is based on four fundamental pillars: Risk Management, Quality, Health and Safety, and Environment and Climate Change.

Cellnex has defined an Integrated Management System Model

Integrated Management System

Cellnex has implemented an Integrated Management System Model that incorporates the Quality, Environment and Health and Safety Management Systems. In the future, other management systems will be integrated, which are already deployed in some countries, such as the Information Security Management System (ISMS).

The Integrated Management System serves as a framework for:

- Adopting a systematic approach to the implementation of processes to ensure their effectiveness.
- Establishing a protocol to ensure the quality of the services provided.

- Ensuring thatbusiness 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.
- Obtaining ISO standard certifications for Cellnex.

"Being certified in ISO 9001 (Quality), ISO14001 (Environment) and ISO45001 (Occupational Health and Safety) was a key objective of Cellnex PT which shows our commitment to all our stakeholders. We all feel very proud of this achievement. With resilience and teamwork, we were able to certify Cellnex PT group in less than 6 months".

Pedro Duarte, Senior Process Project Manager

The Integrated Management System enables new business opportunities, facilitates the implementation of the Cellnex Industrial Model, and enables continuous improvement and customer satisfaction.

The Integrated Management System Model is currently applied and certified in Spain, Italy, Ireland and the United Kingdom. An external certification audit is in progress in Portugal, France, Switzerland and the Netherlands as well as at the Corporate level, and certification is expectedin early 2022. Poland, Denmark, Austria and Sweden are the next countries to be incorporated into the Integrated Management System.

Risk Management

The Cellenx Telecom Board of Directors has focused its work on defining the risk management strategy, supervising its implementation and risk control, and fostering best practices in corporate governance.

By delegation from the Board of Directors, the Audit and Risk Management Committee will monitor the effectiveness of the risk management model and the information to be provided to third parties, it must ensure that the risk management model identifies, prioritises, controls, monitors and notifies risks.

Global Risk Management across Cellnex Telecom is configured in line with best international practices. It is a combined assurance around Three Lines, providing an integrated vision of how the different parts of the Organization of Cellnex Group interact in an effective and coordinated manner, making the Cellnex Group's relevant risk management and internal control processes more efficient.

Risk Management is based on anticipation, independence, commitment to the group's business objectives and the involvement of Senior Management, Audit and Risk Management Committee and the Board of Directors.

"The importance of anticipating potential threats and risks that could affect our business is key to Cellnex's resilience as a global company. At Risk Management, as Second Line, we want this risk culture to be part of our day-to-day decision making to respond more efficiently to threats or crises that may affect us in the future, promoting a common framework for managing risks in the whole group." Andrés Toribio . Global Head of Quality & Risk Management

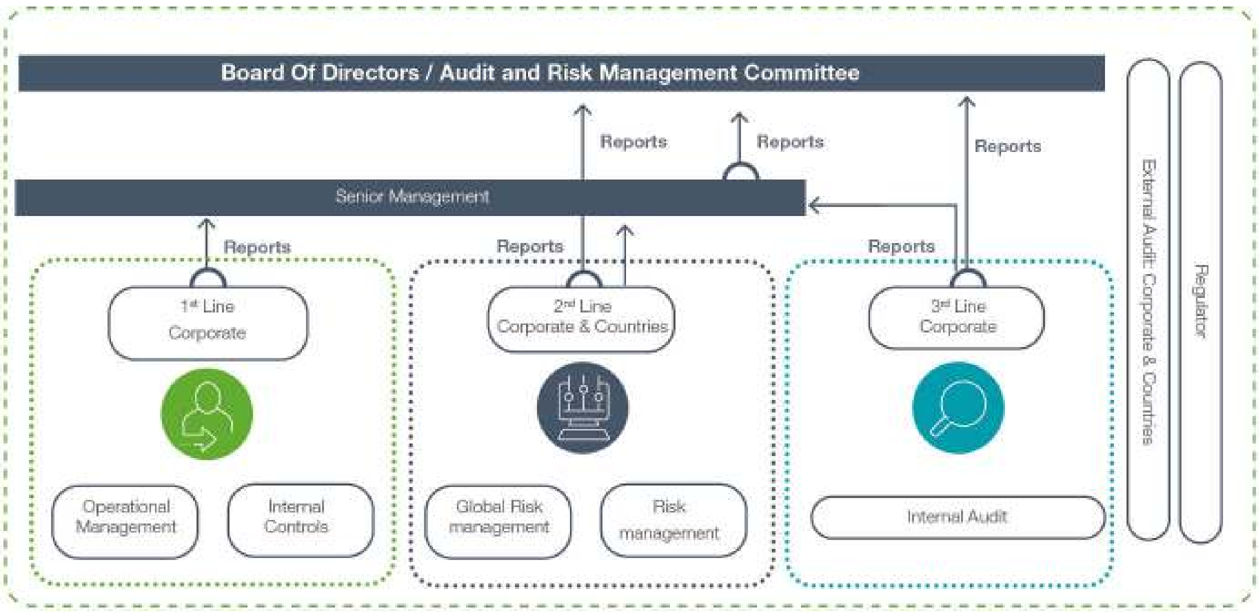
For risk management, Cellnex has a methodology approved by the Board of Directors. This risk management methodology has three specific lines:

- First Line: Operational Management. This Line includes all functional areas of Cellnex Group (operational management), both in Corporate and in Business Units, have ownership, responsibility and accountability for assessing, controlling and mitigating risks together with maintaining effective internal controls.

- Second Line: Global Risk Committee and Risk Management department. Risk Management facilitates and monitors the implementation of effective risk management practices and assists in defining the target risk exposure and reporting risk information through the Group. Global Risk Committee has the objective of analyse and evaluate the risks and their action plans defined in each risk map to ensure the adequate coverage of the risks. In the Global Risk Committee is represented all the functional areas of Cellnex.

- Third Line: Internal Audit Department. Internal Audit provides independent assurance to the Board of Directors, Audit and Risk Management Committee and Senior Management on how effectively the Cellnex Group assesses and manages its risks, validating how the first and second lines operate.

Cellnex has approved a Global Risk Management Policy, which is mandatory for all companies controlled by Cellnex Group. This policy establishes the essential principles and commitments in the field of risk management within the organisation, its communication to stakeholders and its progressive integration into all the operational systems and processes of the Cellnex Group.



In this regard, the Global Risk Committee is the body responsible for executing risk management in the Cellnex Group and validating the risks and action plans defined in the risk map. It also acts as the second line. In 2021, the consolidated risk map was drawn up and revised, as was the risk map for all countries except Austria, Denmark, Finland and Sweden, as those countries were integrated during 2021, their risk map will be drawn up in 2022.

For day-to-day operational risk management at Cellnex, the Risk Management Department has implemented a Global Risk Management Master Plan 2021-2022. In 2021, all initiatives planned for the first year of the plan were completed, namely:

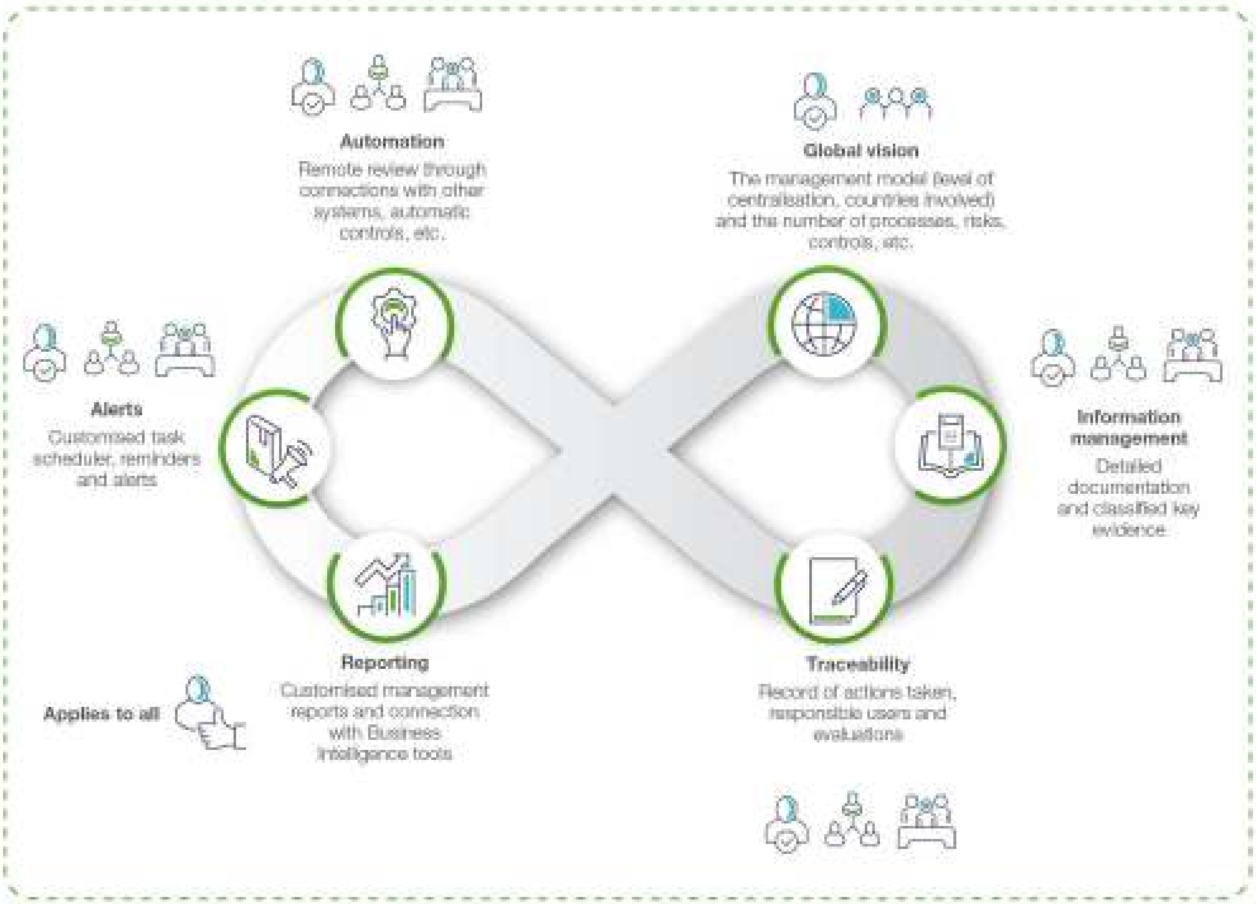
- Risk Governance: redesigning the organisational model for risk management, establishing the roles and responsibilities of the risk management function, establishing the country relationship model, adapting the structure and functions of the Global Risk Committee, etc.

- Risk Communication Plan: design and deployment of a risk management communication and awareness plan for the entire Group.

- Risk Assessment: assessment of the Company's main risks, including financial and non-financial risks. It was reviewed with the corporate department during 2021 and will be carried out with the countries in 2022.

- Business Continuity Management System: implementation of a Business Continuity Management System (BCMS) aligned with the best practices of the Business Continuity Institute (BCI) and the ISO 22301 standard. During the first half of 2022, the definition of the BCMS will be finalised at corporate level and it will be rolled out in the countries during 2022.

- SAP GRC: a tool that allows users to employ range of functionalities to monitor of the tasks needed to carry out simple risk management, internal control and internal auditing. In 2022 it will be implemented at corporate level and it will be progressively rolled out in the countries.



In addition, to promote a risk culture throughout the Cellnex Group, a Risk Communication Plan has been defined to integrate risk management and control into the Company's standard practice and into the daily decision-making process across all Cellnex departments. This Plan is incorporated into the Global Risk Management Master Plan, adapting the messages to the level of maturity of the plan and the initiatives deployed.

To deploy and consolidate the risk culture among all Cellnex employees, Risk Partners have been identified in the countries with the aim of fostering in the process of disseminating the risk culture throughout the Cellnex Group. Working sessions are also being held to explain the new risk management model to key stakeholders.

Below is 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 to its competitors.
	IV)	Industry trends and technological developments may require the Group to continue investing in asset class-businesses adjacent 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 its services in accordance with its plans.
	VI)	Risk related to a substantial portion of the revenue of the Group is derived from a small number of customers.
	VII)	Risk of infrastructure sharing.
	VIII)	Risk of non-execution for 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 to the businesses acquired and the Group's international expansion.
	XI)	Risk related to the non-control of certain subsidiaries.
	XII)	Risks related to implementation of Cellnex's acquisition strategy.
	XIII)	Regulatory and other similar risks.
	XIV)	Litigation.
	XV)	Risk related to the Company's significant shareholder's interests potentially differing from those of the Company.
Operational risks	XVI)	Risks related to the industry and the business in which the Group operates.
	XVII)	Risk of not developing 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 negatively 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 maintain these assets properly 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 Company cannot give an assurance that it will be able to implement its Dividend Policy or to pay dividends (and even if able, that the Company 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.

For more detailed information, please see Annex 1. Risks.

Quality and certifications

Quality

Managing Quality is a strategic priority and a transversal commitment at Cellnex, as it is the leading neutral operator of wireless telecommunications infrastructures in Europe and these telecommunications services require high availability and high quality, and this quality is implicit in the services provided by Cellnex.

Quality enhances Cellnex's brand and reputation.

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 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.

The Quality objectives are as follows:

- 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.

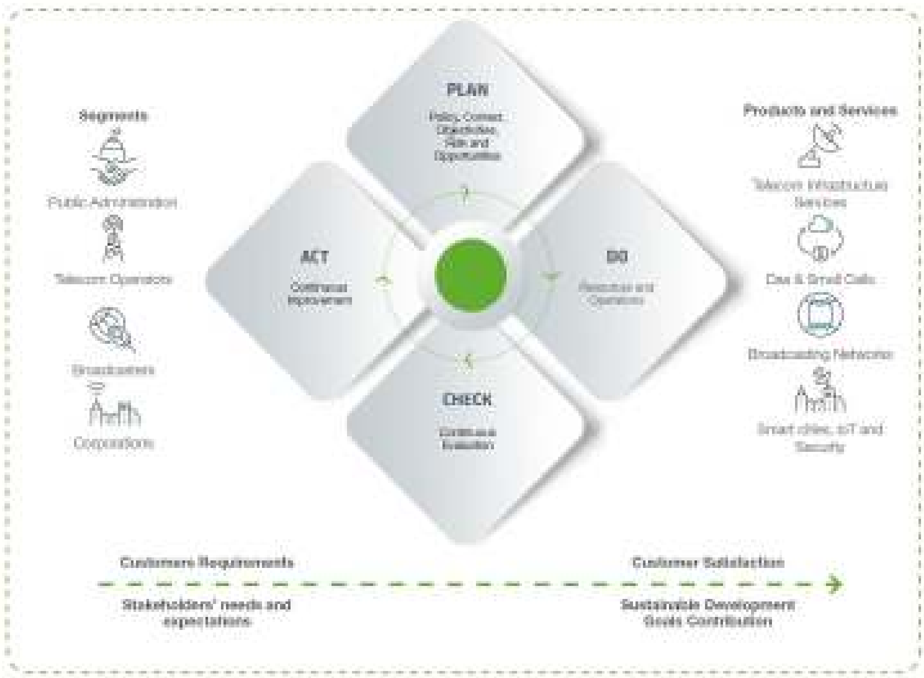
- To promote a culture of Continuous Improvement by guaranteeing methodologies and procedures to ensure the appropriate management of the improvement opportunities that arise.

- To lead exemplary practices to commit to all the Sustainable Development Goals.

Cellnex focuses on stakeholder needs and expectations, offers high quality services, satisfies customers and continuously improves.

In 2021, the Board of Directors of Cellnex Group, S.A. updated the Global Quality Policy. In the exercise of these functions, the Board of Directors establishes 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.

In accordance with the basic principles of the Quality policy, Cellnex's main strategy is to make investments to drive transformation and internationalisation, offering customers a range of innovative products and services that guarantee high quality while focusing on promoting satisfaction and meeting stakeholder expectations.



A Company-wide two-year Quality Master Plan (2021-2022) has been defined, based on the Cellnex Global Quality Policy. This Quality Master Plan is defined in five strategic lines, being Continuous Improvement. Regarding the strategic priorities, seven initiatives have been defined which contain specific actions to drive and promote quality throughout the organisation. One of the actions under the Quality Master Plan is the development of a Cellnex Global Continuous Improvement Model.

.

The Global Continuous Improvement Model was defined for 2021. This Global Model is deployed using the Deming Cycle methodology (Plan-Do-Check-Act), is based on Kaizen, contains certain Lean Six Sigma practices and adopts an Agile methodology.

The Model is fully aligned with the Cellnex Industrial Model and pivots on four principles:

- Start small.
- Encourage everyone to participate.
- Leave room for mistakes.
- Involve senior management.

Cellnex considers continuous improvement to be part of the Company's way of doing things and a permanent habit among all staff in order to obtain results that help to make the organisation more efficient, competitive and innovative. In other words, Cellnex is able to grow in an excellent and sustainable manner.

In 2021, the Global Continuous Improvement Model began to be deployed in Spain, Italy and the United Kingdom and will continue to be implemented in the other business units during 2022. Looking ahead to 2022, work is also under way to design and implement the Global Customer Service Model, and to review the global Customer Complaints model for the whole of Cellnex. In addition, the aim is to identify and measure the contribution of quality initiatives to the SDGs, specifically SDGs 1, 8, 9, 12 and 17.

Certifications

Cellnex has implemented a management system based on the company's organisational model and Process Management. Based on the Integrated Management System, the Quality and Certifications Department has focused in 2021 and until 2023 on implementing global certifications in non-certified countries.

Implementing a management system that encompasses all of Cellnex's geographical areas makes the maintenance and renewal of certifications more efficient because it involves a single certification for all companies and business units. In addition, it is more cost-effective to manage global certifications than local ones, as synergies are identified and redundancies are eliminated.

Certification Catalog, updated in 2021.

In this regard, Cellnex has a Certification Catalogue, updated in 2021. The catalogue is a tool that indicates the exact certification status of all business units. The certifications obtained by business unit and their date of validity are given below. Note that Water Footprint certification was obtained under the ISO 14046 standard for the first time in 2021.

ISO 9001 Quality	2025	2022	2025	2025	2025	2025	2023	2025	2025
ISO 14001 Environmental Management	2025	2022	2023	2025	2025	2025	2023	2025	2025
ISO 45001 Occupational Health and Safety	2025	2022	2026	2025	2025	2025	2023	2025	2025
ISO 27001 Information Security	2023	2023	2023	2023	2023	2023	2023	2023	2023
ISO 14064 Carbon Footprint	2023	2023	2023	2023	2023	2023	2023	2023	2023
ISO 14046 Water Footprint	2023	2023	2023	2023	2023	2023	2023	2023	2023
SA 8000 Social Responsibility			2024						
EASI model			2023						
ISO 50001 Energy Management		2023							
ISO 20000-1 Service Management		2023							

In 2021, Cellnex started the certification process for ISO 9001, ISO 14001 and ISO 45001 in Portugal, Ireland, France, Switzerland, the Netherlands and at corporate level under the Global Integrated Management System. With these certifications Cellnex is certified in eight countries (Italy, Spain, United Kingdom, Portugal, Ireland, France, Switzerland and the Netherlands) and at corporate level.

In the case of countries that are being integrated, the process begins with a GAP analysis to determine the percentage of compliance with the requirements of the three ISO standards (ISO 9001, ISO 14001 and ISO 45001). Based on the results of the GAP analysis, an action plan is drawn up for each country to ensure certification in the shortest possible time. In 2022, GAP analyses will start for Poland, Denmark, Austria and Sweden. Countries already certified (Spain, Italy and United Kingdom) will be gradually included in the Global Integrated Management System.

Italy: the EASI model

With the Integrated Sustainable Corporate Ecosystem (EASI®) Cellnex Italia has positioned itself as one of the leading companies in the market by having an operational process in which sustainability has been integrated into each and every step of operations within the Company.

EASI® is an innovative path developed by Consulnet Italia and Rodl & Partner as part of the SIrcle project, it incorporates the international standards and fundamental principles that govern the evolutionary phases of environmental social and economic sustainable development such as the 17 SDGs of UN's 2030 Agenda, the ESG criteria and the GRI standards (environmental, social, economics) integrating them into strategies and business processes.

Cellnex commitment to human rights

Cellnex is committed to respecting human rights in its daily activities and throughout its global value chain, incorporating them as an integral part of the Company's fundamental values and asstandard practice for the legitimate development of its business activities.

The company operates under the international framework that provides a robust approach to address the risks for people related to its products and services. This is especially valuable because it will lead to a regular review and decision-making process regarding products and services that can be used at scale, almost anywhere, and by a large number of different key stakeholders, be they private, public or individual.

In 2021 Cellnex carried out a due diligence study on human rights

As part of the ESG agenda, in 2021 Cellnex carried out a Due Diligence process and Risk Impact Assessment on Human Rights with the aim of updating the business strategy and providing it with greater depth and scope.

In order to identify and assess relevant risk events and measure the nature and scope of risks to human rights, the methodology has been inspired by the "Human Rights Business Approach" (HRBA), a normative working methodology based on internationally recognized Human Rights, the UN Guiding Principles Interpretive Guide, and the OECD Due Diligence Guidance for Responsible Business Conduct.

The HRBA is the process by which Cellnex collects the basic information it needs to identify which human rights risks can be avoided, mitigated or remedied. This allows the company to model the impact throughout the global value chain, highlighting the needs and expectations of stakeholders as well as involving the different areas of the company. The assessment process helps build a shared responsibility to address the potential impacts of the underlying and structural causes of human rights non-compliance in accordance with stakeholder and community engagement activities. For Cellnex, it is not just a form of compliance, in which the risks do not necessarily have legal consequences, but rather it implies a very high impact on the reputational and social license to operate.

Based on the due diligence study, the risk of Human Rights breach have been identified as a corporate risk for the Company, thus becoming a priority on Cellnex's corporate agenda, guaranteeing a direct channel for reporting irregular situations and protecting people against events that may affect their normal development and quality of life.

In this regard, Cellnex signed in 2018 a Corporate Human Rights Policy as an expression of its strong commitment to the internalisation of Human Rights in the fundamental operations of the business, which, following these premises of due diligence, has been updated early 2022 Under this roadmap, Cellnex is committed to promoting and disseminating the ESG policy and best practices based on the principles promoted by the United Nations (UN).

Context and business development

Milestones and key figures for 2021

Business performance and results

The year that ended on 31 December 2021 highlighted a unique combination of defensive and high quality structural growth with limited exposure to COVID-19, which is 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, which are 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 APMs it considers significant: Adjusted EBITDA; Adjusted EBITDA Margin; Gross and Net Financial Debt; Maintenance, Expansion and M&A CAPEX; Net payment of interest; Available liquidity and Recurring leveraged free cash flow.

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

The definition and determination of the aforementioned APMs are disclosed in the accompanying consolidated financial statements and are therefore validated by the Group auditor (Deloitte).

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

Adjusted EBITDA

This relates to the "Operating profit" before "Depreciation and amortisation charge" (after adoption of IFRS 16) and after adding back (i) certain non-recurring items (such as COVID donations, redundancy provision, extra compensation and benefit costs, and costs and taxes related to acquisitions) or (ii) certain non-cash items (such as advances to customers, and LTIP remuneration payable in shares).

The Group uses Adjusted EBITDA as an indicator of the operating performance of its business units and 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, cannot be compared with the Adjusted EBITDA of other companies.

As at 31 December 2021 and 2020, respectively, the amounts were as follows:

	Adjusted EBITDA (€ thousand)	
	31 December 2021	**31 December 2020**
Broadcasting infrastructure	218,290	227,257
Telecom Infrastructure Services	2,211,789	1,272,583
Other Network Services	102,720	104,932
Operating income [5]	**2,532,799**	**1,604,772**
Staff costs [6]	(300,357)	(165,861)
Repairs and maintenance [7]	(79,708)	(50,783)
Utilities [7]	(159,080)	(102,359)
General and other services [7]	(249,153)	(153,415)
Depreciation and amortisation charge [8]	(1,687,564)	(973,971)
Operating profit	**56,937**	**158,383**
Depreciation and amortisation [8]	1,687,564	973,971
Non-recurring expenses [9]	172,941	45,712
Advances to customers [9]	3,269	3,659
Adjusted operating profit before depreciation and amortisation charge (Adjusted EBITDA)	**1,920,711**	**1,181,725**

Non-recurring and non-cash expenses, and advances to customers at 31 December 2021 and 2020 are set out below (see Note 20.d of 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 €3,880 thousand (€5,620 thousand in 2020).

ii. Redundancy provision, which mainly includes the impact in 2021 and 2020 year-end derived from the reorganisation plans detailed in Note 19.b of the accompanying consolidated financial statements (non-recurring item), amounted to EUR 80,870 thousand (EUR 4,912 thousand at 2020 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.a of the accompanying consolidated financial statements, non-cash item), amounted to EUR 10,724 thousand (EUR 8,455 thousand at 2020 year-end), and extra compensation and benefits costs, which corresponds to extra

[5] See note 20.a of the accompanying consolidated financial statements.
[6] See note 20.b of the accompanying consolidated financial statements.
[7] See note 20.c of the accompanying consolidated financial statements.
[8] See note 20.e of the accompanying consolidated financial statements.
[9] See notes 10, 20.a and 20.d of the accompanying consolidated financial statements.

non-conventional bonus for the employees (non-recurring item), amounted to EUR 1,731 thousand (EUR 316 thousand at 2020 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 3,269 thousand (EUR 3,659 thousand at 2020 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). 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 anciliary costs incurred during the business combination processes (non-recurring item), amounted to EUR 75,735 thousand (EUR 26,409 thousand at 2020 year-end).

During 2021 Cellnex performed several business combinations. If all the business combinations carried out during 2021, had been completed on 1 January 2021 and had been fully consolidated for the full year ended on 31 December 2021, the Adjusted EBITDA would have reached approximately the value of EUR 2,483 million and the payments of lease instalments in the ordinary course of business would have been approximately EUR 736 million.

Adjusted EBITDA margin

Adjusted EBITDA Margin corresponds to Adjusted EBITDA (as defined above), divided by operating income[10] excluding elements passed through[10] to customers from both expenses and revenues, mostly electricity costs (this concept only includes Services and Advances to customers[11] and does not take into account Other operating income[10]). The Company 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 Margin as at 31 December 2021 and 2020 was 79% and 75%, respectively.

Gross financial debt

The Gross financial debt corresponds to "Bond issues and other loans"[12], "Loans and credit facilities"[12] and "Lease liabilities"[13], but does not include any debt held by Group companies registered using the equity method of consolidation, "Derivative financial instruments"[14] or "Other financial liabilities"[12].

According to the above, its value as at 31 December 2021 and 2020, respectively, is as follows:

[10] See note 20.a of the accompanying consolidated financial statements.
[11] See note 20.d of the accompanying consolidated financial statements.
[12] See note 15 of the accompanying consolidated financial statements.
[13] See note 16 of the accompanying consolidated financial statements.
[14] See note 11 of the accompanying consolidated financial statements.

Thousands of Euros

	31 December 2021	31 December 2020 restated
Bond issues and other loans [15]	13,565,690	7,534,957
Loans and credit facilities [15]	2,064,351	1,854,488
Lease liabilities [16]	2,836,084	1,756,045
Gross financial debt	**18,466,125**	**11,145,490**

Net financial debt

Relates to “Gross financial debt” minus “Cash and cash equivalents”[17].

Together with “Gross financial debt”, the Company 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. From the net financial debt, common used metrics are calculated such as the “Annualised Net Debt/12-month forward looking Adjusted EBITDA” which is frequently used by analysts, investors and rating agencies as an indication of financial leverage.

The “Net financial debt” on 31 December 2021 and 2020 is detailed in Section “Liquidity and Capital Resources” of this Consolidated Management Report.

Net payment of interests

Net payment of interest corresponds to i) “interest payments on lease liabilities”[18] plus ii) “Net payment of interest (not including interest payments on lease liabilities)” and iii) non-recurring financing costs related to M&A projects[19].

Available liquidity

The Group considers as available liquidity the available cash and available credit lines at year-end closing.

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 Company 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

Corresponds to investments in existing tangible or intangible assets, such as investment in infrastructure, equipment and information technology systems, and are primarily linked to keeping sites in good working order, but which excludes investment in increasing the capacity of sites.

[15] See note 15 of the accompanying consolidated financial statements.
[16] See note 16 of the accompanying consolidated financial statements.
[17] See note 13 of the accompanying consolidated financial statements.
[18] See note 16 of the accompanying consolidated financial statements.
[19] See note 20.d of the accompanying consolidated financial statements.

Expansion (or organic growth) capital expenditures

Includes site adaptation for new tenants, ground leases (cash advances), and efficiency measures associated with energy and connectivity, and early site adaptation to increase the capacity of sites, or specific engineering services. Thus, it corresponds to investments related to business expansion that generates additional Recurring Leveraged Free Cash Flow (including decommissioning, telecom site adaptation for new tenants and prepayments of land leases).

Expansion capital expenditures (Build to Suit programmes)

Corresponds to committed Build-to-suit programs (consisting of sites, backhaul, backbone, edge computer centers, DAS nodes or any other type of telecommunication infrastructure as well as any advanced payment related to it) as well as Engineering Services with different clients. Ad-hoc maintenance capital expenditure required eventually may be included.

Inorganic Investment

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 year ended 31 December 2021 and 2020, including property, plant and equipment, intangible assets, advance payments on land leases and business combinations are summarised as follows:

Thousands of Euros

	31 December 2021	31 December 2020 restated
Maintenance capital expenditures	76,799	52,381
Expansion (or organic growth) capital expenditures	233,107	145,618
Expansion capital expenditures (Build to Suit programs)	1,346,136	559,417
M&A capital expenditures	12,741,420	5,618,195
Total investment [(1)]	**14,397,463**	**6,375,611**

[(1)]"Total Investment", amounting to EUR 14,397 million (EUR 6,376 million in 2020), corresponds to "Total net cash flow from investing activities" of the accompanying Consolidated Statement of Cash Flows amounting to EUR 13,904 million (EUR 5,895 million in 2020), plus i) "Cash and cash equivalents" of the acquired companies in business combinations amounting to EUR 211 million (EUR 111 million in 2020, see Note 6 of the accompanying consolidated financial statements); plus ii) "Cash advances to landlords" amounting to EUR 71 million (EUR 264 million in 2020, see Note 16 of the accompanying Consolidated Financial Statements); plus iii) "Others" amounting to EUR 210 million (EUR 106 million in 2020), which includes the substitute tax paid (see Note 18.b of the accompanying consolidated financial statements), financial investments, timing effects related to assets purchases and the contribution of minority shareholders.

Recurring leveraged free cash flow

The Company 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. The criteria used to calculate the Recurring leveraged free cash flow is the same as the previous year.

At 31 December 2021 and 2020 the Recurring Leveraged Free Cash Flow ("RLFCF") was calculated as follows:

Thousands of Euros

	31 December 2021	31 December 2020 restated
Adjusted EBITDA(1)	1,920,711	1,181,725
Payments of lease installments in the ordinary course of business and interest payments(2)	(593,598)	(365,483)
Maintenance capital expenditures(3)	(76,799)	(52,381)
Changes in current assets/current liabilities(4)	(68)	(10,426)
Net payment of interest (without including interest payments on lease liabilities)(5)	(182,533)	(104,593)
Income tax payment(6)	(87,170)	(38,577)
Recurring leveraged free cash flow (RLFCF)	**980,543**	**610,265**
Expansion (or organic growth) capital expenditures(7)	(233,107)	(145,618)
Expansion capital expenditures (Build to Suit programs) (8)	(1,346,136)	(559,417)
M&A capital expenditures (cash only) (9)	(12,529,294)	(5,508,144)
Non-Recurrent Items (cash only)(10)	(81,346)	(36,941)
Net Cash Flow from Financing Activities(11)	12,485,240	7,909,446
Other Net Cash Out Flows (12)	(1,349)	30,881
Net Increase of Cash (13)	**(725,449)**	**2,300,472**

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 (€4Mn), redundancy provision (€81Mn), extra compensation and benefits costs (€2Mn) and mainly tax and ancillary costs related to M&A (€76Mn)) 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 and others (€11Mn)).

2. Corresponds to i) payments of lease installments (€377Mn) in the ordinary course of business and; ii) interest payments on lease liabilities (€217Mn). See Note 16 of the accompanying consolidated financial statements.

3. Maintenance capital expenditures: investment in existing tangible or intangible assets, such as investment in infrastructure, equipment and information technology systems, which are primarily linked to keeping sites in good working order, but which excludes investment in increasing the capacity of sites.

4. Changes in current assets/current liabilities (see the relevant section in the Consolidated Statement of Cash Flows for the period ended on 31 December 2021).

5. Corresponds to the net of "Interest paid" and "interest received" in the accompanying Consolidated Statement of Cash Flows for the period ended on 31 December 2021, excluding "Interest payments on lease liabilities" (€217Mn) (see Note 16 of the accompanying consolidated financial statements) and non-recurring financing costs related to M&A projects (see caption "Net Payment of Interest").

6. Corresponds to the "Income Tax received/(paid)" in the accompanying Consolidated Statement of Cash Flows for the period ended on 31 December 2021. It does not include the "Non-recurring Income tax paid" (€78Mn) regarding the substitutive tax paid (see Note 18.b of the accompanying consolidated financial statements).

7. Corresponds to cash advances to landlords (€71Mn), efficiency measures associated with energy and connectivity (€35Mn), and others (€127Mn, including early site adaptation to increase the capacity of sites). Thus, it corresponds to investments related to business expansion that generates additional Recurring leveraged free cash flow.

8. Committed Build to Suit Programs and further initiatives (consisting of sites, backhaul, backbone, edge computing centers, DAS nodes or any other type of telecommunication infrastructure as well as any advanced payment in relation to them). It also includes Engineering Services or work and studies that have been contractualised with different customers, including ad-hoc capex eventually required.

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 companies. Mainly correspond to the acquisition of SFR France, Hutchison Italy, Hutchison Sweden, Iliad Poland and Polkomtel.

The amount resulting from (3)+(8)+(9)+(10), hereinafter the "Total Capex" (€14,185Mn), corresponds to "Total Investment" (€14,397Mn, see caption "Capital Expenditures" in the accompanying Consolidated Directors' Report for the period ended on 31 December 2021) minus the "Cash and cash equivalents" of the acquired companies (€211Mn, see Note 6 of the accompanying consolidated financial statements).

The Total Capex (€14,185Mn) also corresponds to "Total net cash flow from investing activities" (€13,904Mn, see the relevant section in the accompanying Consolidated Statement of Cash Flows for the period ended on 31 December 2021), + Cash advances to landlords (€71Mn, see Note 16 of the accompanying Consolidated Financial Statements) + (€210Mn, including the Substitutive tax paid (see footnote 6), financial investments and timing effects related to assets purchases).

10. Consists of "non-recurring expenses and advances to customers" that have involved cash movements, mainly corresponding to "COVID donations", extra compensation and benefits costs and "Costs and taxes related to acquisitions".

11. Corresponds to "Total net cash flow from financing activities" (€12,076Mn, see the relevant section in the accompanying Consolidated Statement of Cash Flows for the period ended on 31 December 2021), excluding payments of lease installments (€377Mn) in the ordinary course of business (see footnote 2) and Cash advances to landlords (€71Mn) (see footnote 10), and including non-recurring financing costs related to M&A projects.

12. Mainly corresponds to some timing effects, "Foreign exchange differences" and other impacts (see the relevant section in the accompanying Consolidated Statement of Cash Flows for the period ended on 31 December 2021).

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 period ended on 31 December 2021).

Revenues and Results

Revenues and results correspond to the Operating Income[20] from the consolidated profit and loss account without considering advances paid to customers.

Income from operations for the year ended on 31 December 2021 was EUR 2,533 million, which represents a 58% increase over 2020 year-end. This increase was due mainly to the consolidation of the business combinations carried out i) in the second half of 2020 in the UK (the Arqiva Acquisition), Portugal (the NOS Towering Acquisition), Austria, Ireland and Denmark (the CK Hutchison Holdings Transactions completed in 2020), as well as the acquisitions completed ii) during 2021 in Sweden (the CK Hutchison Holdings Transactions), Poland (the Iliad Poland Acquisition and the Polkomtel Acquisition), the Netherlands (the T-Mobile Infra Acquisition), France (the Hivory Acquisition) and Portugal (the Infratower Acquisition). See Note 6 of the accompanying consolidated financial statements.

Telecom Infrastructure Services income increased by 74% to EUR 2,212 million due to both the organic growth achieved and the acquisitions performed during 2021, as mentioned above. This business segment is characterised by solid growth driven by increasing demand for wireless data communication services, and by the growing interest of mobile network operators (MNO) in developing high-quality networks that fulfil their consumers' needs for uninterrupted coverage and availability of wireless bandwidth (based on new Long-Term Evolution "LTE" technologies), in the most efficient way. 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 and other Engineering Services). The perimeter, therefore the number of tenants, may also be increased as a result of both acquisitions and BTS programs executions. In recent years the Group has consolidated its infrastructure network and long-term strategic relationships with its main customers, the mobile network operators. In addition to its current portfolio, the Group's Management has identified several potential acquisitions which are currently being analysed using its demanding capital deployment criteria. 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 upon request of its customers, will translate into asset investment commitments

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

in the future years. In this context, 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. 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. The margin[21] is significantly lower than the Adjusted EBITDA margin of the Group (c.20%), and this revenue is similar in amount to the operating income from Broadcasting Infrastructure segment. On the other hand, the Group owns a high-quality asset portfolio made up of selective assets and performs the subsequent streamlining and optimisation of the tower infrastructure for Telecom Infrastructure Services. Its main added value proposals in this business segment consist of providing services to additional mobile network operators in its towers and therefore streamlining the customer's network. By increasing the ratio of customers to infrastructures, the Group will generate additional income with little additional costs. This network streamlining may generate significant efficiencies for the Group and for the MNOs. In this context, the Group's organic growth strategy is based on different business models: (i) multiple allocation, (ii) build-to-suit, (iii) rationalisation, (iv) tower-adjacent assets, and (v) engineering services.

Income from the Broadcasting Infrastructure business amounted to EUR 218 million, which represents a 4% decrease compared with 2020 year-end. It should be noted that Cellnex completed a general cycle of renewal of contracts with customers in the broadcasting area, 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 operators are inflation-linked and some do not have a minimum limit or floor. The Group experienced, in the past, a high rate of renewal for the contracts in this business segment, although price pressure from customers can be possible 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.

Other Network Services decreased its income by 2%, to EUR 103 million. This constitutes a specialised business that generates stable cash flows with attractive potential for growth. Considering the critical nature of the services in which the Group collaborates, its customers require in-depth technical know-how that is reflected in the demanding service level agreements. The Group considers that it has a privileged market presence and geographical distribution, established relationships with government agencies and excellent infrastructure for emergencies and public services. The Group aims to expand and increase its data transmission connectivity services, for both MNOs backhaul and corporate data access, by focusing on services and solutions where its valuable network can be leveraged to differentiate its proposition from its competitors, and by taking advantage of its favourable position to provide mutualised high speed data transmission to MNOs in its infrastructures. The Company plans to leverage its infrastructure and frequency planning know-how to design, roll out and operate advanced telecom services for public administrations in the field of PPDR networks, including TETRA and LTE services networks. The Company aims to be a frontrunner in new types of infrastructure services including urban telecom infrastructure

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

solutions. In addition, Cellnex provides fibre connectivity in Spain following the acquisition of XOC. Its main customer is the public administration.

The transactions performed during 2020 and 2021, especially in the Telecom Infrastructure Services business segment, has helped boost operating income and operating profit, with the latter also impacted by the measures to improve efficiency and optimise operating costs. In this sense, the Group makes cash advances to landlords basically with the purpose to obtain efficiencies. The cash advances to landlords executed during the year ended on 31 December 2021 amounts to EUR 70,640 thousand (EUR 264,118 thousand in 2020), and approximately 8% of this cash advances are covering a lease period of 10 years or less (approximately 3% in 2020).

In line with the increase in revenue, Adjusted EBITDA was 63% higher than 2020 year-end, reflecting the Group's capacity to generate cash flows on a continuous basis.

In this context of intense growth, the "Depreciation and amortisation" expense has increased substantially, by 73% compared to the 2020 year-end, as a result of the higher fixed assets (property, plant and equipment, and intangible assets) in the accompanying consolidated balance sheet, after the business combinations undertaken during the second half of 2020 and during 2021.

Moreover, the net financial loss increased by 63%, derived largely from the new bond issuances carried out during 2021. Likewise, income tax for 2021 included the effect of the Reverse Big Merger (see Note 18 of the accompanying consolidated financial statements), which resulted in a positive impact of EUR 60 million in the consolidated income statement.

Therefore, the net loss attributable to the Parent Company on 31 December 2021 amounted to EUR 351 million due to the substantial effect of higher amortisations and financial costs associated with the intense acquisition process and the consequent geographic footprint expansion, as mentioned above. In addition, the net loss of the year has been considerably impacted by some non recurring impacts such as the 2022 redundancy provision (c. EUR -80 million) and the update of the deferred taxes due to the change of tax rate in the UK (c. EUR -100 million). This scenario remains consistent with the current strong growth that the Group continues to experience and, as mentioned in the 2020 Annual Results Presentation, the group expects to continue experimenting a net loss attributable to the parent company in the coming quarters.

Consolidated Balance Sheet

Total assets on 31 December 2021 stood at EUR 41,797 million, a 73% increase compared with the 2020 year-end, mainly as a result of the consolidation of the business combinations in Sweden (the CK Hutchison Holdings Transactions), Poland (the Iliad Poland Acquisition and the Polkomtel Acquisition), the Netherlands (the T-Mobile Infra Acquisition), France (the Hivory Acquisition) and Portugal (the Infratower Acquisition). Around 78% 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. The increase in property, plant and equipment and intangible assets is due mainly to the aforementioned acquisitions.

Total investments executed in 2021 amounted to EUR 14,397 million, in part for investments linked to generating new revenue streams, for the incorporation of new assets in Sweden, Poland, The Netherlands, France and Portugal for the continued integration and roll-out of new sites in France, as well as improvements in efficiency, and maintenance of installed capacity.

Consolidated net equity on 31 December 2021 stood at EUR 15,842 million, a 77% increase compared with the 2020 year-end, due largely to the capital increase of EUR 7,000 million carried out in March 2021.

The Group's net financial debt as of 31 December 2021 stood at EUR 14,540 million compared to EUR 6,493 million at the end of 2020 (restated). Likewise, on 31 December 2021, Cellnex had access to immediate liquidity (cash & undrawn debt) to the tune of approximately EUR 8.7 billion (EUR 17.6 billion at the end of 2020).

At 31 December 2021, 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 19 January 2022 and a long-term "BB+" with stable outlook according to the international credit rating agency Standard & Poor's Financial Services LLC as confirmed by a report issued on 28 June 2021.

Consolidated cash flow generation

Net Payment of Interest

The reconciliation of the caption "Net payment of interest" from the Consolidated Statement of Cash Flows corresponding to the year ended on 31 December 2021 and 2020, with the "Net financial loss" in the Consolidated Income Statement is as follows:

Thousands of Euros

	31 December 2021	31 December 2020 restated
Interest Income [22]	**4,416**	**4,969**
Interest Expense [22]	**(592,235)**	**(365,183)**
Bond & loan interest accrued not paid	134,998	89,260
Amortised costs – non-cash	104,281	64,075
Interest accrued in prior year paid in current year	(89,260)	(54,462)
Net payment of interest as per the Consolidated Statement of Cashflows [1]	**(437,800)**	**(261,341)**

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 €216,644 thousand (see Note 16 of the accompanying consolidated financial statements) plus ii) "Net payment of interest (not including interest payments on lease liabilities)" for an amount of €182,532 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 (see section "Recurring leveraged free cash flow" of the accompanying Consolidated Management Report).

Income Tax Payment

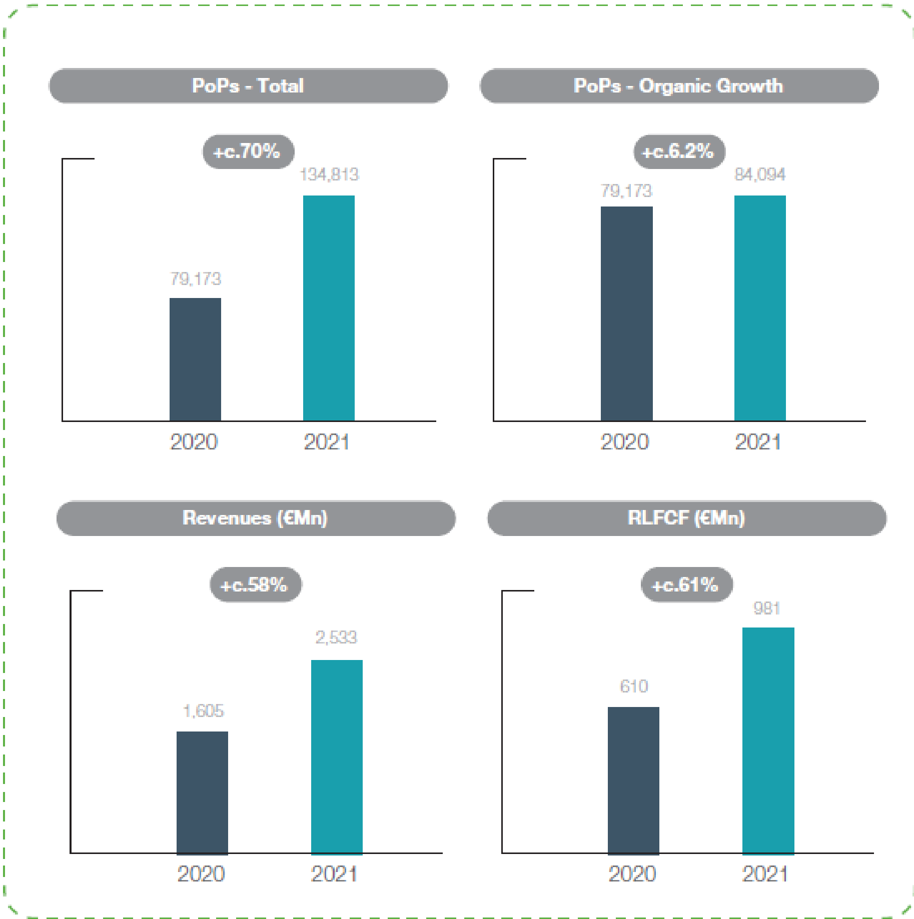
The reconciliation of the caption "Payment of income tax" from the Consolidated Statement of Cash Flows corresponding to the year ended on 31 December 2021 and 2020, with the "Income tax" in the Consolidated Income Statement is as follows:

[22] See note 20.f of the accompanying consolidated financial statements.

Thousands of Euros

	31 December 2021	31 December 2020
Current tax expense [23]	**(120,725)**	**(31,828)**
Payment of income tax prior year	(29,542)	(5,689)
Receivable of income tax prior year	9,009	—
Income tax (receivable)/payable	47,858	3,176
Non-recurring Income tax paid [24]	(78,400)	—
Others	6,230	(4,236)
Payment of income tax as per the Consolidated Statement of Cashflows	**(165,570)**	**(38,577)**

Business indicators



Information relating to the deferment of payments to suppliers

See Note 17 of the accompanying consolidated financial statements.

[23] See note 18.a of the accompanying consolidated financial statements.

[24] See note 18.b, section "The reverse merger transaction" of the accompanying consolidated financial statements.

Use of financial instruments.

See Note 4 of the accompanying consolidated financial statements.

Sustained value creation

Creating value in the company

Cellnex´s Financial Structure [1]

Cellnex's borrowing is represented by a combination of loans, credit facilities and bond issues. At 31 December 2021, the total limit of loans and credit facilities available was EUR 6,814,615 thousand (EUR 14,783,431 thousand as of 31 December 2020), of which EUR 2,740,058 thousand in credit facilities and EUR 4,074,556 thousand in loans (EUR 3,324,205 thousand in credit facilities and EUR 11,459,225 thousand in loans as of 31 December 2020).

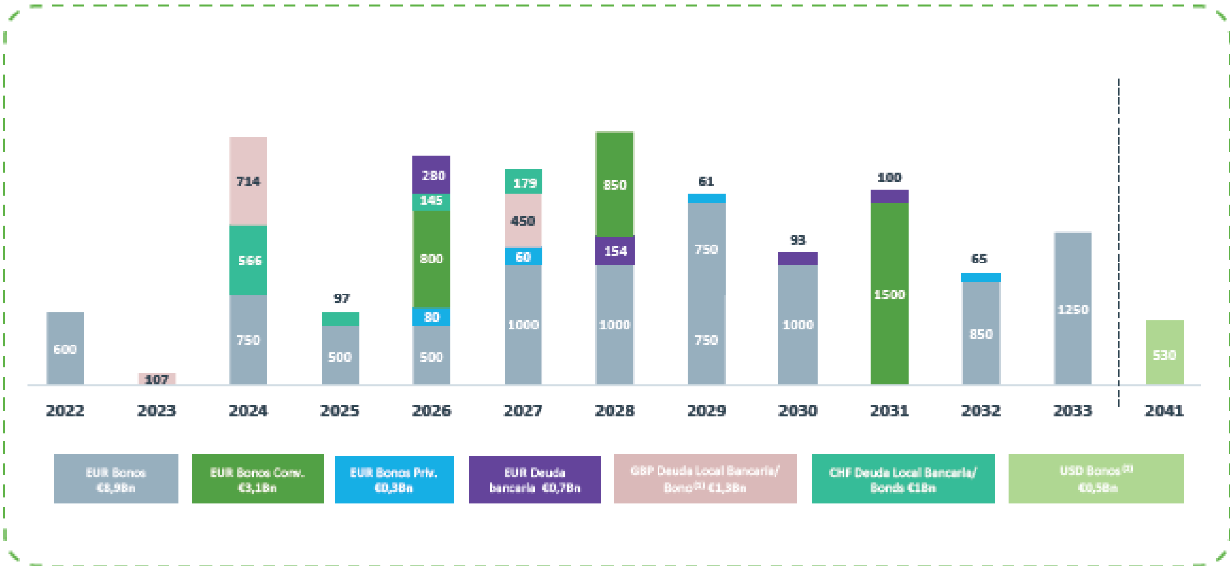
Thousands of Euros

	Notional as of 31 December 2021 (*)			Notional as of 31 December 2020 (*)		
	Limit	**Drawn**	**Undrawn**	**Limit**	**Drawn**	**Undrawn**
Bond issues and other loans	13,766,317	13,766,317	—	7,729,340	7,729,340	—
Loans and credit facilities	6,814,615	2,079,919	4,734,696	14,783,431	1,864,215	12,919,216
Total	**20,580,932**	**15,846,236**	**4,734,696**	**22,512,771**	**9,593,555**	**12,919,216**

[1] Without including "Lease liabilities" caption of the accompanying consolidated financial statements.

(*) These concepts include the notional value of each caption, and are not the gross or net value of the caption. See "Borrowings by maturity" of the Note 15 of the accompanying consolidated financial statements.

The following graph sets out Cellnex's notional contractual obligations in relation to borrowings as of 31 December 2021 (EUR million):



Key highlights

- **Liquidity** of c.€8.7Bn: c.€3.9Bn cash and c.€4.7Bn undrawn credit lines.
- **Fixed rate debt** 87%
- **Gross debt** c.€15.8Bn (Bonds and Other Instruments)
- **Net debt** c.€11.9Bn [(3)]
- **Covenants**: 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.

Liquidity and Capital Resources

Net financial debt

"Net financial debt" on 31 December 2021 and 2020 is as follows:

	Net financial debt Thousands of Euros	
	31 December 2021	**31 December 2020 restated**
Gross financial debt [(1)]	18,466,125	11,145,490
Cash and short term deposits [25]	(3,926,578)	(4,652,027)
Net financial debt	**14,539,547**	**6,493,463**

[1.] As defined in section "Context and business development"

On 31 December 2021, net financial debt amounted to EUR 14,540 million (EUR 6,493 million in 2020 restated), including a consolidated cash and cash equivalents position of EUR 3,927 million (EUR 4,652 million in 2020).

[25] See note 13 of the accompanying consolidated financial statements.

Net financial debt evolution

	Net financial debt	
	Thousands of Euros	
	31 December 2021	**31 December 2020 restated**
Beginning of Period	**6,493,463**	**3,926,207**
Recurring leveraged free cash flow	(980,543)	(610,265)
Expansion (or organic growth) capital expenditures	233,107	145,618
Expansion Capex (Build to Suit programs)	1,346,136	559,417
M&A Capex (cash only)	12,529,294	5,508,144
Non-Recurrent Items (cash only)	81,346	36,941
Other Net Cash Out Flows	1,349	(30,881)
Issue of equity instruments, Treasury Shares and Payment of Dividends (1)	(6,765,675)	(3,982,646)
Change in Lease Liabilities (2)	1,080,039	615,857
Accrued Interest Not Paid and Others (3)	521,031	325,071
End of Period	**14,539,547**	**6,493,463**

(1) 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 2021.

(2) Changes in “Lease liabilities” long and short term of the accompanying Consolidated Balance Sheet as of 31 December 2021. See Note 16 of the accompanying consolidated financial statements

(3) “Accrued interest not paid and others” include the debt assumed on the T-Mobile Infra Acquisition (See Note 6 of the accompanying Consolidated Financial Statements).

Liquidity availability

The breakdown of the available liquidity on 31 December 2021 and 2020 is as follows:

	Thousands of Euros	
	31 December 2021	**31 December 2020**
Available in credit facilities [26]	4,734,696	12,919,216
Cash and cash equivalents [27]	3,926,578	4,652,027
Available liquidity	**8,661,274**	**17,571,243**

Regarding the Corporate Rating, on 31 December 2021, 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 19 January 2022 and a long-term “BB+” with stable outlook according to the international credit rating agency Standard & Poor’s Financial Services LLC as confirmed by a report issued on 28 June 2021.

Responsible tax policy and values

Tax Policy

In July 2021, the Board of Directors of Cellnex Group, SA approved a new Tax Policy that reinforces and updates the Group's guiding principles in tax matters. The Policy is applicable to all Group entities and, consequently, is intended for all employees. The new Cellnex Group’s Tax Policy establishes the fundamental guidelines governing the decisions and actions of the Cellnex Group in tax matters in line with the basic principle

[26] See note 13 of the accompanying consolidated financial statements.

[27] See note 13 of the accompanying consolidated financial statements.

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's Tax Strategy approved in 2016.

It should be noted that Cellnex's tax policy establishes, among others, 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 presence in the territories where the Cellnex Group runs its activity responds to 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 do not figure on the list of countries or territories classified as such.

Tax Control Framework

Also, in the same Board of Directors meeting in July 2021, it was 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 collects and provides for 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 be revealed at the Group's level.

In addition, the deployment of the Tax Risk Control and Management System started at an international level in 2021 and will still continue in 2022 by the roll-out of tax processes and controls to guarantee an implementation of the Tax Control Framework following the best practices in this matter, 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.

Tax Compliance Committee

In this context, and to guarantee the proper functioning, supervision and effectiveness of the Tax Control Framework, the Board of Directors also approved in July 2021 the incorporation of the Tax Compliance Committee. This new body is dependent on the Audit and Risk Management Committee and is structured in a collegiate body made up of a Chairperson, three Members and a Technical Secretary (without right to vote). While the three Members belong to the Cellnex Group, the Chairperson is an independent tax expert with extensive and recognized prestige in the tax field.

Cooperative relationship and tax transparency

Cellnex is fully committed to transparency in tax matters and foster a relationship with Tax Administrations based on the principles of mutual trust, good faith, transparency, collaboration, and loyalty, having been recognised as one of the top IBEX-35 companies in terms of fiscal transparency by Fundación Compromiso y Transparencia (the Commitment and Transparency Foundation) in its annual report "Contribución y Transaprencia 2020".

In particular, and with regard to Spain, in September 2020, the Board of Directors of Cellnex Telecom, SA approved the adhesion to 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 2021 the Cellnex Group has proceeded to submit the Tax Transparency Report for the year 2020 (see the list of entities that have submitted the Tax Transparency Report in the following link: https://sede.agenciatributaria.gob.es/Sede/colaborar-agencia-tributaria/relacion-cooperativa/foro-grandes-empresas/codigo-buenas-practicas-tributarias/entidades-presentadoras-it.html). Although its submission is not compulsory for the entities or Groups adhered to the Code, the Cellnex Group has considered that the submission of this report is essential to bond a strong and bidirectional relationship with the Spanish Tax Authorities.

On the other hand, and looking at other territories where the Cellnex Group has presence, in September 2021 it was appointed the Senior Accounting Officer for certain UK entities of the Group, being its main duties the adoption of the reasonable steps to ensure that the company 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.

"The great effort made by a strong and diverse team of tax professionals, together with reliable processes and top level technology, have been fundamental to guarantee compliance with tax laws and reporting requirements against ever-changing international standards. I feel very proud of their dedication and commitment helping Cellnex to create economic value for all its stakeholders."

Julià Mesas - Junior Economic Technician

Cellnex tax contribution

Cellnex is also sensitive to and aware of its responsibility in 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 great attention to fulfilling its tax obligations, in accordance with the applicable rules in each territory.

Following the OECD's cash basis methodology, Cellnex's total tax contribution in 2021 was EUR 510.4 million (EUR 244.8 million in 2020). Own taxes are those borne by the company and those of third parties are those that are collected and paid to the various tax authorities on behalf of said third parties, and therefore do not represent a cost for the company.

CELLNEX TAX CONTRIBUTION (€Mn)

	31 December 2021			31 December 2020		
	Own taxes (1)	Tax collected from third parties (2)	Total	Own taxes (1)	Tax collected from third parties (2)	Total
Spain	26	77	103	33	36	70
Italy	102	52	153	19	38	57
France	51	4	55	8	20	28
Netherlands	4	15	20	8	10	18
United Kingdom	30	6	36	22	5	27
Switzerland	4	7	11	4	8	12
Ireland	10	9	19	1	2	3
Portugal	12	17	29	2	29	31
Austria	—	5	5	—	—	—
Sweden	2	6	8	—	—	—
Denmark	—	4	4	—	—	—
Poland	51	16	67	—	—	—
Total	**292**	**218**	**510**	**97**	**148**	**245**

(1). Includes taxes that represent an effective cost for the company (basically includes payments for income tax, local taxes, various rates and social security business fee).

(2). Includes taxes that do not affect the result, but are collected by Cellnex on behalf of the Tax Administration or are paid on behalf of third parties (they basically include the net value added tax, with holdings on employees and third parties and social security quota of the employee).

Income tax payment

The breakdown of the income tax payment by country for the 2021 financial year is as follows:

BREAKDOWN OF THE INCOME TAX PAYMENT BY COUNTRY (thousands of euros)

	31 December 2021				31 December 2020			
	Income from sales to third parties	Income from intra-group operations with other tax jurisdictionss	Tangible assets other than cash and cash equivalent	Corporate income tax accrued on gains / losses	Income from sales to third parties	Income from intra-group operations with other tax jurisdictionss	Tangible assets other than cash and cash equivalent	Corporate income tax accrued on gains / losses
Spain	530,052	34,280	850,711	53,239	530,328	55,397	865,317	23,878
Italy	512,454	721	1,280,899	97,505	336,296	521	507,655	5,369
France	413,586	2	3,153,484	79,328	309,759	—	1,815,502	11,817
Switzerland	146,141	401	209,462	4,002	137,467	—	193,190	3,813
Netherlands	96,704	—	152,665	5,827	63,793	—	276,779	324
Ireland	55,572	—	167,806	1,057	13,504	—	—	—
United Kingdom	311,814	507	324,705	(93,348)	144,339	377	198,107	(1,792)
Portugal	103,254	—	247,382	2,716	69,286	—	222,457	5,308
Austria	72,899	—	207,763	5,222	—	—	—	—
Sweden	48,995	48	141,677	54	—	—	—	—
Denmark	28,574	363	69,557	333	—	—	—	—
Poland	212,754	—	826,194	3,096	—	—	—	—
Total	**2,532,799**	**36,322**	**7,632,305**	**159,031**	**1,604,772**	**56,295**	**4,079,007**	**48,717**

EU Taxonomy

Context

In June 2020, the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 was published on the establishment of a framework to facilitate sustainable investments and amending Regulation (EU) 2019/ 2088, known as EU Taxonomy. The Taxonomy aims to harmonize, at the Union level, the criteria for determining whether an economic activity is considered environmentally sustainable, in order to eliminate the use of own definitions on sustainability, corporate "greenwashing", and the obstacles in raising funds for truly sustainable projects. With the harmonization of the criteria proposed by the taxonomy, the European Commission seeks to establish definitions and common sustainability criteria based on independent and science-based indicators.

To determine the environmental sustainability of an economic activity, it must contribute to the achievement of certain environmental objectives. The Taxonomy Regulation establishes six environmental objectives: (i) mitigation of climate change; (ii) adaptation to climate change; (iii) the sustainable use and protection of water and marine resources; (iv) the transition to a circular economy; (v) pollution prevention and control; and (vi) protection and restoration of biodiversity and ecosystems.

At the moment, the Taxonomy Regulation has only proposed (through the Climate Delegated Act) the economic activities and the sustainability criteria and safeguards to be met for the contribution to the climate objectives of climate change mitigation and adaptation to climate change. With this window of opportunity open, Cellnex wants to highlight the nature of the economic activities it carries out in Europe.

Methodology

The following details how the calculation of the different Taxonomy indicators has been proposed based on the financial and business data of 2021.

Identification of business units

Once the regulatory requirements planted within the framework of Regulation 2020/852/EU on Taxonomy were studied, the analysis began with an identification of the economic activities carried out by the Group:

- Telecommunications Infrastructure Service (TIS)
- Audiovisual broadcasting networks and infrastructures
- Network services and others
- Investment in R+D+i

After this initial identification of the large lines of business, external consultants identified the NACE codes of the specific economic activities linked to the four large branches described and tried to assign them to the different companies of the group. With this more specific list of activities, the Cellnex team identified the different economic activities or specific lines of business at a consolidated level. The result was a list of specific economic activities for each of the large branches described, providing definitions for each of them and the necessary details to define a specific NACE.

Telecom 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 made it possible to start proposing the fit of the different business units with the statistical definitions of the different economic activities.

Classification of activities based on one or several NACE codes

Based on the identification of the different economic activities and their respective definition, the most appropriate NACE code was assigned to each of them. The allocation of NACE codes to each of Cellnex's activities is shown below:

TIS	61.20 Wireless telecommunications
5G	61.20 Wireless telecommunications
Engineering Services (W&S)	42.22 Construction of electrical and telecommunications networks 71.12 Construction of electrical and telecommunications networks
Fiber	61.10 Telecommunications by cable
Utility fee	-
LTE	61.20 Wireless telecommunications
Pass through	-
DAS BL	61.90 Other telecommunications activities
Land Aggreg.	68.20 Rental of real estate on own account
Datacenters	63.11 Data processing, hosting and related activities
Broadcast	60.10 Broadcasting activities
Internet Media	60.20 Television programming and broadcasting activities
IoT	60.20 Television programming and broadcasting activities
Smart Services	61.90 Other telecommunications activities
MCPN	61.90 Other telecommunications activities
Connectivity	61.20 Wireless telecommunications
O&M	61.30 Satellite telecommunications
Other income	-

This allocation was validated by those responsible for internal and financial control using the NACE Rev.2 system and their knowledge of the Group's activities.

Analysis of Cellnex activities incorporated directly or indirectly in the Taxonomy

TURNOVER

Once the business activities and their classification based on the NACE system were identified, those codes included in the list of Taxonomy activities were identified, specifically those listed in the Climate Delegated Act (Mitigation and adaptation). At the same time, and to avoid using only NACE codes, the direct or indirect fit of specific business units to activities included in the Taxonomy was assessed, one by one.

Of Cellnex's economic activities, the following were identified as potentially eligible:

Cellnex business activity	Activity incorporated in Regulation 2020/852
Datacenters	(Mitigation/Adaptation) 8.1. Data processing, hosting and related activities
Engineering Services (W&S)	(Adaptation) 8.2. Programming, consulting and other computer-related activities
Broadcast, Internet Media, IoT, MCPN	(Adaptation) 8.3. Radio and television programming and broadcasting activities
Engineering Services (W&S)	(Mitigation/Adaptation) 9.1. Research, development and innovation close to the market
Engineering Services (W&S)	(Adaptation) 9.1. Technical engineering services and other activities related to technical advice on adaptation to climate change
IoT, Engineering Services (W&S)	(Mitigation/Adaptation) 7.5. Installation, maintenance and repair of instruments and devices to measure, regulate and control the energy efficiency of buildings
Engineering Services (W&S)	(Mitigation/Adaptation) 6.13 - 6.16 Low carbon infrastructure activities

This prior identification had the objective of assessing, broadly speaking, how the Group's operations fit in with the activities described in the annexes of the Climate Delegated Act.

CAPEX

Once the business activities and their classification based on the NACE system were identified, those investments related to eligible activities based on the Taxonomy were identified, specifically those of the Climate Delegated Act. At the same time, and to avoid using only investments linked to business units, the eligibility of the specific investment items included in the third point, related to the purchase of output from aligned activities (currently eligible), was considered.

Of these items, only those related to expansion and maintenance have been considered for the calculation of the numerator and denominator, based on the calculation methodology described in Annex I of the Delegated Act of Article 8. Of these categories, the following items are included specific:

Investment items	Activity incorporated in Regulation 2020/852
Datacenters	(Mitigation/Adaptation) 8.1. Data processing, hosting and related activities
Broadcast	(Adaptation) 8.3. Radio and television programming and broadcasting activities
Internet Media	(Adaptation) 8.3. Radio and television programming and broadcasting activities
Radiocommunications	(Adaptation) 8.3. Radio and television programming and broadcasting activities
TIS Expansion (Only specific games)	(Mitigation/Adaptation) 7.5 Installation, maintenance and repair of instruments and devices to measure, regulate and control the energy efficiency of buildings
New Offices	(Mitigation/Adaptation) 7.2 Renovation of existing buildings
Efficiency CapEx (Energy)	(Mitigation) Activities 7.5 and 7.6 related to the installation, maintenance and repair of instruments and devices to measure, regulate and control the energy efficiency of buildings or renewable energy technologies.

Assessment of eligibility by activity

TURNOVER

In a later phase, for each of the business activities listed in the NACE code table, it was validated if they really fit with the activities of the proposed Taxonomy. The approach of this task helped to outline the activities finally eligible in relation to those incorporated in the Climate Delegated Act.

Comparing with the table presented previously, the most substantial change is found in the consideration of non-eligibility of consulting or technical assistance activities within the Engineering Services (W&S) business. Although these activities are related to customized engineering services for different types of clients, and although some of the projects being worked on contribute to mitigating or adapting to climate change, they are not considered to fit the definition and approach of the activities proposed in the Taxonomy.

As regards Cellnex's revenue, the specific economic activities included in the Telecommunications Infrastructures, Broadcasting Infrastructures and other network services items have been considered. The following table shows the adjusted EBITDA items as published in the annual accounts.

	Operating income (Thousands of Euros)	
	December 31, 2021	**December 31, 2020**
Telecommunications Infrastructure Services	2,211,789	1,272,583
Broadcast Infrastructures	218,290	227,257
Other network services	102,720	104,932
Operating income	**2,532,799**	**1,604,772**

	Operating Income (Thousands of Euros)	
	December 31, 2021	**December 31, 2020**
Services	2,441,669	1,565,921
Other operating income	94,399	42,510
Customer loans	(3,269)	(3,659)
Operating Income	**2,532,799**	**1,604,772**

After this second phase of validation of eligibility for the economic activities carried out by Cellnex, the following list was obtained:

Cellnex business unit	Eligibility based on Taxonomy (Activity)	Environmental objective
Datacenters	8.1. Data processing, hosting and related activities	CC Mitigation
Datacenters	8.1. Data processing, hosting and related activities	CC adaptation
Broadcast	8.3. Radio and television programming and broadcasting activities	CC adaptation
Internet Media	8.3. Radio and television programming and broadcasting activities	CC adaptation
IoT	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 adaptation
IoT	8.3 Radio and television programming and broadcast activities (5.a) (Related to emergency telecommunications services that increase resilience to climate risks)	CC adaptation
MCPN	8.3 Radio and television programming and broadcast activities (5.a) (Related to emergency telecommunications services that increase resilience to climate risks)	CC adaptation

Focusing now on why each of the activities has been deemed eligible, the following points should be noted:

- Datacenters: This activity fits perfectly into the definition of activity 8.1 Data processing, hosting and related activities as a whole. Revenues come 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 advancing in the decarbonisation and efficiency of these centers.

- Broadcast: The activity carried out by Cellnex is directly related to radio and television broadcast services, an aspect incorporated in the definition of activity 8.3 Radio and television programming and broadcast activities. This line of business is based on the broadcast of third-party television signals from Cellnex's telecommunications infrastructure. However, the income derived from this activity has not been accounted for in the turnover indicator (%) since it is considered, at the accounting level, turnover from an “adapted” eligible activity and cannot be included in the numerator.

- Internet media: The activity in question consists of the broadcast of television via the Internet, a nuance that incorporates the definition of activity 8.3 Radio and television programming and broadcast activities, since the technology by which the broadcast is carried out is not discriminated. issue. Cellnex is dedicated to the technological development and management of Internet television broadcast platforms. However, the income derived from this activity has not been accounted for in the turnover indicator (%) since it is considered, at the accounting level, turnover from an "adapted" eligible activity and cannot be included in the numerator.

- IoT: The IoT business carries out two different activities, the first is related to projects linked to connectivity and transmission of data from electronic water meters to monitor consumption and better manage use. On the other hand, IoT provides connectivity and telecommunications services linked to alarm signals in emergency episodes. The first activity has been considered eligible under adaptation activity 7.5 Installation, maintenance and repair of instruments and devices to measure, regulate and control the energy efficiency of buildings. On the other hand, connectivity via radio for alarms in emergency situations has been considered eligible under the adaptation activity 8.3 Radio and television programming and broadcast activities based on the technical selection criteria, which include the contribution to the efforts of adaptation of third parties and resilience to physical risks.

- MCPN: The activity provides highly reliable and safe broadcasting services to public emergency services such as firefighters or police. Radio connectivity for emergency services has been considered eligible under adaptation activity 8.3 Radio and television programming and broadcast activities, as a key activity in resilience to climate risk.

The most relevant revenue item for the group, Telecommunications Infrastructure Services (TIS), which represent approximately 69.4% of sales, could not be included in the eligibility calculations given that within the environmentally sustainable economic activities that it presents the regulation, there is still no activity consistent with that carried out by Cellnex. TIS activity is based on the operational efficiency of telecommunications towers, an activity with a great positive impact as described above. The incorporation of environmentally sustainable services linked to connectivity through wireless and cable networks is lacking, an important prejudice in the evaluation of the environmental sustainability of Cellnex's business. The lack of development of the Taxonomy generates public image damage to a company whose main business is linked to efficiency, nonsense.

CAPEX

The numerator of the CapEx indicator, which must be reported according to the Taxonomy regulations, establishes that the following investments can be accounted for 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 - for the time being eligible - 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 efficient equipment, stations charging 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)	
	December 31, 2021	**December 31, 2020**
Maintenance investment	76,799	52,381
Expansion investment (or organic growth)	233,107	145,618
Expansion investment (Build-to-suit projects)	1,346,136	559,417
Inorganic investment (M&A)	12,741,420	5,618,195
Total capex	**14,397,463**	**6,375,612**

- Maintenance: Investments in existing tangible or intangible assets, such as investments in infrastructure, equipment and information technology systems, and are primarily linked to keeping the sites in good working order, but excludes investment to increase the capacity of the sites .

- Expansion (or organic growth): Adaptation of mobile telephony infrastructures for new clients, land rental (includes advance payments and renegotiations), and other efficiency measures associated with energy and connectivity, and adaptation of infrastructures to increase the site capacity. All this corresponds to the investment related to the expansion of the business, which generates an additional Levered Recurring Cash Flow (including the dismantling, the adaptation of the telecommunications site for new tenants and the advance payments of land leases).

- Expansion (build-to-suit projects): Corresponds to committed build-to-suit programs (composed of sites, backhaul, backbone, edge computer centers, DAS nodes or any other type of telecommunications infrastructure, as well as any payment upfront 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 an analysis of their fit with the definitions, are considered eligible. Most of these come from investments in expansion and maintenance of eligible activities. Here is the corresponding table:

Investment item	Eligibility Based on Taxonomy (Activity)	Environmental objective
Datacentres	8.1. Data processing, hosting and related activities	CC Mitigation
Broadcast	8.3. Radio and television programming and broadcasting activities	CC adaptation
Internet Media	8.3. Radio and television programming and broadcasting activities	CC adaptation
New Offices	7.2 Renovation of existing buildings	CC Mitigation
Radiocommunications	8.3 Radio and television programming and broadcasting activities	CC adaptation
Efficiency CapEx (Energy)	7.5 Installation, maintenance and repair of instruments and devices to measure, regulate and control the energy efficiency of buildings	CC Mitigation
Efficiency CapEx (Energy)	7.6 Installation, maintenance and repair of renewable energy technologies.	CC Mitigation
Expansion TIS (Proyecto “Remotas”)	7.5 Installation, maintenance and repair of instruments and devices to measure, regulate and control the energy efficiency of buildings	CC Mitigation

Although in the section on CapEx above those investment items to be considered as eligible have been raised, this section seeks to elaborate a reasoning for each one of them.

- Datacenters: This activity fits perfectly into the definition of activity 8.1 Data processing, hosting and related activities as a whole and since the eligible CapEx numerator accepts the incorporation of investments in aligned/eligible activities, it has been included in the calculation. This item includes the purchase of data centers in Spain and the Netherlands, including in the latter the installation of the equipment necessary for the correct operation of the centers. 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 safe environments, thus reducing CO2 emissions.

- Broadcast: Broadcast: The activity carried out by Cellnex is directly related to radio and television broadcast services, an aspect incorporated in the definition of activity 8.3 Radio and television programming and broadcast activities. However, since the eligible CapEx numerator does not accept the incorporation of investments in adapted activities or in the process of being adapted if there is no specific investment plan, it has not been included in the calculation.

- Internet Media: The activity in question consists of television broadcasting via the Internet, a nuance that incorporates the definition of activity 8.3 Radio and television programming and broadcast activities, given that the technology by which the broadcast is carried out is not discriminated. issue. However, since the eligible CapEx numerator does not accept the incorporation of investments in adapted activities or in the process of being adapted if there is no specific investment plan, it has not been included in the calculation.

- Radiocommunications: The “Radiocommunications” investment item is focused on the expansion of the company's telecommunications networks, linked to expanding the radio capacity for the RESCAT and SECORA projects. Investments in this section fit with 8.3 Radio and television programming and broadcasting activities proposed in the list of climate change adaptation activities under the category of facilitators. MCPN activities have a key component of resilience to climate risks since they improve the connectivity and response of emergency services.

- New Offices: Although this activity has not been included in the turnover 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 renovation and adaptation of office buildings, such as, for example, Torre Llevant in Barcelona. The specific activity of the Climate Delegated Act that includes this activity is 7.2 Renovation of existing buildings of Annex I of Mitigation. The incorporation of efficiency and digitization improvements will allow the building's energy demand to be reduced, considering it a substantial contribution to mitigating climate change.

- Efficiency CapEx (Energy): Although this activity has not been included in the turnover 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 low-carbon economic activity. All energy efficiency investments related to economic activities are included here; 7.5. Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy efficiency of buildings; and investments in the installation of renewable energy, especially solar panels under activity 7.6. Installation, maintenance and repair of renewable energy technologies.

- TIS Expansion: A specific item from the “Remote” project linked to the energy efficiency of the TIS business has been incorporated. Thus, their eligibility has been considered based on activity 7.5. Installation, maintenance and repair of instruments and devices to measure, regulate and control the energy efficiency of buildings.

In this phase of implementation of the requirements of the regulation, compliance with the criteria established in Article 3 of Regulation 2020/852/EU has not been evaluated, these include the Technical Selection Criteria (CTS), the criteria of not causing no significant prejudice (DNSH) or the minimum guarantees established. Looking ahead to 2023, to ensure a correct alignment analysis, Cellnex will carry out an exhaustive analysis of said criteria.

Financial indicators and methodology

As previously stated, the Taxonomy requires the reporting, in 2022, of the percentage of turnover, CapEx and OpEx eligible 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 initial analysis was subject to external audits 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 income for the year 2021. The controls focused both on the treatment of intra-group transactions and on the breakdown of turnover by segment of business activity and sub-segment.

The consolidation of financial data is governed by the accounting policies of IFRS 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 consolidation ERP system "FCCS", 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 accounted for as follows by commercial activity:

- The income generated by the activities of Datacenters 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.

- IoT contract revenue is determined using the “IoT” line of business. The income of this business unit is differentiated between those focused on electronic equipment to monitor and reduce water consumption and the development of emergency networks for authorities. Revenues come from contracts with customers to provide secure telecommunications signaling services. The data has been extracted from the PBCS software used by the company for accounting, which is fed by SAP in each country.

- The income generated by the activities of MCPN is based on service contracts for emergency and relief programs (for example, “Rescat”), provision of services to the merchant marine, interconnection of radio broadcasting networks for the police, protection of firefighters etc. The data has been extracted from the PBCS software used by the company for accounting, which is fed by SAP in each country.

Based on this, one could say that, of the eligible activities, 21.21% of revenues correspond to leases - Datacenter business - and the remaining 78.79% is based on contracts with clients for specific services.

The data provided does not consider the production of companies for others within the Cellnex Group. This case could occur for IoT and MCPN activities.

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 datacenters, their improvement or installation. The data has been extracted from the PBCS software used by the company for accounting, which is fed by SAP in each country.

- Those of “Radiocommunications” are mainly focused on the expansion of the company's radio broadcast networks, linked to the expansion of the radio telecommunications capacity for the RESCAT and SECORA (MCPN) projects. The data has been extracted from the PBCS software used by the company for accounting, which is fed by SAP in each country.

- Investments classified under the "New Offices" item are taken from those expenses linked to the improvement, adaptation and renovation of offices or corporate buildings. The data has been extracted from the PBCS software used by the company for accounting, which is fed 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 the renewal of DTT and FM equipment, among others, to increase energy efficiency and its control. The data has been extracted from the PBCS software used by the company for accounting, which is fed by SAP in each country.

- Finally. Investments focused on the operational maintenance of eligible IoT activities focused on facilitating adaptation activities have also been considered. The data has been extracted from the PBCS software used by the company for accounting, which is fed by SAP in each country.

As established in Annex I of the Delegated Disclosure Act (Art. 8) referring to regulation 2020/852/EU, in its 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 OpEx KPI numerator set out in the Taxonomy regulation.

The Group considers that the OPEX margin for the calculation of the Taxonomy is not material, mainly and in accordance with the accounting regulations of IFRS16, the most significant item (rental costs) is reflected in the financial interests and in the amortisation of the financial statements. of the company. Therefore, it makes the company have a very high operating leverage and margin.

To avoid double counting, the calculations of the different indicators have differentiated between activities incorporated in the mitigation or adaptation objective, accounting only based on the objective where the contribution is considered more substantial. In this way, duplicate posting of the same revenue item or CapEx is avoided.

Given that the economic activities of the company have been differentiated with a significant degree of detail and a conservative approach has been followed with the aim of including only those clearly eligible items in the calculations. Regarding the IoT activity, to carry out this distribution of the volume of turnover, 1% has been awarded referring to the business of electronic equipment for water consumption and 84% to the development of emergency networks for authorities. Regarding the Efficiency CapEx (Energy) activity, the investments have been differentiated according to activities 7.5 and 7.6 by 99% for the first, focused on energy efficiency, and 1% for the second, focused on the installation of renewables. These data have been obtained from the company's economic analysts.

Results

Below are the results of the study:

- Turnover: Of a total of 2,536,068,040 euros of turnover in 2021, without considering customer loans, it is considered that 60,595,566 euros come from eligible economic activities based on those proposed in the Climate Delegated Act. This corresponds to 2.39% of the 2021 turnover.

- CapEx: Of a CapEx, as defined in the Delegated Act of Article 8, of EUR 1,631,560 thousand invested in 2021, it is considered that EUR 24,482 thousand correspond to eligible investments based on the Taxonomy. This corresponds to 1.48% of the 2021 CapEx.

- OpEx: Cellnex has not calculated the eligible OpEx indicator based on the Taxonomy since it is not considered material for the business.

For a detailed breakdown of the information, see Annex 8.7 of this Report.

Conclusions

The results obtained in this second year of evaluation of the degree of eligibility of Cellnex's activities under the list of economic activities of the Taxonomy regulation present levels similar to the European market average, however, lower than those expected by the company. It is considered that Regulation 2020/852/EU of the European Union is not a useful tool to assess the environmental sustainability of the group's business. This is 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, it is expected that in large part it will not be able to report said turnover 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 turnover indicator.

The European Parliament and the Council have prioritized the economic activities that may have, from their point of view, the most relevant contribution to the two environmental objectives of the Union. This first Delegated Act focuses on climate objectives - climate change mitigation and climate change adaptation - and therefore includes the most relevant activities for reducing greenhouse gas emissions and increasing 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, necessary to achieve the EU climate objectives.

Through the Climate Delegated Act, the EU taxonomy criteria cover the economic activities of approximately 40% of listed companies, in sectors that are responsible for almost 80% of direct greenhouse gas emissions in Europe. This approach raises the paradox that the most polluting sectors such as energy or transport are covered by regulation, while activities in the digital sector, with less environmental impact, are not included. 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), not included.

A company like Cellnex, with first-rate ESG credentials, and a business model based mainly on the efficiency and sharing of telecommunications infrastructures among multiple operators, will not be able, in the short term, to present levels of eligibility and alignment with the Taxonomy elevated. This is so because economic activities that fit correctly with the company's business have not been incorporated. The regulation does not yet give Cellnex the possibility of demonstrating its credentials in the matter, which is why work will be done to include these activities in the lists of the Climate and Environmental Delegated Acts. At the moment, everything indicates that in the approval of the Environmental Delegated Act that covers the 4 missing environmental objectives, activities related to Cellnex's business will not be incorporated either. In fact, the activities that are intended to be incorporated are considered residual in the sector and do not manage to improve its coverage.

Cellnex has adopted a conservative approach when reporting eligibility based on the Taxonomy, avoiding forcing the definitions of economic activities to incorporate activities of its business. Cellnex understands that the regulation has the objective of avoiding “greenwashing” and it would not do any good to try to play with the regulation in favor of the company. An approach that responds to the principles of integrity, representativeness and truthfulness has been maintained.

However, Cellnex considers it necessary for the European Commission to make an effort to sufficiently cover the activities of the ICT sector, one of the sectors that will generate the greatest contribution to the gross domestic product of the world of the future. In this sense, it is considered that the Commission should encourage the incorporation of more activities within the limits of the regulations. Not only those activities clearly focused on environmental sustainability are a key part of the ecological transition, but facilitating activities, such as ICTs in many cases, must be incorporated transversally.

Cellnex will work in the coming months and years to promote an active dialogue at European level with the Platform on Sustainable Finance. The objective is to make it easier for all companies in the ICT sector to expand their eligibility based on the Taxonomy, establishing the foundations for the "Green ICT" sector of the future and valuing the substantial contribution to the different environmental objectives.

Internally, Cellnex will work 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/EU. The technical selection criteria will be 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 lowest level possible. The same approach will be used to validate the criteria of not generating any significant damage to other environmental objectives (DNSH). Finally, the minimum guarantees will be validated first at the group level and in a second phase at the economic activity level, identifying any non-compliance with them.

Cellnex will invest during 2022 in the hiring of technical experts to help in the evaluation of the criteria set out in the previous paragraph to ensure proper compliance with the regulations.

Sustainable finance

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 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 Cellenx's sustainability strategy and commitments.

Cellnex’s Sustainability-Linked Financing Framework aims at covering 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. Altogether, all Sustainability-Linked financing instruments will be referred to as sustainability-linked financings.

The Framework has been reviewed by Sustainalytics, providers of Second Party Opinions (SPO) and 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 directors and senior management/managers roles in Cellnex Group to 30% by 2025.

At the beginning of 2022 Cellnex refinanced a EUR 2,5Bn Revolving Credit Facility linked to the Sustainability Framework for 5 years (two years extension) with two of the indicators included in the Framework.

Indicator	Description	Status 2021	Target 2025	Target 2030
KPI 1a[28]	Reduction in Scope 1, 2 and 3 from fuel and energy-related activities GHG emissions	(17.7)%	(45.0)%	(70.0)%
KPI 1b	Reduction of absolute Scope 3 GHG emissions from purchased goods and services, and from capital goods	(7.6)%	(21.0)%	_
KPI 2	Annual sourcing of renewable electricity	40.5%	100%	_
KPI 3[28]	Percentage of women in directors and senior management/manager roles[29]	23.8%	30%	_

[28] KPIs included in the Revolving Credit Facility

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

Post balance sheet events

Agreement on the acquisition of shares increasing the stake in On Tower Poland

In the first quarter of 2022, Cellnex Poland and Iliad Purple entered into an agreement amending the exercise conditions of Iliad Purple's right on 10% of the share capital of On Tower Poland. Pursuant to the terms of this agreement, Cellnex Poland and Iliad Purple have agreed that such 10% interest in On Tower Poland will be purchased by Cellnex Poland before the end of the first quarter of 2022, for a price 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.

Agreement on the acquisition of the remaining 30% of On Tower France S.A.S. and amendment of the master services agreement with Free Mobile

In the first quarter of 2022, Cellnex France Groupe, Iliad, On Tower France and Free Mobile entered into two agreements amending the exercise conditions of Iliad's right and the Iliad Master Agreements (defined in the consolidated financial statements ended as of 31 December 2019). Pursuant to the terms of such agreements, Cellnex France Groupe and Iliad have notably agreed that Iliad's remaining 30% non-controlling interest in On Tower France will be purchased by Cellnex France Groupe before the end of the first quarter of 2022, subject to the approval of Iliad's Board of Directors, that will take place after the formulation of these consolidated financial statements. The agreed consideration for the acquisitions of the 30% interest in On Tower France is EUR 950 million, exclusive of taxes, which have been calculated following the criteria defined in the Iliad SHA (defined in the consolidated financial statements ended as of 31 December 2019). On top of that, Cellnex has enhanced the build-to-suit programmes with 2,000 new sites (additional to the minimum 2,500 sites already commited -see Note 5 of the consolidated financial statements ended as of 31 December 2019-) until 2027, with an Enterprise Value of EUR 639 million.

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 several new build-to-suit ("BTS") programs in France with a view to neutralize Capex and EBITDA expected impacts from Hivory required remedies, on a run rate basis. As such, the Group has contracted a BTS program of up to 1,350 sites in rural areas, to be deployed by 2029 with an estimated Capex of up to approximately EUR 310 million. This program will be structured in a similar way as Nexloop project (see Note 2.h and 7). Secondly, the Group has also contracted an extension of the existing BTS program in very dense areas of up to 1,500 sites with Bouygues Telecom to be deployed by 2029 with an estimated Capex of up to approximately EUR 490 million. Lastly, Cellnex has increased the scope of the BTS program with Bouygues Telecom that involves strategic sites with data processing capabilities by adding up to 2 additional Mobile Switching Centers, to be transferred by 2025 with an estimated BTS Capex of up to approximately EUR 70 million. This program will inherit similar conditions as Nexloop project (see Note 2.h and 7).

Cellnex France Groupe, Bouygues Telecom and Phoenix France Infrastructures have reached an agreements in principle to dispose approximately 2,000 urban sites in France

In the first quarter of 2022, Cellnex France Group, Bouygues Telecom and Phoenix France Infrastructures entered into an agreement in principle in order to dispose approximately 2,000 sites in France in very dense areas, subject to the French Competition Authority ("FCA") approval, in order to fulfill Hivory closing requirements for an expected amount of approximately EUR 620 million, net of taxes. Bouygues Telecom and Phoenix France Infrastructures will act together as a counterparty under a Joint Venture.

In addition, Cellnex France Group is finalizing an agreement in principle in order to dispose approximately 1,200 sites in France in very dense areas, subject to FCA approval, in order to fulfill Hivory closing requirements.

Business perspective

In terms of business prospects, during 2022 the Group will continue to focus on executing organic growth (leveraging on its neutral operator character), integrating assets resulting from inorganic agreements already signed and seeking new inorganic opportunities to continue to remain a benchmark independent tower operator in Europe. Thus, as a result of the organic growth expected along with assets and companies acquired, and their progressive integration into the Group as a whole, the Group expects to increase various key indicators by at least 35% for the year ending on 31 December 2022.

The Group expects its revenues for the year ending 31 December 2022 to increase to approximately between EUR 3,470 million and EUR 3,500 million and its Adjusted EBITDA to increase to approximately between EUR 2,650 million and EUR 2,700 million, as a result of (i) the organic growth and (ii) the contribution of the transactions closed during 2021; such transactions being: the CK Hutchison Holdings Swedish transaction (which has been accounted for during approximately eleven months in 2021), the Iliad Poland Acquisition (which has been accounted for during approximately nine months in 2021), the T-Mobile Infra Acquisition (which has been accounted for during approximately seven months in 2021), the CK Hutchison Holdings Transaction with regards to Italy (which has been accounted for during approximately six months in 2021), the Polkomtel Acquisition (which has been accounted for during approximately five months and a half in 2021) and the Hivory Acquisition (which has been accounted for during approximately two months in 2021). The Group expects the CK Hutchison Holdings Pending Transaction with regards to the United Kingdom to close around mid 2022. Additionally, the Business Perspective reflects the contribution from new deals signed in 2021 and early 2022 and from expected disposals as described in detail below.

The Group expects its Recurring Leveraged Free Cash Flow (RLFCF) for the year ending 31 December 2022 to be in the range of EUR 1,350 million to EUR 1,380 million (an approximately 35% increase from EUR 981 million in 2021).

As stated before, this Business Perspective also reflects the contribution from new deals signed in 2021 and early 2022 (c.€1.5Bn investments in France + c.€0.4Bn other investments + c.€0.1Bn substitutive tax eligibility investment -improving RLFCF- + c. €0.3Bn own shares -improving RLFCF per share-) and expected cash-in from disposal (subject to antitrust bodies approval).

Business Perspective 2025 unchanged

Additionally, the Group has previously issued long-term targets through 2025 that are considered valid by the Group as of the date of this Integrated Annual Report (the “2025 Targets”). The 2025 Targets are underpinned by highly visible financials, targeting a revenue CAGR of approximately 13% in the 2021 – 2025 period, an Adjusted EBITDA CAGR of approximately 15% for the same period and a RLFCF CAGR of approximately 21% for the same period. The Group also expects an increase in PoPs above 5% per annum in the 2021 – 2025 period.

The 2022 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 2022 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.

Investor Relationships

Market figures: Cellnex on the stock market

On 20 June 2016, the IBEX 35 Technical Advisory Committee approved the inclusion of Cellnex Group (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 the Company +75% - is a recommendation to buy.

As at 31 December 2021, the share capital of Cellnex Group increased by €48,155 thousand to EUR 169,832 thousand (€121,677 thousand at the end of 2020), represented by 679,327,724 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 rose 12.5% increase during 2021, closing at €51.2 per share. The average volume traded has been approximately 1,622 thousand shares a day. The IBEX 35, STOXX Europe 600 and the STOXX Europe 600 Telecom rose by 7.9%, 22.2% and 11.4% over the same period.

Cellnex's market capitalisation stood at €34,768 at the year ended on 31 December 2021, 868% higher than at start of trading on 7 May 2015, compared with a 22% drop in the IBEX 35 over the same period.

The evolution of Cellnex shares during 2021, 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, 2021 AND 2020:

	31 December 2021	31 December 2020
Number of treasury shares	679,327,724	486,708,669
Market capitalisation at the end of the period/year (€million)	34,768	23,907
Price at the end of the period (€/share)	51	49
Maximum price of the period (€/share)	62	57
Date	24/08/2021	11/04/2020
Minimum price of the period (€/share)	39	33
Date	08/03/2021	03/16/2020
Average price of the period (€/ share)	50	47
Average daily volume (shares)	**1,622,122**	**1,317,890**

Treasury shares

TREASURY SHARES
1,202,351
0.177%
of its share capital.

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.

On 19 May 2021, Cellnex announced a treasury shares purchase programme with a limit of €24.7 million and for a maximum of 520,000 shares representing 0.076% of the share capital of the Group. This purchase programme will be used for issuing shares to employees in accordance with employee remuneration payable in shares. On 28 October the purchase programme was expanded up to a limit of €44.7 million and with a maximum of 820,000 shares representing 0.12% of the Group's share capital.

On 21 November 2021, Cellnex notified the termination of the purchase programme, having reached the maximum number of shares to be acquired. In execution of the treasury shares purchase programme, 820,000 shares were acquired equivalent to 0.12% of the Company's share capital, for an effective amount of €42.9 million.

During the second half of 2021, Cellnex Board of Directors approved the Cellnex Treasury Share Policy, which can be consulted on the corporate website. Thus, during 2021, Cellnex carried out discretionary purchases of treasury shares for an amount of €57,755 thousand (€6,509 thousand during 2020).

The number of treasury shares as at 31 December 2021 and 2020 amounts to 1,202,351 and 200,320 shares, respectively and represents 0.177% of the share capital of Cellnex Telecom, S.A. (0.041% as at 31 December 2020).

The treasury share transactions carried out in 2021 are disclosed in Note 14.a to the accompanying consolidated financial statements.

Shareholder remuneration

The approved shareholders' remuneration policy, which is amended from time to time, aims to mantain 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 of the Shareholders' Remuneration Policy, the Company is focused on distributing an annual dividend by an amount 10% above the dividend distributed for the year. As a result, each year the parent company distributes dividends against either net profit or distributable reserves attributable to the Company 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.

According to the Shareholders' Remuneration Policy, the shareholder remuneration for fiscal year 2021 will be equivalent to that for 2020 (€29.3 million) plus 10% (€32.2 million); the shareholder remuneration corresponding to fiscal year 2022 will be equivalent to that of 2021, plus 10% (€35.4 million).

During 2021, and in compliance with the Company´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 €11,820,302.40, which represents €0.01740 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 20,395,792.37 euros, which represents €0.03004 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.

Notwithstanding the above, the Company's ability to distribute dividends depends on several circumstances and factors including, but not limited to, the net profit attributable to the Company, any limitations included in financing agreements and the Company's growth strategy. As a result of such circumstances and factors (or others), the Company 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 Company will duly announce any future amendment to the Shareholders' Remuneration Policy.

Shareholders

Cellnex provides various channels of communication to its 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 on to the management of the Company, and for establishing mechanisms for the regular exchange of information with institutional investors that hold shares in the Company.

The Company 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, as well as 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 YouTube, Flickr, LinkedIn, Twitter, SlideShare and RSS), as well as the “Shareholders and Investors” section on the Company website and the Investor Relations Area. Concerns can also be expressed at the General Shareholders' Meeting.

Cellnex's participation in sustainability indexes and ratings

Cellnex improved its score in the main sustainability indices.

It is increasingly common for companies to incorporate ESG pillars in the development of their activity, since, among other things, the weight given to the implementation of actions aligned with ESG criteria is very important to investors when choosing one investment or another.

In order to measure and compare the contribution and responsibility of companies in this area, 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 present in the main sustainability indexes and is evaluated by the most reputable sustainability analysts at international level, including CDP, Sustainalytics, FTSE4Good, MSCI and Standard Ethics. Cellnex demonstrates its commitment to meeting investors' expectations through transparency and accountability in terms of sustainability.

In 2021 Cellnex improved the global score in all these indexes in relation to the previous year, thus reaching all-time highs. The 2021 scoring rates by dimension are given below.

S&P Dow Jones Indices
A Division of S&P Global

73
Max: 100
Min: 0

The Economic/Governance and Environment scores have increased in such a way that Cellnex has upgrade its percentile ranking and significantly reduced its difference with the Industry top performer

MSCI

A
Max: AAA
Min: CCC

Cellnex stands out for its leadership in Corporate Governance within the telecommunications services, upgrading its score from BBB to A.

CDP
DISCLOSURE INSIGHT ACTION

A
Max: A
Min: D-

Cellnex maintains in the A List for the third consecutive year. Maintaining the leadership position with an score of A that is still higher than the sector average (B)

Bloomberg
Gender-Equality Index
2022

73.4
Max: 100
Min: 0

Cellnex has been included for the first time ever as one of 418 companies across 45 countries and regions to join the 2022 Bloomberg Gender-Equality Index (GEI).

SUSTAINALYTICS

15,5
Max: 0
Min: +40

During 2021 Cellnex has consolidated as a low ESG risk company, placing the company as the 8th, out of 229 companies in the Global Telecommunications Ranking.

FTSE4Good
FTSE Russell

4.4
Max: 5
Min: 0

Annual rating improvement c.5%, outstripping 1.5 points the average rating for the telecommunications industry

V.E
PART OF Moody's ESG Solutions

60
Max: 100
Min: 0

In 2021, Cellnex has significantly improved its performance in the Vigeo index, increasing its score by 15 points (c.30%) year-on-year

GRESB
Public Disclosure 2021

A
Max: A
Min: E

Cellnex has improved its score category (from B to A), thus being the leader company of its peer group

Dow Jones Sustainability Index

DOW JONES SUSTAINABILITY INDEX

73

points out of 100

+7

in 2021 with regard to 2020.

The Dow Jones Sustainability Indices (DJSI) 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. Created jointly by S&P Dow Jones Indices and SAM, the DJSI combine the experience of an established index provider with the expertise of a specialist in sustainable investing to select the most sustainable companies from across 61 industries. The score ranges from 0 to 100, where 100 is the best score that can be obtained.

Cellnex participates each year in the DJSI index as a guest company. In 2021, S&P recognised Cellnex's progress in terms of sustainability, including the Company as a member of the Sustainability Yearbook.

In recent years Cellnex Group has progressively improved its score attaining an overall score of 73 points in 2021 (up 7 on 2020, up 13 on 2019, up 16 on 2018). This result has enabled Cellnex to remain 31 points above the sector average.

In 2021 Cellnex Group has improved in the Environmental dimension, with a score of 83 (+4 than in 2020), and Economic, with a score of 75 (+15 than in 2020), while it has worsened in the Social Dimension, with a score of 64 (-3 than in 2020).

FTSE4Good

FTSE4Good

4,4

points out of 5

5/5

in governance.

The FTSE4Good index series is designed to measure the compliance of companies that demonstrate a high level of competence in their environmental, social and governance practices. They are used by many financial market players in the creation and evaluation of so-called responsible investment funds and other products that integrate environmental, social and governance factors into their investment decisions.

The indexes identify companies that best manage the risks associated with these factors and are used for tracking index funds, for structured financial products and as a benchmark. They are also the benchmark for comparisons between investments.

ESG ratings, which represent entry into and ratification in the FTSE4Good indexes, are used by investors who wish to incorporate environmental, social and corporate governance factors into their investment selection processes. They are also used as a framework for assessing corporate commitment and rating corporate governance.

In terms of the overall ESG rating, Cellnex obtained a score of 4.4 in 2021, up 0.2 points on 2020. Note that although the average score of the industry and subsector in the Environment and Social dimensions has risen, Cellnex increased the positive difference with them in these two dimensions.

Cellnex has remained stable in Governance (5 out of 5 points) and has improved its score in the Social (+0.3 points than in 2020) and Environmental (+0.3 points than in 2020) dimensions, which contributed to an increase in the overall score (+0.2 points than in 2020).

CDP

In 2021, Cellnex obtained an A for the third consecutive year, meaning, it continues to be a Leadership Brand.

The CDP is a global gold standard for measuring and rating corporate transparency in environmental and sustainability matters. CDP's annual environmental disclosure and scoring process is widely recognised as the gold standard of corporate environmental transparency, where the organisation prepares the rankings based on the information submitted by the companies.

CDP uses a thorough and independent methodology to assess these companies, assigning 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 2021, Cellnex obtained an A for the third consecutive year, which means that it continues to be a Leadership Brand. The score obtained continues to be above the sector average and it is among the 38% of companies that achieved the Leadership level in the Activity Group.

Cellnex improved its score in "Objectives" (from C to A) and "Energy" (from B- to B). However, the scores obtained in "Opportunity Disclosure" and "Business Strategy and Financial Planning" fell slightly (from A to A-). Note that Cellnex's score categories are always equal to or better than the industry average.

Cellnex also received an "A-" in the CDP Supplier Engagement Rating. This is higher than the European average, which is B-, and the Marketing, Wholesale, Distribution, Rental and Leasing industry average, which is B-.

Sustainalytics

SUSTAINALYTICS Consolidated in low ESG risk

Sustainalytics is an environmental, social and corporate governance (ESG) research and rating company for investors worldwide that measures a company's ESG risk, understood as the degree to which a company's economic value is at risk due to ESG factors, i.e. the magnitude of a company's unmanaged ESG risks. The rating ranges from 0 to 100, where the higher the score, the higher the risk. 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 2021 Cellnex has once again made a qualitative leap in the Sustainalytics assessment, as it has once again moved up a category in terms of "Market capitalisation" from 12-15 million dollars to 27.8-30.3 million dollars, as well as consolidating its position as a low ESG risk company. This puts the company in eighth place in the Global Telecommunications Ranking.

Cellnex has improved its ESG Risk Rating in all relevant categories by at least 7 points, except for the Human Rights-Supply Chain category, which remained virtually unchanged. Note that five of the categories belong to the low risk classification, while the rest are classed as negligible.

In terms of ESG Risk Exposure, owing to Cellnex's expansion and the increase in sites and nodes, the Company has been considered slightly more exposed to ESG Risks (+2.1), as it is responsible for securing the information of a large number of customers.

MSCI ESG Rating

MSCI measures the intersection between a company's core business and the company's resilience to long-term ESG risks. For the rating, 35 key issues are selected annually for each industry and weighted according to MSCI's mapping framework on a scale of 0-10, the company's final score is adjusted based on overall industry performance and assigned a letter grade based on an AAA-CCC scale. The AAA rating is the best that can be obtained.

Cellnex achievied A status for the first time

In 2021 Cellnex significantly improved its ESG Action Rating according to the MSCI index, increasing its score by 0.9 points and achieving A status for the first time. Cellnex has improved its score in all MSCI categories, except for carbon emissions (Environmental dimension) and Labour Management (Social dimension), where the score remained unchanged. Of particular note is the 0.8 point increase in the Governance dimension, which accounts for 57% of the total score. Furthermore, in 2021, Cellnex's score is 0.4 points higher than the sector average

Vigeo Eiris

The Vigeo indexes are composed of listed companies and are ranked according to an assessment of their ESG performance. The ratings are weighted and measure the company's performance against a set of risks defined to monitor and evaluate corporate responsibility. The score ranges from 0 to 100, with 100 being the best score.

Cellnex has increased its overall ESG score for the third consecutive year

In 2021 Cellnex Group increased its overall ESG score for the third consecutive year, achieving a score of 60 up 33% on last year). In addition, Cellnex is well above the sector average in all three dimensions: +12 points in the Governance dimension, +17 points in the Social dimension and +11 points in the Environment dimension. In terms of the transition to a low-carbon economy, Cellnex's carbon footprint is rated B (significant) and the energy transition score as Robust (58/100).

In terms of risk and opportunity management, it is worth noting the robustness with which Cellnex manages the following high-risk factors: Fundamental Human Rights, Board of Directors, Career Management and Health and Safety.

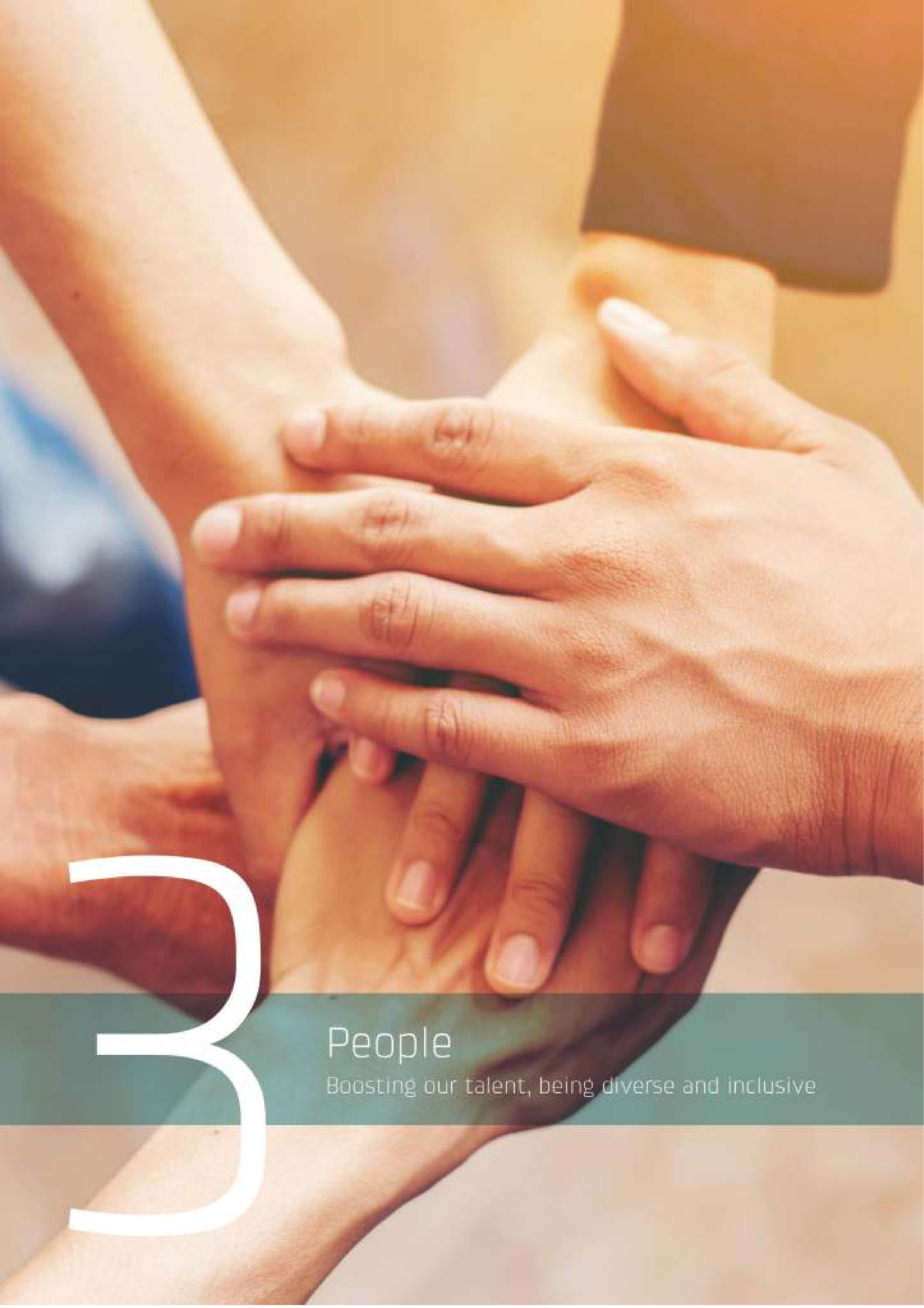
GRESB

The GRESB Public Disclosure Level is an overall measure of ESG disclosure by listed real estate companies, based on a selection of indicators aligned with the existing 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.

In 2021 the Company was placed in the A category, in GRESB public disclosure

For the first time since Cellnex has participated in this index, in 2021 the Company was placed in the A category, with a score of 85 points. Compared with the previous year Cellnex improved its score in all five topics. Note that Cellnex improved its ranking category in all disclosure topics (from C to B and from B to A), except in the "Sustainability Disclosure-Governance" topic, where Cellnex maintains an A.

With the score obtained in 2021, and considering the Comparison Group (Europe/Data Infrastructure), Cellnex is positioned as the leading company in its peer group.



3 People

Boosting our talent, being diverse and inclusive

Boosting our talent, being diverse and inclusive

	Achievement	Target	Target year
Boosting our talent, being diverse and inclusive			
Women in management positions [1]	24%	26% / 30%	2022 / 2025
Hires of women [1]	47%	45% ✓ / 50%	2022 / 2025
Hires of young talent [1]	29%	30% / 30%	2022 / 2025
Appointments of foreign Directors at Cellnex HQ [1]	40%	45% / 60%	2022 / 2025
Appointments of foreign employees at Cellnex HQ [1]	20%	20% ✓ / 40%	2022 / 2025
Career advancement for women [1]	36%	33% ✓ / 40%	2022 / 2025
Employee engagement [2]	77%	≥75% ✓ / ≥80%	2022 / 2025
Employees responding to the pulse survey [2]	78%	≥70% ✓	2022 / 2025
Inclusive leadership positive scores on the employee pulse survey [2]	75%	≥75% ✓ / ≥80%	2022 / 2025

[1] According to FY20 perimeter, excluding Edzcom. Intake due to M&A will be included after 3 years after the integration's year
[2] Corporate, Denmark, France, Ireland, Netherlands, Portugal, Spain and United Kingdom

Actions 2021

- Diagnosis to create an **accessible environment for people with different abilities**
- **Creation of the "Talent Factory"** to promote the professional growth of Cellnex employees
- **Definition of the Cellnex Wellbeing Model**
- **Roll-out of the active listening model and release of the global pulse survey**
- **Development of the Smart Working project:** a constructive culture, with a human approach, a results-oriented team and a collaborative and cohesive work environment
- **Inclusion in the Bloomberg Gender Equality Index 2022**

Next steps

- *Obtain the **Great Place to Work** certification*
- *Obtaining the **WELL Building Standard Certification** for the new Cellnex Corporate Headquarters*
- *Deployment of the **Mobility Plan in the countries***

Commitment to our employees

At Cellnex there are innovative people with a universal vision who support development and the value proposition for customers and society. The human team, together with the processes, and the corporate electronic tools, form the key pillars of success at the company.

Cellnex has an extraordinary multicultural team, bringing together 55 nationalities, who are committed to the same cause: promoting progress and knowledge, enabling connectivity between people and their environment.

As at 31st of December 2021, the total Group comprises 2,877 employees (2,008 on 31of December 2020[30]) a 43% more than in 2020. The number of staff has increased compared to the previous year due to the acquisitions that were conducted and the needs of the organization.As such, Cellnex Group has incorporated 1,029 new employees in 2021 (468 new employees in 2020) 330 women and 699 were men.

Cellnex Group is the main wireless telecommunications infrastructure operator in Europe, with partners distributed through the continent. The distribution of Cellnex employees by country as at 31 December, 2021 is shown below.

[30] Taking into account the financial consolidation perimeter of fiscal year 2020.

Geographical distribution of Cellnex

	252 (2021) 171 (2020)		259 (2021) 131 (2020)
	50 (2021) 48 (2020)		61 (2021) 55 (2020)
	1.289 (2021) 1.215 (2020)		37 (2021) 31 (2020)
	307 (2021) 267 (2020)		107 (2021) 73 (2020)
	450 (2021) N/A (2020)		25 (2021) 15 (2020)
	17 (2021) N/A (2020)		23 (2021) 3 (2020)

Moreover, Cellnex actively promotes growth that fosters the values of Diversity, Equity and Inclusion for everyone and ensures that no one suffers discrimination on grounds of gender, age, sexual orientation or gender identity, race, religion, beliefs or social background or different abilities. As such, at the end of the 2021 the Company has 19 employees with different abilities (15 in 2020).

Diagnosis to create an accessible environment for people with different capacities

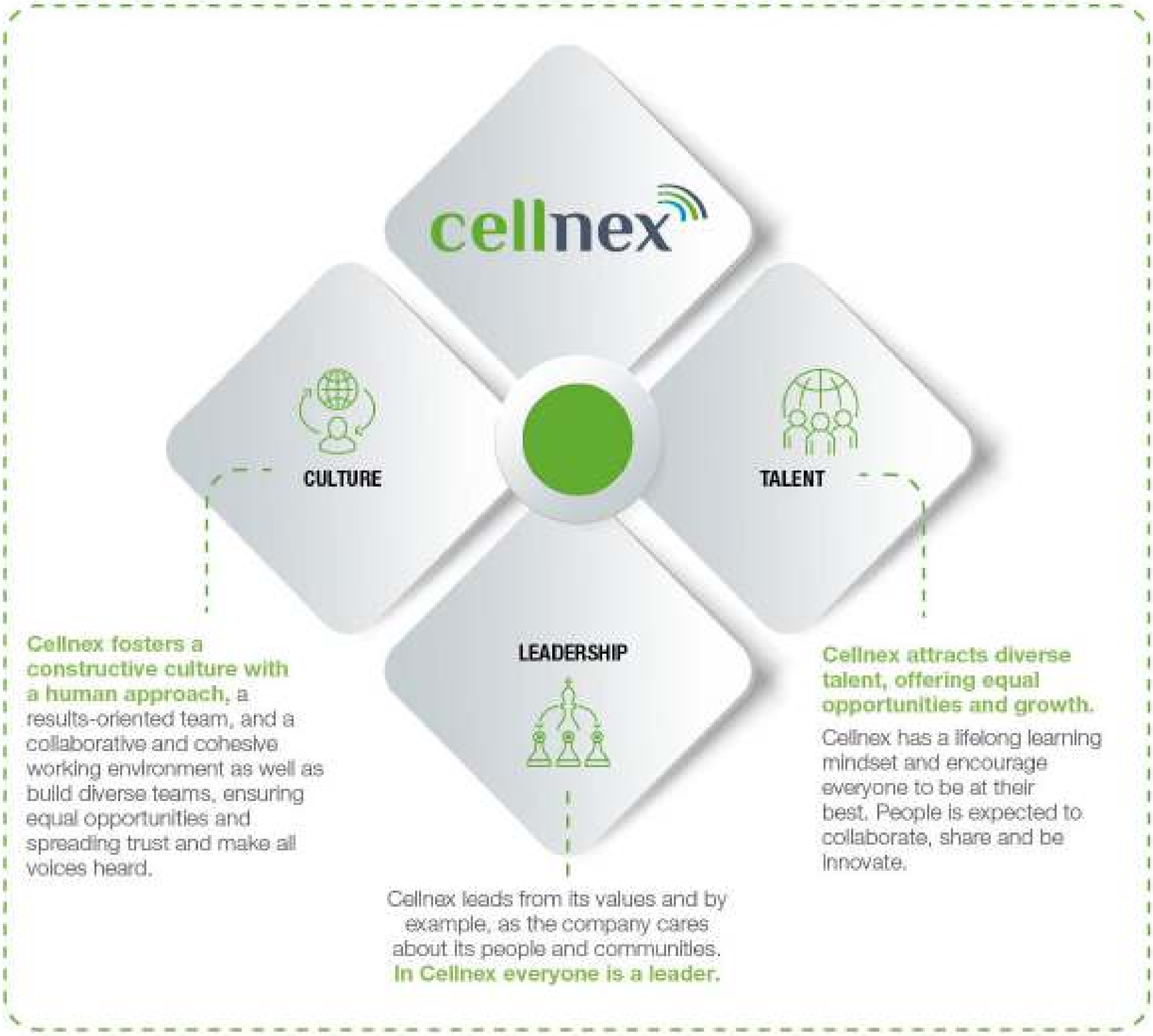
In 2021 Cellnex carried out a diagnosis to create an accessible environment for people with different capacities. To this end, the various forms of capacities and the main obstacles to autonomy for people with different capacities were identified. The best practices for accessibility in the building and accessibility in the information and communication systems were determined.

The results of this diagnosis were used to define the spaces and accessibility of the new Cellnex corporate building in Barcelona, Spain.

To drive the growth strategy, the Global People team is in charge of ensuring that Cellnex has the best talent and the best culture. Global People's management is made up of seven areas, each with a mission to be accomplished within Cellnex.

AREA	MISSION
Global People	Lead the People Strategy and agenda globally, supporting countries to deploy locally. Design and implement an organizational model aligned with business needs. Develop and implement a Corporate Culture built on the values that best define the company and its employees. Ensuring that Cellnex is a reference as a great place to work, with the most talented, international and diverse people with the highest level of commitment.
Global Organization	Design, leadership and support for the implementation of the Cellnex Telecom Organizational Model worldwide, aligned with the Industrial Model and the Cellnex business strategy.
Global Talent	Develop the Corporate Talent Strategy, as well as the process and its methodology to ensure that Cellnex attracts, develops and retains the right talent in the right place and the highest levels of participation elsewhere.
Global Engagement	Lead and implement Commitment plans at Cellnex aligned with the Corporate Culture built on the values that best define the company and its employees. Develop and accompany the Cellnex team to promote constant change, generating a sense of belonging, pride and participation, impacting the business through people.
HR International	Support all countries so that they are aligned with the People Strategy and plans, always ensuring that local needs are covered. Lead and implement the Global People agenda in all mergers, acquisitions and tenders.
Labour relations	Generate, agree, develop and maintain a relationship of trust between workers, unions and companies, by establishing lasting working conditions and responding to possible problems that arise from this relationship.
Global Workplace	Lead and monitor the implementation of all CCBB projects at the Corporate level. Manage jobs/general services aligned with existing work models. Execute projects based in Spain and supervise, support and monitor projects led by countries.

People's Global mission is to develop and implement a Corporate Culture based on the values that best define the company and its employees. The area implements its strategy in the following three key pillars:



Culture, Leadership and Talent are the central elements in Cellnex's People strategy. These three pillars together underpin the belief: the most resilient and sustainable way to grow is together.

Culture

Cellnex is working to develop and implement a corporate culture built on the values that define the company and its employees. The four cornerstones of Cellnex Corporate Culture are shown below. Of which facilitate the effective, organic integration of new businesses, countries and team members.

Five key initiatives have been deployed to instill Corporate Culture in the Company:

- A Company driven by a common purpose
- Empowering our talent by being diverse and inclusive
- A Great Place to Work
- One single Cellnex culture
- Development of the Performance Culture project

A Company driven by a common purpose

Cellnex believes it essential to reflect and perfect its purpose, mission and values, which are a tribute to the company and its ambition. Especially considering the exponential growth that Cellnex has experienced in the last six years and the growing multidisciplinary team that makes it up.

Cellnex is working to renew its purpose, mission and values, and spread this model globally to incorporate it into all people initiatives in a cross-cutting way, because teams with a defined purpose provide better results, show great commitment and have flexibility to meet any kind of challenge.

In 2021, work was done on this redefinition to obtain a draft version that allows a collaborative project to be launched with all internal stakeholders. During 2022, this process will begin at the Global Forum with the Group's top 160 managers, interviews with key people, focus groups, participation by the board and surveys of the entire group. This will make it possible to establish a purpose that reflects the reality of the group today.

Empowering our talent by being diverse and inclusive

Under the Equity, Diversity and Inclusion (EDI) Policy, Cellnex remains firmly committed to promoting Equity, Diversity and Inclusion through inclusive leadership as a lever for change and business sustainability. Cellnex understands that equity, diversity and inclusion are key pillars of its business strategy and that people are the Organization's most important asset. For this reason, the difference and plurality of people, equal opportunities, non-discrimination and labour inclusion are priority strategic factors at Cellnex.

Cellnex Group Diversity Statement

The Groups's Senior Management and CEO have signed the Cellnex Group Diversity Statement to demonstrate their commitment to promoting equity, diversity and inclusion, through inclusive leadership as a lever for change and business sustainability.

One of Cellnex's priorities is to create a climate that allows diversity field with particular emphasis on the following areas: gender, age, emotional/sexual, cultural and functional; at the same time, to reject any type of discrimination, on these grounds, that may impede the growth of the Group or affect the selection, retention, development and well-being of its employees.

Boosting talent, and being diverse and inclusive, is one of the strategic pillars of the ESG Master Plan, whose vision is "To boost telecommunications connectivity between territories, with a common and inclusive culture, aiming to be part of the solution to society".

Cellnex has developed and deployed the Equity, Diversity and Inclusion Plan.

In order to promote equity, diversity and inclusion within the Company, Cellnex has developed and deployed the Equity, Diversity and Inclusion Plan (EDI Plan). The Plan includes the Organisation's commitments and strategies in these areas and has five specific lines of action (gender, generational, emotional/sexual, cultural and functional) and a cross-cutting line of action of communication and awareness, which are implemented through 90 specific actions programmed for the period 2019-2022.

The commitments contained in the Cellnex Equity, Diversity and Inclusion Plan are presented below.

Cellnex has developed the Equity, Diversity and Inclusion Plan to raise awareness of the differences that may exist between employees and to highlight that these differences can help Cellnex individuals and the Company to grow, thereby increasing the sense of employee ownership and encouraging all employees to take part in this project, as well as giving them a more active voice in it.

To deploy of the Equity, Diversity and Inclusion Programme in all Cellnex countries, four EDI Drivers have been defined and specific projects have been developed in each of them:

- Outside in: promoting EDI beyond the company itself, and striving to bring about a change in society.
- Leadership: governance with differential roles established to ensure that the EDI strategy is implemented correctly in a globally aligned way. Each of these roles has a defined mission and function to make sure everyone works with a clear purpose.

- Awareness: the actions framed within this driver aim to spread global awareness and enhance understanding of EDI or a specific EDI pillar.
- Growth: these actions promote development within the company by launching programmes that could impact on one EDI pillar or all five in a cross-cutting way.

In addition, there are EDI Champion to complete the task of promoting the implementation of the Equity, Diversity and Inclusion Programme in the various countries where Cellnex operates.

"We as champions are a diverse group of people and we work perfectly together towards the same goal. I am grateful to be part of a project that is moving the company into a more diverse furure, whrere all have the same opportunities"

Debora Gagliardo - People Technician

EDI Champions

diversity
ONE TEAM, ONE CELLNEX

The "Diversity Champions" (EDI Champions) are an international group of employees with a variety of posts, genders and ages who assist in implementing and promoting of the Equity, Diversity and Inclusion action plan in the countries where Cellnex operates.

The EDI Champions work to make different types of identities more visible, and raise awareness of the five main themes: gender, generational, functional, cultural and sexual orientation and gender identity.

Hiring Champions

Equity, diversity and inclusion begin in hiring, which is why at Cellnex, in addition to the different Champions highly involved in the EDI project, two hiring champions have been established. Their main objective is to assess diversity aspects in the hiring process of Cellnex. Specifically, their role is to:

- Review the existing processes regarding hiring.
- Review the regulation in place regarding hiring obligation in each country where Cellnex is present.
- Review and update the existing audit work program, used by the internal audit team when they carry out the human resources audit (which is carried out in each country periodically).
- Review the existing KPI that need to be followed / improved regarding hiring.
- Control that sensible data are protected and that Cellnex doesn't use forbidden information.
- Interviews with local human resources teams to identify best practices.
- Control of third parties that select candidates on behalf of Cellnex. In this regard, ensure that Cellnex's policies, procedures and code of ethics are complied with.

The two Hiring Champions are Ferran López, Audit Analyst from Internal Audit & Risk Control from Corporate, and Nicolas Bourges, Audit Analyst from Shared Services from Cellnex France.

From March 8 to 12 March Cellnex celebrated EDI Week, during which a number of company-wide activities took place every day focusing on awareness, governance and growth to progress towards and raise awareness of Equity, Diversity and Inclusion. EDI Week was open to all and anyone in the company was able to join in any of the activities.

Alongside these actions Cellnex launched the Diversity, Equity & Inclusion survey to gain understanding of employees' views about these topics.

Some of the actions framed within the Equity, Diversity and Inclusion Programme that are performed during 2021 are the following:

Target Gender Equality

Cellnex has joined the Target Gender Equality (TGE), an accelerator programme for companies participating in the United Nations Global Compact to deepen their implementation of the Women's Empowerment Principles (WEPs) and to strengthen their contribution to Sustainable Development Goal (SDG) 5.5 which calls for women's full participation and equal opportunities for leadership, including in economic life, by 2030.

Through facilitated performance analysis, capacity building workshops, peer-to-peer learning and multi-stakeholder dialogue, Target Gender Equality calls for bold action in setting and reaching ambitious corporate targets for women's representation and leadership.

Through Target Gender Equality, Cellnex is challenged to assess its gender equality performance, set ambitious corporate targets and take action to address barriers to gender equality, both within the organization and its broader sphere of influence.

TARGET GENDER EQUALITY

Technovation Girls

Cellnex joined Technovation Girls in 2021, an international technology and entrepreneurship competition that each year invites girls and teenagers between the ages of 10 and 18 to develop a mobile application as a technological solution to a social problem.

In 2022 Cellnex has gone a step further and, together with the Cellnex Foundation, will participate as:

- Coaches: giving quick feedback to the teams in relation to the projects. This feedback is given during special events that are convened.
- Visits: encouraging visits to the company and giving inspirational talks by the women who work in the organisation and explaining their personal story and the work they do to stimulate and inspire the girls to achieve the challenge.
- Judges: form part of the international cohort of judges to evaluate the final projects and give feedback to the teams.

With this collaboration, Cellnex reinforces its commitment to society by promoting the growth of women in the STEM field beyond the company itself, addressing the root cause of the lack of women in the technological field.

Promociona and Progresa Projects

Cellnex participated in the Progresa and Promociona Projects, two Spanish academic training programmes developed by CEOE and ESADE with the aim of training women with high potential in the necessary skills to lead successfully.

- Progresa Project: This project focuses on individual development for emerging leaders who seek to strengthen their technical and leadership, skills with the aim of accessing positions of greater responsibility through personal and professional growth. This programme is also a space to build professional networks and support among participants, mentors, and former students of other editions and similar programmes (such as the Promociona Project), leading leaders... In essence, it is a space for continuous dialogue with the business world that fosters and accommodates the women leaders of the future.

- Promociona Project: this project aims to help the participating women managers develop the necessary skills to successfully lead their organisation with the greatest impact on it, on their teams and on other women managers. Throughout the project, barriers and difficulties that are of particular relevance for women in Senior Management will be identified and adressed though various studies- To this end, they will work on: self-confidence, visibility, professional networking, negotiation, power and influence, personal brand and co-responsibility.

With these training programmes Cellnex fosters women's growth in terms of leadership, and promotes greater presence of female talent in management positions, giving them the tools to become influential and inspiring leadership role models and empower them to drive change and innovation in the organisation, and also in their careers and in their lives.

Proud to be proud

Diversity and inclusion policies are already widely recognised in large companies as drivers of productivity, innovation, growth, talent attraction and retention, as well as social well-being. Investors are analysing progress, while employees and other stakeholders are increasingly looking for organisations with a focus on these values. Without this focus, it is difficult to understand an increasingly diversified and global world.

During LGBTQ+ Pride month, as part of the "Proud to be Proud" project, a Cellnex employee shared his experience on the Intranet, LinkedIn and Cellnex Trends. Juan Hernández Gil, a member of Cellnex's international HR team in the People department, spoke openly about prejudice in companies and the subtle way they sometimes approach gender identity or sexual orientation.

"We need to create safe environments for everyone from the outset, so that it is clear that, as a company, we are not ashamed or afraid to talk about these and other issues. All employees must feel that they are in a safe place. I want there to be diversity in all areas of a company, in senior management, decision making, promotions, etc. so that we really reflect the world around us."

Blind Curriculum Vitae

To ensure that there is no bias or discrimination, when the search for candidates is carried out by an external company, blind CVs will be used: these do not include a photograph, or the name, age and gender of the candidates. In this regard Cellnex established two objectives in the Equity, Diversity and Inclusion Plan, with the following achievement results for 2021:

- 100% of blind CVs in outsourced selection processes, exceeding the established objective of 30% from 2022 onwards.
- 28% of the CVs received are from women, in line with the goal of 30% from 2022 onwards.

Innodiversity Index

Cellnex signed up to the Innodiversity Index, an analysis and diagnosis tool to quantify how companies manage innodiversity as part of their strategy in search of greater competitiveness.

This tool allowed Cellnex to compare its diversity management, innovation management and innodiversity management with the best practices developed by the most advanced companies in each field globally.

The analysis situated Cellnex is above the average for Spain and the sector in terms of diversity and innovation.

The company's good positioning in cognitive diversity (diversity related to problem solving, personality, leadership and critical thinking) stands out, which is 5 points above the average for the country and the sector.

Workshops: Unconscious bias

Unconscious biases are social stereotypes that individuals form outside their own conscious awareness. To help employees identify these biases and thus avoid possible biases, Cellnex has developed the "Unconscious bias" project. This consists of bimonthly workshops for all Cellnex employees focused on giving greater visibility to the Equity, Diversity and Inclusion strategy, sharing best practices in the countries in this area, and conducting specific workshops to raise awareness of bias. In addition to understanding why, how and when to act as a diversity change agent to leverage differences for shared success.

Connecting Circles

Cellnex has launched the EDI Connecting Circles, a safe space for connection between employees where they can share, learn and educate on a specific topic related to diversity, inclusion and personal development.

The Circles are led by one or more employees in charge of managing the Circle by developing activities, keeping team members engaged and connected, and create a space for everyone to feel included.

Each member of the Circle has the opportunity to share their experiences, propose ideas, support their colleagues and learn from the expertise of the other members.

The Circles meet periodically to develop an activity around a specific issue or topic. But the connection between the members of the Circle is constant through forums, chats, coffee-corners and other spaces where they can share and learn.

Cellnex launched a pilot, the LGBTQ+ Circle, a safe space for connection between the LGBTQ+ community and allies, where people can share, learn and educate themselves and others on sexual affective diversity topic related with sexual orientation, gender identity and gender expression. This session was well received, and it prompted to continue promoting safe spaces. Soon will be launched one focused on women.

#ConnectingWomen

As part of the Diversity and Inclusion project, the #WomenUp women's workshop was held in Cellnex Spain with the aim of learning directly from female talent about their motivations, concerns, needs and suggestions for promoting gender diversity. Following the success of that session, in 2021 it was decided to go a step further and organize an empowering speech #ConnectingWomen for the 200 women who are part of Cellnex Spain.

The session was led by Teresa Baró, lecturer, teacher and specialist in diversity, personal communication and female leadership and, together with her, we worked on overcoming stereotypes, delved into the communication differences between men and women, learned to detect limiting thoughts and, through self-knowledge, to improve verbal and non-verbal communication in professional relationships.

Graduate Programme

The purpose of the programme is to boost the development of young employees with high potential in Spanish companies.

This is an intercompany program whose participants are a mix of employees from different companies and companies from different sectors. Cellnex participates with 5 employees (1 Madrid Edition, 4 Barcelona Edition).

At the beginning of the programme, participants create an Individual Development Plan to identify their development areas. There are other skills that participants work through the program: Adaptability, Collaboration, Creativity, Initiative and Digital skills.

The tools that will be used to help participants to increase their potential, grow in skills and development their Individual Development Plan are: live sessions; Business Case: where participants will work as a team in order to solve real life problems using design thinking methodology; mentoring sessions with professionals from a different company; Shadowing where participants spend some hours with a director from another company; Training courses; Host program sessions, where participants take turns to host the other participants in their companies. Finally, there is the option to volunteer in organizations such as NGO's or foundations.

Younf Talent Programme

The Young Talent Programme, launched in 2021, is part of Cellnex's talent acquisition strategy to create the next generation of leaders within the Company. This action responds to Cellnex's desire to increase talent by being diverse and inclusive, as reflected in the ESG Master Plan. In this regard, it was established within the ESG Master Plan, that 30% of Cellnex's hires should be young people under 30 years of age.

The Young Talent Programme aims to attract young talent with high potential and accelerate their development with a broad and international commercial vision to become the future leaders of Cellnex.

The Programme is aimed at young people up to 26 years old who graduated less than three years ago in Telecommunications Engineering, Industrial Engineering, Business Management or Economics. It is based on a one-year rotation programme in multiple areas and multiple countries. In the 2021-2022 edition, six Young Talents will have the opportunity to work in three business areas and two countries over 12 months. Once the rotation programme is over, they will be incorporated into the Cellnex Group.

Law 11/2018, of 28 December, amending the Commercial Code, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, 2 of July, and Law 22 / 2015, of 20 July of 2012, on Auditing of Accounts, impose additional disclosure responsibilities on the organisations in respect of non-financial information and diversity, which are defined within the scope. In accordance with the law, from a gender pay perspective companies need to disclose:

The average remuneration and its evolution disaggregated by gender, age and professional categories or equal value.

- Pay gap, equal job remuneration or the average pay of the company.

- The average remuneration of directors and executives, including variable remuneration, allowances, compensation, by gender, implementation of work disconnection policies, and employees with disabilities. (Please note that the data provided by Cellnex is solely base salary and target variable compensation)

For equal pay calculations in the analysis, Cellnex has taken into account the same pay elements: base salary and target total compensation as follows:

- Base salary: Includes all remuneration concepts of the financial year that have a fixed annual character.

- Target total compensation: Base salary + target variable pay: variable target remuneration assigned to employees for the last financial year,if reach 100% of their targets.

The information provided is as follows:

- % Women and Men: Gender demographics have been calculated (number of men and women and % vs. Global).

- Fixed elements: These show the average and mean of base salary paid for men and women. This analysis, also includes the difference between the amount paid to men and women expressed as a % (men's base salary vs. women's base salary).

- Total target compensation: This shows the average and mean of men's total target compensation and women's total target compensation. This analysis, it is also includes the difference between the total target compensation vs. women expressed as a % (calculated as men's total target compensation vs. women's total target compensation).

The results are provided in Annex 6 of this report.

Bloomberg Gender-Equality index

Cellnex has been selected as one of 418 companies across 45 countries and regions to join the 2022 Bloomberg Gender-Equality Index (GEI), a modified market capitalization-weighted index that aims to track the performance of public companies committed to transparency in gender-data reporting.

This reference index 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.

The index recognizes 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 organization. Likewise, it has valued the efforts that the company has been making in recent years to continue advancing in equal pay & gender pay parity, female leadership and talent promotion, inter alia.

Under the Equity, Diversity and Inclusion Policy implementation of the Equity, Diversity and Inclusion Programme is periodically monitored through the Nominations, Remunerations and Sustainability Committee (NRSC), using defined key indicators. As such, the actions carried out during 2021 in matters of equity, diversity and inclusion have resulted in an improvement in the Programme's monitoring indicators with respect to the 2020 values, highlighting the efforts made by Cellnex in these matters throughout 2021.

	Achievement	Target	Target year
Women in management positions	24%	26% / 30%	2022 / 2025
Hires of women	47%	45% / 50%	2022 / 2025
Hires of young talent	29%	30% / 30%	2022 / 2025
Appointments of foreign Directors at Cellnex HQ	40%	45% / 60%	2022 / 2025
Appointments of foreign employees at Cellnex HQ	20%	20% / 40%	2022 / 2025

Equality Plan and Harassment and discrimination Protocol

Cellnex has a protocol against harassment and discrimination for sexual orientation or gender identity. The objective of the protocol is to create mechanisms to prevent and eradicate situations that constitute harassment on the grounds of gender, sexual orientation and gender identity in the Group's companies.

There is also an Equality Plan in force for the Spanish subsidiary Retevisión and another Equality Plan for the Spanish subsidiary Tradia, both plans will be updated in 2022. Furthermore, work is currently underway to define the equality plan for Cellnex Group to provide coverage to all corporate employees in Spain. The general objective of the equality plans is to steadily increase the presence of women in the company, in all positions and responsibilities, guaranteeing equality of treatment and opportunities between women and men and preventing sexual harassment and discrimination based on gender, both indirectly and directly.

Great Place to Work

The Great Place to Work project was launched during 2021. This is based on four guiding principles that result in Cellnex people feeling proud to be part of the Organisation. In addition, Cellnex wants to be a reference company as a great place to work, with the best international and diverse talent with the highest level of commitment.

In order to become a benchmark as a great place to work, Cellnex focuses on the following four key drivers:

Smart Working

Smart Working project: promote a constructive culture, with a human focus, a results driven team and a collaborative and cohesive working environment.

One of the initiatives worth highlighting from 2021 is the Smart Working project. It aims to promote a constructive culture, with a human focus, a results driven team and a collaborative and cohesive working environment, to be able to work in a smarter way to:

1. Innovate and anticipate business needs.
2. Facilitate people performance
3. Create a great working environment

Smart Working is a mindset based on three pillars: empowerment, effectiveness and collaboration. Each pillar has its own attributes that motivate the achievement of Smart Working.

"I strongly believe Smart Working project will have an enormous impact on building a high-trust and high-performance working environment. Obtaining the certification would be a key driver to attract and retain talent and, the best reward for our growing together spirit".

Laia Berna - Global Workplace expert

Smart Working is being implemented in all Cellnex geographies under a model that is adapted to the reality of all countries.

Smart Working

A culture is not built from one day to the next, it requires practising new behaviours on a daily basis. For this reason, Cellnex Spain has created small activities or actions, called "Smart Working Challenges" to raise awareness and improve skills related to the three smart working challenges.

Each month, suggestions are sent out for various actions (workshops, talks, articles, videos, courses, etc.) that help employees to implement smart working practices in their daily work.

Well-being

At Cellnex, a comprehensive and holistic well-being model has been defined with a company-wide application framework. The dimensions that initially form part of the model are physical, emotional, mental and social.

Within this strategic line, work is being undertaken to implement a global platform to make the entire group aware of the various initiatives in the area of health and well-being. This is a starting point for the consolidation of the model in which employees can access related content to achieve gains in well-being at individual level. For more information see the "Health and Safety at work" chapter.

Community

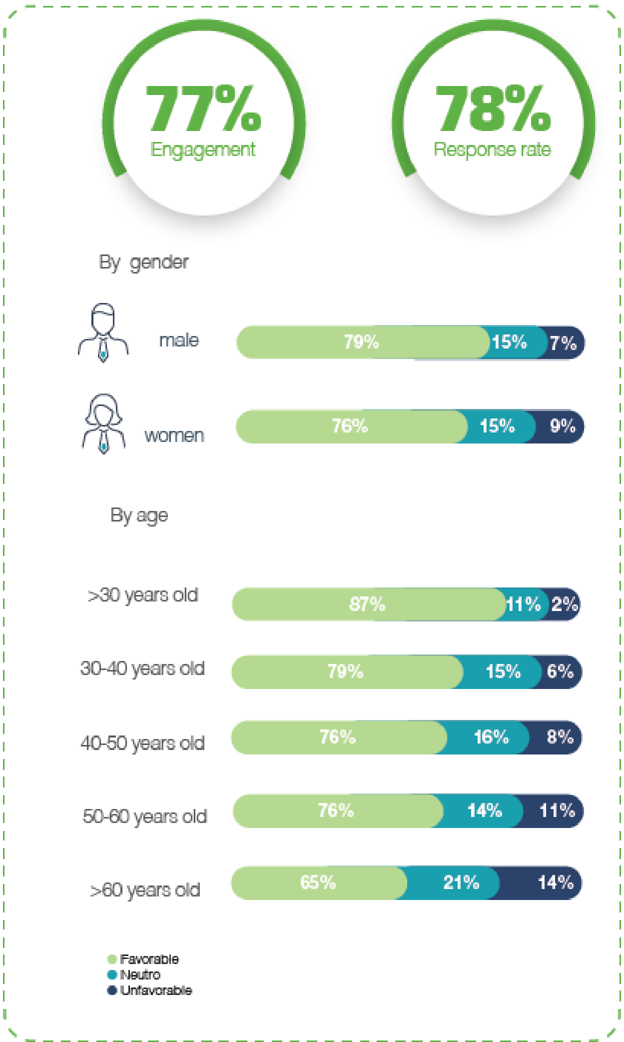
With the aim of promoting a company-wide common culture, Cellnex encourages the creation of communities based on the interests, hobbies or main concerns of employees such as Diversity and Inclusion (Women, LGTBI, Disabilities, etc.) or Art and Culture, among others. Blogs such as Community have been set up and actions have been carried out, such as On Holiday. Through these participatory initiatives for the entire group the company seeks to engage with people on a more human level.

Active listening

Within active listening, Cellnex introduced the Employee Voice project, which consists of a model of two annual pulse surveys with seven countries participating in 2021 which make it possible to obtain a picture of the current state of affairs in terms of level of engagement, business strategy, diversity and inclusion and well-being.

These questionnaires allow, action plans to be defined to strengthen and improve each of the areas.

In 2021, work was carried out on a pilot to monitor the company's situation in the various dimensions required to obtain certification from to the Great Place to Work organisation.



The response scale was as follows: “Totally agree”, “Agree”, “Neither agree, nor disagree”, “Disagree” and “Totally disagree”.

A single Cellnex culture

Cellnex has defined an Engagement plan focused on active listening, empathy and the ability to influence in order to cement a sense of belonging and commitment in the whole group. In addition, a single global voice is created through the actions contained in the plan.

This Engagement plan was developed with a group that represents the current reality of Cellnex. All the initiatives of the plan respond to needs were identified as priorities by this group..

"The Global Mentoring program is a great initiative and an opportunity for learning and improvement, both personally and professionally. Undoubtedly, it is a Win-Win program that will enrich the people and teams of Cellnex Telecom."

Jordi Arandes - Country Deputy Managing Director, Spain

Among all the initiatives, it is worth highlighting the following:

- Cellnexian's coffee: monthly informal meetings with key people from the company.
- Make Yourself at Home: improving the integration process from the perspective of people.
- My Buddy Programme: assignment of a host for support and guidance during new employees first weeks of work.
- Employee Value Proposition: definition of the company's value proposition with the primary aim of retaining and attracting the best talent and positioning the brand.

Value Project

During 2021, implementation of the Value Project continued in Cellnex Spain. This consists of a participatory project to highlight and give visibility to the work carried out by Cellnex employees throughout the territory and from the Network Operations Centre (NOC) through a series of testimonials from colleagues.

This initiative, gives greater visibility to the work done outside the central offices and sheds light on the value and cross-cutting nature of the teams and projects as a whole, inspiring a greater engagement with employees outside the central offices and generating a deeper sense of being part of "the same team" and having a common goal.

World Day for Cultural Diversity for Dialogue and Development

21 May is the World Day for Cultural Diversity for Dialogue and Development. Acceptance and acknowledgement of cultural diversity promotes dialogue, respect and mutual understanding. Therefore, as a multinational company, Cellnex highlighted the diversity of nationalities that make up the organisation.

Cultural diversity in the workplace is the result of practices, values, traditions or beliefs of employees based on race, age, ethnicity, religion or gender. In this regard, to celebrate the World Day for Cultural Diversity for Dialogue and Development 2021, Cellnex launched a campaign to raise awareness of the impact of national culture in the workplace through training on Developing Cross-Cultural Intelligence.

Development of the Performance Culture project

A culture of performance encourages individual contributions to the company's objectives, as well as differentiated recognition for achieving them at individual level. Within the Performance Culture framework, Cellnex has defined objectives that are aligned with the company's strategy, and are holistic and intelligent. The individual performance of Cellnex people will be measured and evaluated and a relevant and equitable reward/recognition will be established on the basis which will lead to a bonus and salary review.

In 2021, all the employees of the Cellnex Group had variable remuneration, with the exception of personnel pending integration into the valuation by objectives (MBO) tool.

Holistic Performance Management

In 2021 the corporate areas of Global Talent, Global Organisation and Global Compensation, Planning & Control defined the new Holistic Performance Management process to be rolled out and implemented during 2022.

The main goal of Holistic Performance Management is to help Cellnex to achieve a high performance culture, which encourages individual contributions to company goals ensuring differentiated recognition for achieving them at individual level, giving equal importance to What & How..

The inputs for Final Bonus and Merit Increase incorporate both the WHAT (Objective results) & the HOW (Leadership Attributes Assessment), creating Holistic Performance Management for a high performance culture.

The principles of the New Holistic Performance Management are as follows:

- Protecting the Business by driving relevant results (short and long term)
- Integration & Consistency across functions and countries in the way we reward
- Internal Equity and Competitiveness
- Differentiate according to contributions
- Empowerment & Trust
- Transparency: ongoing Feedback, good or bad
- Engaging & Motivating
- Simple to understand and implement

Performance Improvement Plan

Cellnex not only wants to achieve a culture of feedback that fosters empowerment, responsibility and autonomy, but also works to achieve a High Performance culture that brings out the best in each of the people who are part of the Company, allow employees to promote sustained performance and involve and motivate them in all the activities that are carried out on a day-to-day basis at Cellnex.

To this end, as of 2021, a Performance Improvement Plan (PIP) framework has been created and is being implemented and deployed in all Cellnex territories.

A PIP is a tool designed to improve the performance of an employee, in particular if this employee is identified as underperforming during the year, as a result of the annual Performance Evaluation, Talent Review or other assessments. Its main features are as follows:

- The owner of the PIP is the employee's manager with People Area support.
- The Performance Improvement Plan (PIP) exists to help an employee improve their performance to the minimum acceptable standard for their role.
- It assumes that the employee is willing and able to take action with the necessary guidance and support from their manager.
- A PIP is not a notice of pending termination or of permanently restricting an employee's career opportunities.
- The plan communicates clear and specific performance requirements that the employee needs to achieve within a specific time period. (It normally lasts for 3 to 6 months. It can be extended for other 3 months if necessary).
- If these requirements are met, the employee exits the PIP.
- People function will provide advice as necessary on drafting suitable performance goals for the plan and what duration to set (3 or 6 months).
- The employee should be allowed to give their input to the plan before it is completed.

Leadership

The leadership pillar is based on the fact that all Cellnex people are leaders and want to lead based on values, following the premise that "at Cellnex, we are all Leaders". In this regard, a Cellnex Competency and Leadership Model has been defined in line with the company's ambition and strategy in the short, medium and long term, emphasising inspiration and transformation, a growth mindset and operational excellence, as well as growth and inclusion of people. The Leadership Model applies to all Cellnex employees.

The Leadership Model includes four dimensions that all employees are expected to develop:

- Inspiring leader, to connect people.
- Transformational leader, to promote commercial growth.
- Operational leader, to guarantee commercial sustainability.
- Leader coach, to build team unity.

All the above integrated with defined attributes of innovation, strategic vision, growth mindset, influence, inspiration, customer orientation, inclusion and development of people.

Country Leadership Meeting

February 2021 the Country Leadership Meeting was held in Barcelona, a meeting of alignment and involvement with the top management and middle management team in Spain four years after the lanch of Cellnex Spain as a company within the Cellnex Group. The objectives of the event were:

- Cellnex Global Vision: identifying the global vision, and the major milestones and challenges for the coming years, in addition to identifying Cellnex's most important global objectives.
- Spain's Business Vision: identifying the key challenges for Cellnex at national level, identifying the company's objectives for 2021 and aligning and engaging managers to achieve the country objectives..
- Vision of People as the main asset of Cellnex: Identifying the strategy and vision of People Management at global level, identifying the relevant objectives and initiatives in Spain, and the impact of the "manager's role" in the achievement of Country and Management objectives.
- Involvement and team spirit: Motivation, Team, Commitment and Alignment.

The leadership of each Cellnex person is evaluated, in addition to establishing a framework of competencies that every Cellnex leader should have. As such, one of the most notable the projects to assess the leadership of Cellnex employees is the Executive Development Programme for Cellnex leaders. The programme focuses on identifying current and future organisational needs, assessing individual capabilities to align with the new organisation, strengthening development plans, becoming part of the next generation of leaders, and developing management training. In 2021, 29 executives and senior managers participated, in addition to the 59 who participated in 2020 and are being followed up.

Executive Development Programme for Cellnex Leaders

A specific development programme in partnership with an external supplier, designed for Cellnex Directors, which is launched in the following situations:

- As a result of a recruitment process (hiring a new Director).
- When a Cellnex employee is being promoted to a Director role.
- As a result of a company acquisition, when the integration implies onboarding a new Director that used to belong to the company that was acquired.

The Executive Development Programme is base on Cellnex’s Leadership Model, and consists of a competency-based assessment of the candidate to hold the Director role, a behavioural event interview to delve into his/her leadership skills and an individual feedback session to guarantee that the main results, outcomes and conclusions are properly communicated once the process is completed.

Cellnex's growth strategy is based on promoting individual development, through an annual Individual Development Plan and investment in leadership skills.

A new development worth highlighting for 2021 is the creation of the "Talent Factory" to promote the professional growth of Cellnex employees, providing a comprehensive package aligned with the organisation's business strategy and its culture.

The Talent Factory allows each employee to grow as a professional and also promotes corporate culture, leadership and equity, and diversity and inclusion in the workplace. As such, three factories were established where Cellnex employees can find all the available programmes to grow and develop their talents.

The Leadership Factory is aligned with Cellnex's leadership model, which establishes that all employees are leaders, all lead in their field and by growing in their own leadership they also contribute to the growth of the business.

Three projects are implemented primarily within this factory: Leadership paths, Cellnex MBA, and Mentoring.

Leadership paths are based on promoting leadership in Cellnex, at all levels and in every country, and are aligned with the corporate culture. A number of itineraries are available for all organisational levels, to better support each employee at every stage of their professional life. The Leadership paths facilitate the development of greater maturity, and enhanced productivity and self-management capacity. They also promote learning to implement critical priorities, with a critical approach and careful planning at different levels and collectively. At team level they improve team commitment, morale and cooperation, enhance communication skills and strengthen relationships. Moreover, they foster delegation of responsibility to employees, providing the right level of support. In addition, at organisational level, they make it possible to create a framework for the development of fundamental values in line with the culture of the organisation and develop a leader mentality, among others.

Mentoring is based on increasing Cellnex's productivity and talent retention by transferring knowledge, promoting the development of people and retaining talent.

The 2nd edition of the Cellnex MBA, in collaboration with EADA.

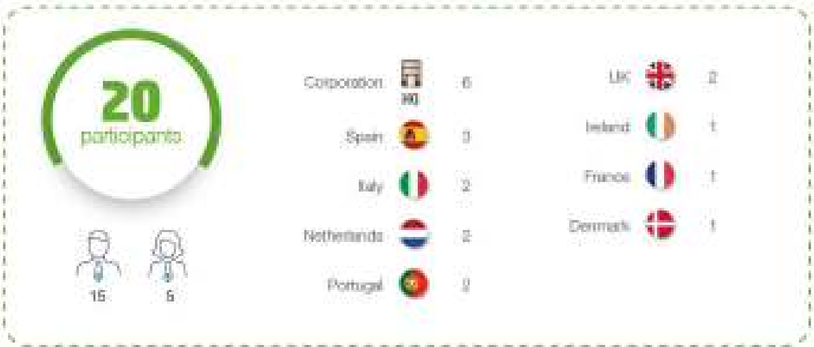
In addition, the Cellnex MBA offers the opportunity to grow in skills and abilities, as well as to address the complex and global reality of the environment in which Cellnex's business activity is carried out. This programme is fully adapted to Cellnex with the combined experience of the business school and Cellnex's references in each area of knowledge. At the end of the course, the final programme projects developed, reflecting a large part of the knowledge acquired, which can contribute to increasing the effectiveness of Cellnex. In 2021, the second edition of the Cellnex MBA was launched, in partnership with EADA. 20 members from all Cellnex territories took par, five of whom were women.

Cellnex MBA Course 2021 - 2022

The Cellnex MBA enables participants to adress the complex global reality of the environment in which Cellnex operates, incorporate tools to manage and implement strategies in variety of business areas, and develop a project that reflects the knowledge acquired.

The programme's teaching methodology is based on active learning, which involves learning by doing rather than learning by listening. The programme combines several methodologies with a 100% practical approach.

In the 2021-2022 academic year, 20 employees with very diverse profiles will took part:



The main components of the culture Factory are the Smart Working and Inclusive Culture projects, whit the latter implemented through the Inclusive Leadership Programme and the Acceleration Development Programme for Women.

As indicated earlier in this Report, Smart Working is about creating a constructive culture that will allow Cellnex to innovate and anticipate business needs, facilitate people's performance and create an excellent place to work.

The Inclusive Leadership Programme was been created to promote an inclusive culture at Cellnex as a core element of its values and a key element for business development. It is a programme for all Cellnex professionals to develop leadership in accordance with the key pillars of the Organisation, with the respect, acceptance and appreciation of each and every Cellnex employee.

The Acceleration Development Programme for Women aims to promote an inclusive culture that supports the professional development of women who work in the Cellnex Group to accelerate their professional advancement and increase the number of women in management positions through the development of key skills.

Acceleration Development programme for Women

For the optimal development of the Acceleration Development Programme for Women, it is important that the participants know their strengths and weaknesses to guide them towards their development plan. As such, before they start the programme, a personality questionnaire is sent out to make them aware of the behaviours they need to takeharness to advance their contribution to the company and enhance their Personal Brand. The questionnaire measures key skills for the professional development of each woman's career, such as communication, relational skills, leadership style and thinking..

A Mentoring and Development Plan is then established. The objective is for the participant to become aware of the skills she has through a feedback session on the results of the personality questionnaire. These results will serve as the basis for defining the personalised action plan, which will be the guiding thread of the whole programme (eight months), both for the workshops that are conducted (e.g. Personal Branding and Influence and Networking) and for the mentoring and coaching processes.

The main components of the Experience Factory are the Business project and the Experience Paths project. The first is based on learning about Cellnex's business through Innovation Talks and Business Talks, among others that are organised. The Expertise Paths project has a number of training itineraries depending on area of specialisation.

Cellnex has developed a Retention Plan for key people, with a competitive compensation framework based on a global comparative evaluation. The content of work and professional progression have been defined, and the Plan has been aligned with the values and the strategy of the company.

Talent

The talent pillar is based on development for all Cellnex employees, centred on business needs and unlocking the growth potential of all people. In this regard, this pillar focuses on actions to attract talent and identifying the individuals who will form part of the "next generation of Cellnex people", by mapping proactive Talent within the Organisation, defining a Proposal of Value for Employees and establishing a Brand Image as an Employer (Employer Branding).

Employer Branding

In 2021, a challenge was launched to initiate and define the Employee Value Proposition at global level to develop Cellnex's Employer Branding, thereby enhancing and expanding its attractiveness as an employer company.

This project focused on employees and external talent, which made it possible to carry out a reputational audit of Cellnex that included an analysis of the brand reputation of its employees, candidate experience, benchmarking of talent competitors, and EB digital reputation & EB SWOT analysis ; and conceptualise and define a global value proposition for all employees, aligned with the local realities of each country. This will be an impactful proposal for the internal and external talent the company wants to attract.

The next steps of the project to be carried out during 2022 will consist of defining an Employer Branding strategy and a roadmap that addresses the challenges and needs for attracting talent and boosting the reputation and attractiveness of Cellnex as an employer and developing an Employer Branding communication framework,, aligning internal and external messages to embrace them in the organisation, and communicate them with a reliable and differentiated positioning.

In addition, in order to foster talent among Cellnex's people, it is essential to maintain the Organisation's core values, improve employee skills, increase diversity and establish a common global mentality for the entire Group.

To identify talent, Cellnex evaluates the performance of its employees through Development Dialogues and Management by Objectives. Based on this evaluation, an individual development plan (PDI) is established for employees to maximise their potential. In addition, this exercise allows Cellnex to identify groups of diverse talents.

Talent Review

Among the initiatives to evaluate employees, it is worth highlighting the Talent Review project as one of the most strategic people processes, designed to help Cellnex identify and develop the talent necessary to implement its business strategy.

An effective talent review makes it possible to identify talent ready to take on new responsibilities, establish individual and organisational action/development plans, determine retention risks, and most importantly, allow talent positions to be established for key company employees.

In addition to the above, talent review can be used as a strategic workforce planning tool to determine future needs in terms of headcount, talent, recruiting, internal mobility, etc., all aligned with business strategy.

During 2021, the talent review was carried out and deployed in six countries (Spain, Italy, France, the United Kingdom, the Netherlands and Portugal), and in six Corporate Functional Areas (Global Finance & M&A, Global Operations, Global Commercial, Global Resources and Global MCPN-EDZCOM). This involved more than 450 people, 73 reviewers and 337 reviewees.

Another notable project is the evaluation of professional development based on the Career Development Assessment Framework, a project aimed at supporting individual development within Cellnex. This model is applicable to all employees of the Organisation, regardless of their professional category, and also applies to all new additions to Cellnex from mergers and acquisitions.

Career Development Assessment (CDA) Framework

The starting point of a CDA is self-awareness. As such, employees are asked to self-assess and complete a competency-based questionnaire that will serve as the basis for the rest of the CDA.

Once the employee completes the evaluation, either the performance management process or the CDA, and has received feedback on the results, it is time for them to establish their PDI, with the support of their Manager and/or the People department. The PDI is based on the 70/20/10 methodology: 10% learning based on training courses; 20% based on feedback, advice and explanations from colleagues; and 70% learning from day-to-day work.

Internal posting

In line with the 70/20/10 learning model, Cellnex is aware of the benefits that internal mobility brings, and wants to improve and facilitate company-wide internal mobility and opportunities for its employees to broaden their skills and develop in other environments in new roles.

In this regard, in 2021 the Global Job Posting project was developed. Thiscomprises publishing all vacancies globally on the Group's intranet, the “Growing Talent” section, to promote and facilitate internal mobility and opportunities for our employees at a company-wide.

In addition, in 2022 a global communication campaign will be launched to promote mobility. The objective of the campaign is for employees to update their profile on Cellnex's internal talent tool, which will provide an overall picture of the professional experience of all employees, their skills, their professional interests and whether they are interested in international mobility, among questions.

In addition to the evaluation of the professional development of all Cellnex employees, a specific evaluation is also carried out for managers, the "360° Evaluations" project. This comprises a complete evaluation of managers with a subsequent coaching programme. In 2021, 337 people spanning various functions and countries were evaluated, and over 124 people participated in the evaluations and calibrations of the evaluations.

360° Evaluations

With the aim of creating a culture of feedback at all organisational levels, in 2021 Cellnex began promoting the use of 360° Evaluations, making them available to all employees.

A 360° Evaluation allows employees to have an evaluation carried out not only by their hierarchical superior, but also by their colleagues, team members and internal/external clients. Having feedback and insights from multiple evaluators makes a 360° evaluation one of the most powerful evaluation tools.

Cellnex will continue promoting 360° Evaluations during 2022 in all the territories where it operates to ensure that all Cellnex employees are aware that they have this powerful tool at their disposal.

To ensure Business Continuity Management, Cellnex has developed some projects within the framework of strategic workforce planning: the "Talent pool" project as well as the "Talent Mobility" project.

Talent Pool and Talent Mobility

In 2021 Cellnex has launched a Talent Pool process, where the Countries and Functions have identified their Key Positions, as well as the reserve of potential talent for those Key positions.

In this regard, 201 potential successors have been identified, making the following distinctions: peers/non-peers and external talent. In addition, the diversity within that group of talents has also been analyzed. These are excellent inputs for prioritizing Cellnex's efforts in workforce diversity and strategic planning.

Global Mentoring Programme

Cellnex recognises that mentoring is an excellent way for people to learn and grow their careers. On this basis, the Cellnex Global Mentoring Programmeme was launched in November 2021.This started as a local programme in the UK, but it has grown and now there are apprentices and mentors from three countries: the UK, Spain and Ireland. The programmeme has a small group of mentors and apprentices, all with varying seniority in the company.

In 2021, fourfour training sessions were derived were delivered for apprentices and mentors aand were highly ratedrated by our employees. TThe experience of the colleagues who took took part in in the programmeme in 2021 will be used to improve the programme and relaunch it in usedimprove the programme and launch it in more countries in 2022.

At Cellnex Italia the Mentoring Programmeme was initiated in 2016 with a Mentor Mentor Task Force: people who are who are able offer assistance in offer assistance in the personal and professional development of colleagues particular particular stages of their growth, such as change management, talent development, motivational support, job rotation, etc. The Task Force currently comprises ten people, managers and middle managers who engage in ongoing training initiatives to broaden their skills in coaching, active listening, and accountability. Every year they support about 15 mentees with focused and tailored programmes, with the contribution of the managers of the colleagues involved and coordination by the People Department, all working together to obtain the best results.

LinkedIn Talent Awards 2021

LinkedIn recognised successful teams of talent professionals in Spain who have made a positive impact using LinkedIn Talent Solutions, and Cellnexwas one of the finalists.

Cellnex was selected as one of the finalists in the "Best Culture of Learning" category. This is a major recognition of the Cellnex culture of continuous learning and our development model.

Training

Training is a cross-cutting element of Cellnex's People strategy that affects each of its three pillars: Culture, Leadership and Talent.

Cellnex is firmly committed to offering training to its employees, which is why it offers them a wide variety of courses, some mandatory, such as training on the Code of Ethics.

During 2021, the total hours of training were

44,389

Training given during 2021, totalled 44,389 hours (59,104 hours in 2020), and the average amount of training per employee was 15.5 hours (29.93 hours in 2019).
A new development focused on increasing employee knowledge and awareness of sustainability, the launch of ESG training ("ESG essentials") planned for all group employees.

People Management

Work-life balance and flexibility

At Cellnex, employees have flexible working schedules, which means that they can choose when to start their working day within a period of several hours, but they must make sure that the working hours established by agreement and contract have been completed by the end of the day. Likewise, all employees who have requested a reduction in their working hours are entitled to this right.

In addition, all employees have the right to vacation days stipulated by agreement. For optimal management of the teams and to ensure the services provided, the enjoyment of vacation days is agreed in advance with the person in charge of the department.

In addition, Cellnex has been working towards the progressive introduction of teleworking in all countries. Although this has been accelerated by the situation caused by COVID-19, this way of working had already been implemented in the Organization. For example, at companies based in Spain an agreement on distance work/telework has been reached with workers's legal representatives.

Apart from teleworking, employees have access to the "My Compensa" portal, where they can find the details of all the economic and social benefits that apply to them. they are also able to access other functions such as management of their leave days (Time off).

Using the "My Compensa" portal, it is also possible to access the work-life balance measures offered by Cellnex based on diversity and equality, such as: adaptations to the working day,r breastfeeding schedules, prenatal check-ups, and permission to care for children.

In relation to the organization of work (schedules, vacations, flexibility, and other benefits associated with the organization of work), as well as the overtime management and the measures aimed at facilitating the enjoyment of conciliation and promoting the co-responsible exercise of these part of both parents, is respected that established by the Collective Agreement in each Business Unit of Cellnex.

In addition, Cellnex Spain has developed a Digital Disconnection Policy and in January 2020 the procedures relating to the disconnection from work and measures for the registration of working hours were signed and presented to the workers' legal representatives.This aims to guarantee the right to privacy of employees with regard to the digital environment and ensure a proper rest to protect the health and safety of employees.

Similarly in France there is a Disconnection Charter that addresses these issues. Even though the rest of the countries in which Cellnex operates do not have formalized labor relations, there is an ongoing dialogue and a cooperative effort to work with Corporate on these matters.

Collective Agreements

In 2021, a
62%
(74% in 2020) of Cellnex Group employees were covered under a collective agreement.

In 2021, a 62% (74% in 2020) of Cellnex Group employees were covered by a collective agreement.

In this regard Cellnex Group in Spain is formed of a series of companies: Cellnex Telecom, S.A., Cellnex Group España, S.A., Retevisión I S.A., Tradia Group S.A., On Tower,Xarxa Oberta de Catalunya (XOC), Adesal and ZENON. The employees of these companies are covered by various collective agreements.

At Cellnex Telecom, SA, Cellnex Telecom, SAU, and On Tower, employees have a province-level reference collective agreement and according to the opinion issued by the National Advisory Commission for Collective Agreements (Comisión Nacional Consultiva de Convenios Colectivos), the centres in Barcelona and Madrid, are covered by the metallurgic industry, installation and services "colective agreement for the Autonomous Community of Madrid.

Both Retevisión I S.A. and Tradia Telecom S.A. have a company-level collective agreement that is applicable until 31 December, 2024.

The employees of the XOC are governed by the collective agreement of the "office and office sector" in Catalonia for the years 2019-2021. ZENON staff are governed by the "commerce sector" collective agreement for Catalonia for subsectors and companies without their own collective agreement. ADESAL workers are covered by the reference collective agreement for the "office and office sector" for the autonomous community of Valencian .

Cellnex Poland and TowerLink Poland have signed a national agreement with the Polish branch of LMG Försäkrings AB SA and other entities of the LUX MED Group related to carrying out preventive medical examinations of employees, and an occupational medicine survey of workplace conditions, and group health insurance for employees and their families to ensure the access to a healthcare programme provided by private medical health care and services. In case of On Tower Poland, a national agreement has been signed with Medicover Sp. z.o.o. with a scope of agreement similar to that of the LUX MED Group. In addition, Cellnex Poland has signed national agreements with Benefit Systems S.A. to provide financing or co-financing for a variety of sports and recreational activities, including multi-sport cards. National agreements have also been signed for life insurance programmes, specifically:

- With Unum for the employees of Cellnex Poland.
- With Generali for the On Tower Poland group.
- With Nationale-Nederlanden Towarzystwo Ubezpieczeń na Życie S.A. for TowerLink Poland employees.

At Cellnex Sweden, there is an agreement with the Health Provider Company Feelgood as a Partner on Health and Safety issues.

At Cellnex Ireland there are four occupational health and safety agreements. In addition, a local personal protective equipment supplier, Scannell Safety, has been contracted to supply employees with personal protective equipment.

At Cellnex Netherlands they apply eight agreements on Health and Safety issues are in force, are Cellnex Austria there are four collective agreements, Cellnex UK there is 1 collective agreement and in Cellnex Italy there are 6. In Cellnex Spain apply 7 agreements that cover aspects related to safety and health at work. There are 3 Health and Safety Committees with 14 members that met 28 times in 2021 and represent 100% of the workers.

In France the national sectoral agreement for Telecommunications is applicable. At Cellnex Denmark, Finland, Switzerland and Portugal do not have a collective agreement.

Social Dialogue

Cellnex encourages dialogue with its employees and their legal representatives, such as works councils and employee representatives, and informs and consults with them and negotiates with them appropriately. In addition, there is an email address and an app on the corporate intranet that allows all Cellnex people to report any situation in which a worker's safety may be compromised.

Thanks to the fruitful and intense dialogue that is constantly maintained between company management and representatives and workers' representatives, in 2021 no legal claims were brought by employees, and no collective disputes arose over the legal representation of workers in any Cellnex group companies based in Spain. No complaints were to be submitted the Labour Inspectorate in 2021.

There were also no complaints in the other countries where Cellnex operates except in Cellnex UK (one complaint has been resolved) and France (two complaints that are in the process of being resolved).

In addition, there is a Company-Level works Council which represents ll employees and union branches. the member of the Company-Level Works Council are, in turn, staff delegates.

Regarding employee representatives, in Spain, four trade union branches are currently represented: CC.OO., STC, SI and CSIF. In addition, there is a Company-Level Works Council which represents all employees and union branches. The members of the Company-Level Works council are, in turn, staff delegates.

Social dialogue takes place through the Retevisión Company-Level Works Council,, which is made up of 14 members. There is also open dialogue with the three work councils established at Retevisión, which are:

- Madrid works Council, with nine members.
- Barcelona works Council, with nine members.
- Valencia Works Council, with five members.

Three union branches are currently represented at Tradia Telecom SA: CCOO, STC and UGT. The forum forsocial dialogue at Tradia is the company-level works council, made up of nine members. There is also ongoing dialogue with the Barcelona work council.

At both in Retevisión I S.A. and Tradia Telecom S.A., dialogue is ongoing with the various staff delegates at work sites where there is no works council. There are also a number of committees formed by the legal representatives and company management, such as, the Employment Comittee, the Social Action Committee, the Mmulti-Plant Health and Safety Committee, etc.

Both On Tower and XOC have a union representative at the Barcelona workplace. The companies Cellnex Telecom, SA, Cellnex Group España, SA, ZENON and Adesal do not have employee representatives.

At Cellnex Spain, management and workers' representatives at Retevisión, Tradia and On Tower agreed on a voluntary redundancy plan to adapt the organisation to the developing business model. The agreement will valid for the period 2022-2025.

At Cellnex UK has a Colleague Board (CCB), which aims to represent the opinions and ideas of company colleagues in any changes and major decisions involving personnel. The CCB adopts a "two-way approach", as on some occasions it consults colleagues on proposals and on others it present comments and new ideas from colleagues.

In Ireland there are theree representatives on the Committee, which meets quarterly. Some of the topics discussed by the Committee in 2021 were related to the incorporation of Ontower sites, incidents that occurred, risk assessments, training and the ISO 40001 certification project.

In France, the Committee is made up of 14 people who meet bimonthly and adress issues such as working time, health and safety, salary, benefits, and health care.

In Italy, the Committee meets at least once a year, and as regards health and safety meetings, the topics discussed in 2021 were mainly health and safety in the workplace and the management of COVID-19.

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.

In other countries, such as Cellnex Switzerland, Austria, Denmark, Netherlands, Finland, Sweden and Portugal, there are no workers' committees. In the case of Cellnex Switzerland, the Labour Law (art. 37 - art. 39) and the Codetermination Law (art. 1 et seq.) establish other means of participation, such as the representation and participation of employees , which includes the right to be consulted and to express their opinion, but not the right to co-decision. There is an employee representative body, also known as a works council.

Work health and safety

Occupational Health and Safety (OHS) is one of the strategic priorities included in Cellnex's ESG commitments. Through Health and Safety, Cellnex contributes to its sustainable development, respecting the health and safety of its employees in the workplace in a way that is consistent with the Company's mission, vision, values, objectives, and strategy.

The Health and Safety Policy was updated in 2021, applicable to all Cellnex Telecom Group companies.

Health and Safety creates a global preventive culture for the entire group, uniting the attitudes, beliefs and values reflected in the global Health and Safety Policy among all members of the organisation. In this regard, the Health and Safety Policy was updated in 2021, and is applicable to all Cellnex Group companies.

The global Health and Safety Policy proceeds in accordance with international reference standards and voluntary initiatives, among which are:

- The guidelines established by the International Labour Organization (ILO) with regard to Health and Safety at Work.
- The 10 Principles of the United Nations Global Compact.
- The Luxembourg Declaration of the European Network for Workplace Health Promotion (ENWHP).
- The Global Reporting Initiative (GRI) Guidelines.
- The Sustainable Development Goals (SDGs) promoted by the United Nations.

In addition, the provisions of the Management System and the requirements of the ISO standards for which the Company is certified are taken into consideration, as well as the applicable legislation on this matter in the various territories where Cellnex Group operates.

Moreover, in the implementation and provision of Cellnex services, aspects related to Occupational Risk Prevention, regulations and legislation on environmental protection and impact, regulations and legislation on possible effects on the health of people and workers are always considered. One of the objectives of the services and products that Cellnex markets is to guarantee the best practices and their evolution in customers, workers and society in general. All products and services are continually reviewed to improve the impact on the health and safety of both the workers dedicated to their installation and operation, and for the possible impact on citizens.

Cellnex Group is committed to promoting achievement of the United Nations Sustainable Development Goals (SDGs) and establishing its own objectives to contribute to the defined goals. As such, Cellnex contributes to the SDGs shown below with the regulations applicable to Health and Safety in the workplace.

Cellnex's Health and Safety Policy, establishes specific commitments grouped under nine lines of work:

1. Planning, evaluation and control: The Global Management System will establish, review and adjust in a timely manner the control measures, policies, plans and procedures established in terms of OHS by setting objectives and targets for Occupational Health and Safety, and ensuring the continuous monitoring of Occupational Health and Safety by managing and investing accidents and incidents related to work, among others.

2. Risk management: Cellnex will establish controls to identify, analyse and minimise risks and eliminate hazards, thereby reducing incidents, accidents, injuries and illnesses related to the operation of the business.

3. Leadership and responsibility: Cellnex Group is committed to promoting the leadership, responsibility and participation of the Company in integrating the OHS Policy into all business processes, supporting the establishment of measures to ensure compliance with the objectives in this area, and defining strategies that promote a culture of prevention, welfare and health at all levels and in every activity carried out by the Company.

4. Consultation and participation: Cellnex undertakes to provide and make available the mechanisms, time and resources necessary to facilitate consultation and participation, thereby fostering diverse opinions and the participation of all levels within the organisation in the decision-making process, as well as supporting the establishment and operation of Health and Safety Committees or similar bodies at all locations where it has a presence and facilitating participation in them.

5. Responsibility of staff and third parties: All Cellnex employees, as well as those of its customers, suppliers and subcontractors must ensure their own health and safety and that of the people who may be affected by complying with the established Health and Safety at Work rules, procedures and policies, as well as communicating within the organisation any relevant aspect in this area, among others.

6. Integral health and well-being: Cellnex is committed to promoting the development of strategic plans for the Promotion of Health at Work (PHW) that encompass in the same framework all the actions carried out with the aim of increasing the well-being of its workers and adopting the necessary preventive and corrective measures to avoid or minimise physical or psychological risks, in accordance with the regulations of each country in which it operates.

7. Culture of prevention: communication and training: Cellnex is committed to informing all employees of their functions, responsibilities and obligations to achieve the objectives of Health and Safety in the workplace, and providing them with information on the risks inherent to their job, among others.

8. Information management: For proper management of OHS information, the Company is committed to using technological and innovative tools to improve the quality of OHS information in the workplace, providing timely access to clear, understandable and relevant information on the subject and to ensuring more accessible and agile information systems for customers and suppliers.

9. Safe mobility: With the aim of reducing accidents occurring while its employees are traveling, Cellnex will work to raise awareness about the prevention of traffic accidents and improve the mobility of employees, partners, suppliers, and customers.

Cellnex has drawn up a Health and Safety Master Plan 2021-2022, applicable to all Cellnex companies.

To establish the principles and commitments set out in the Health and Safety Policy, Cellnex has drawn up the 2021-2022 Health and Safety Master Plan, which is applicable to all Cellnex companies. The Master Plan seeks to promote and protect the health and well-being of all Cellnex personnel, provide a safe and healthy working environment, and ensure the safety of employees and people present in its facilities.

Occupational Health and Safety Key Performance Indicator (KPI) Dashboard

To give impetus to the strategic area of Planning, evaluation and control, an OHS KPI dashboard was defined in 2021 which is in operation to establish, monitor and evalaute common objectives and goals. As such, the information gathered through this process will allow Cellnex Telecom's performance in Health and Safety at Work to be monitored, as well as providing indicators that will be used to prepare the Integrated Annual Report/Integrated Management Report.

The Global Health and Safety Department works together with other Cellnex corporate sections to define cross-cutting projects for the whole Company. As such, in 2021, for example, in 2021 it worked with Global People Department to produce the Well-Being Model. This Model seeks to define Cellnex as a benchmark company that is a great place to work for everyone. To this end, 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 into consideration:

In addition, following the results of the 2021 employee survey, a plan is being constructed to strengthen well-being at Cellnex with a GLOCAL approach, meaning that cross-cutting needs will be identified which may be relevant to all employees, in addition to the specific local need that will also be addressed. To this end, a small core team has been set up to gather feedback, identify areas for improvement and propose solutions.

Well-Being Model initiatives

Examples of initiatives launched in 2021 within the Well-Being Model include the following projects:

- The Employee Care Programme. A programme designed to provide support and advice on a number of aspects (emotional, family, social, etc.) always in a private and confidential environment, at all times. It is available to all Cellnex Group employees.

- Corporate wellness platform. This provides access to over 2,000 sports centres, numerous outdoor activities and a wide range of online training channels, available to all employees in Spain.

To drive forward the principles of the Global Occupational Health and Safety Policywhich aims, among other goals, to provide a safe and healthy working environment, Cellnex is working to obtain WELL Building Standard Certification during 2022 for its new Corporate Headquarters in Barcelona (Spain).

WELL certification is a dynamic scoring system for buildings and communities that identifies, measures and monitors the characteristics of built spaces that impact the health and well-being of occupants. It is the first certification focused exclusively on the health and comfort of users and is performance-based rather than prescriptive. The concepts and objectives addressed in this project are presented below.

Air

The objective is to improve the quality of the air that is breathed within the building through various strategies that include the elimination or reduction of sources of contamination or filtration.

Water

The objective is to give access to high quality water.

Nutrition

The concept requires the availability of fruits and vegetables and nutritional transparency, as well as fostering the creation of environments in which the healthiest option is the easiest option.

Lighting

The objective is to design natural and artificial lighting systems that improve comfort, clarity and quality of night's sleep.

Movement

WELL aims to promote movement, encourage physical activity, active living, and discourage sedentary behavior by creating and enhancing opportunities for physical activity through spaces where you live, learn, work, and play.

Thermal comfort

The objective is to increase productivity through the design of the air conditioning system.

Sound

The objective is to improve comfort by controlling acoustic parameters and correct insulation: intrusion of noise from the outside, privacy in spaces and reverberation time.

Materials

The objective is to reduce the exposure of people to the polluting components of the materials.

Mind

The goal is to support emotional and cognitive health through design, technology, and treatment strategies.

Community

The goal is to create an inclusive and integrated community through social justice, civic engagement, and accessible design.

Another project implemented in response to the commitments established in Cellnex Telecom's Health and Safety Policy is the development of a global Mobility Programme for the company, embracing Road Safety and Environmental Issues. The Programme aims to reduce the number of accidents caused by employee commutes, raise awareness about the traffic accident prevention and improve the mobility of employees, partners, suppliers and customers. As such, in 2022 this Programme will provide each Business Unit with tools to develop and implement a Mobility Plan adapted to their specific circumstances and to establish systems and methodologies that guarantee safe and sustainable mobility for all Cellnex employees and visitors.

Training in occupational risk prevention and occupational safety totalled 9,076 hours.

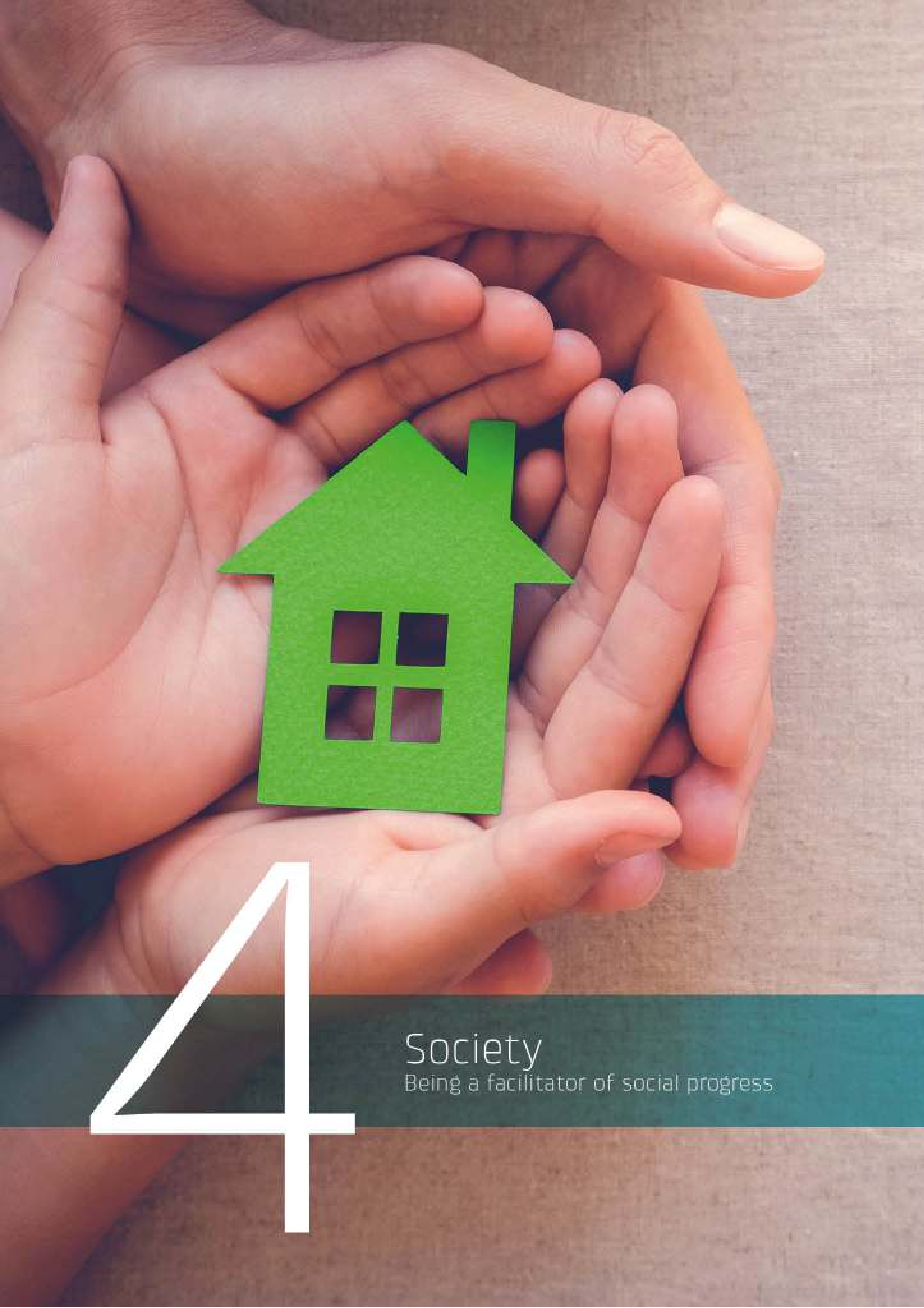
In addition, to promote a culture of prevention and ensure that all Cellnex employees have the necessary tools and information on Health and Safety, as well as to guarantee a healthy working environment, in which all company personnel are aware of the health and safety measures in their workplace, Cellnex offers training in health and safety in the workplace. In this regard, in 2021, the total number of hours of training in occupational risk prevention and occupational safety was 9,076 (7,850 hours in 2020).

Cellnex has defined and operates an Occupational Health and Safety Key Performance Indicator (KPI) dashboard.

Accident rate and absenteeism

In 2021 Cellnex has defined and operates an Occupational Health and Safety Key Performance Indicator (KPI) dashboard that makes it possible to continuously monitor and evaluate various indicators related to Occupational Health and Safety, such as the accident and absenteeism rate, in order to minimise risks and reduce incidents and accidents for its employees and partners, and also for anyone present at its facilities.

In this regard, in 2021 there were 5 accidents, 4 accidents in Cellnex Spain and 1 accident in Cellnex France (7 accidents in Cellnex Spain and 3 accidents in Cellnex Italy in 2020). In addition, there were no occupational illnesses in 2021, as in 2019 and 2020. The total number of absenteeism hours for the entire group in 2021 was 103,795 (102,230 hours in 2020).



4

Society

Being a facilitator of social progress

Being a facilitator of social progress

Actions 2021

cellnex foundation

Deployment of projects to bring connectivity to rural areas

Definition of the **Connectivity Master Plan** of the Cellnex Foundation

Launch of the Cellnex Bridge: the first acceleration program for startups with social impact of the Cellnex Foundation

Deployment of the Youth Challenge volunteer program in various countries of the Group

Cellnex's Covid-19 Relief Initiative

Covid-19 Relief Initiative: Cellnex has contributed to this initiative in all the countries in which it operates

Collaboration with UNICEF to support the distribution of vaccines against COVID-19

Cellnex has collaborated in the design and implementation of respirators for ICUs, with the aim of palliating as far as possible the lack of this key equipment in the fight against the pandemic

Generation of socioeconomic impact of Cellnex

€4,498 Mn in terms of GDP

37,857 jobs created

Next steps

Continue to promote digital skills and create educational and social projects adapted to the challenges of the digital world

Calculate the return on investment associated with innovation and R&D projects linked to the SDGs in 2023

Social contribution

Commitment to Society

ESG Master Plan: Being a facilitator of social progress.

One of the strategic pillars of Cellnex's ESG Master Plan is “Being a facilitator of social progress”. To this end, a series of actions to be carried out between 2021 and 2025 have been defined in the Plan. These actions aim to increase Cellnex's social contribution to society by financing or co-financing activities and programmes, and developing a variety of educational, social and cultural projects. they are all related to the challenges of the digital world where technology is the backbone, and to creating an open virtual space to share these projects with society.

Funding or co-funding of activities and programs: the Cellnex COVID-19 Relief Initiative 2020-2022

Cellnex's COVID-19 Relief Initiative dedicates a €10 million fund supporting national and international organisations nd projects.

As a result of the global crisis caused by the COVID-19 pandemic, Cellnex has developed the "Cellnex COVID-19 Relief Initiative", a €10 million fund to support national and international organisations and projects to help minimise the health, economic and social impact of the crisis during the period 2020-2022-

Half of the €10 million euro fund is intended to finance research undertaken by a European consortium of hospitals led by Clínic-IDIBAPS and Banc de Sang i Teixits in Barcelona, with the participation of IISGM-Hospital Universitario Gregorio Marañón in Madrid, the IRST-IRCCS in Meldola, INSERM-U1183 in Montpellier and the IRCCS-Hospital San Raffaele in Milan.

One of the keys to tackling COVID-19 is having a thorough understanding of the immune status of the population against the SARS-CoV-2 virus and the specific role of this immunity, i.e. the type of immunity and how long lasts. The aim of the project is therefore to measure the cellular responsiveness of the immune system to 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 is allocated to social action projects with non-governmental organisations in all the countries in which Cellnex is present to help people and groups in vulnerable situations, to help fund the purchase of protective equipment for health workers and to provide resources for the most vulnerable groups.

Cellnex works with UNICEF to support the distribution of vaccines against COVID-19

As part of the "Cellnex COVID-19 Relief Initiative", Cellenx has signed an agreement with UNICEF Spain with the aim of helping to facilitate equitable access to the COVID-19 vaccine in low- and middle-income countries through the COVAX mechanism.

The COVAX Mechanism is 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 and it represents an unprecedented logistics and health operation on a global scale. Thanks to its role as the largest supplier of vaccines in the world, UNICEF has been designated to organise the acquisition, transport and distribution of vaccines, tests and treatments, allocated to low and lower-middle income countries.

Cellnex has also cooperated in the design and deployment of ventilators for ICUs, with the aim of alleviating to the fullest extent possible the lack of this key equipment in combating the pandemic. Cellnex's contribution has been 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.

Portugal

Assistência Médica Internacional (AMI) was founded in 1984 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 actionsince 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 people in need supporting, those who have limited financial resources and are unable to afford food which is normally 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 was necessary to replace it. Cellnex contributed to the purchase of a new car as well as supporting its activity.

Terra dos Sonhoses is an institution that helps chronically ill children, young adults in institutional care and adults with cancer problems. 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.

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 with the purchase of fruit and vegetables for families in need. Support is also given to schools to ensure that children living in poverty also have the opportunity to get a good start in secondary school, by helping to buy either school or sports equipment.

National Ouderen Fonds (National Fund for the Elderly) is dedicated to all elderly people in the Netherlands. They offer all kinds of activities where people 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.

Italy

Banco Alimentare is an organisation that 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 about the importance of valuing food and not wasting it, as well as raising awareness on issues of poverty, food poverty, healthy diet and volunteering.

Protezione civile is the Italian Government Department in charge of coordinating the response to natural disasters, catastrophes and other events, which, need to be managed with extraordinary means due to their intensity or extent. Protezione civile has managed the COVID-19 crisis in Italy in line with the consequences suffered by the country. Cellnex's financial contribution has contributed towards the purchase of respirators and safety equipment for medical staff, as well as support in the creation of additional facilities to manage the large number of patients.

Croce Rossa Italiana, founded in 1864, is a non-profit association with the general aim of preventing and alleviating suffering, irrespective of nationality, race, sex, creed, language, social class or political opinion, contributing to the maintenance and promotion of human dignity and a culture of non-violence and peace. Since the beginning of the COVID-19 crisis, the Italian Red Cross has been at the forefront of multiple actions such as emergency response, health services, psychological support, logistics, awareness campaigns, testing and providing substantial support to crucial activities to help combat the pandemic.

Community of Sant'Egidio is a Christian community formed in 1968 in a secondary school in the centre of Rome. Over the years, it has grown into a network of communities with presence in more than 70 countries around the world. The Community pays special attention to suburban areas, bringing together men and women of all ages and conditions, united by a voluntary and free commitment to the poor and to peace.

A financial collaboration was also made to other institutions and projects such as Medici Senza Frontiere, Lega Italiana Fibrosi Cistica, Lega del Filo D'Oro and Operation Smile Italy.

Ireland

Barnado is an organisation that helps children whose welfare is at risk by working with them, their families and the people around them and campaigning for children's rights. Since the COVID-19 crisis began, the charity has rapidly adapted its services, assisting 1,720 families in need of urgent support.

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, din hospital and in their social environment.

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. During the coronavirus pandemic, its medical, logistical and health promotion staff worked on projects in the cantons (states) of Geneva and Vaud, mainly assisting vulnerable populations, refugees and elderly people.

France

Emmaüs Connect is an entity dedicated to the digital inclusion of the most vulnerable groups. Cellnex France and Emmaüs Connect have launched a two-year partnership project to work for the digital inclusion of the most vulnerable groups. It will organise 100 introductory computer workshops, set up 100 connection assistance services, support 100 beneficiaries through an educational programme, and participate in the opening of a new reception point. Cellnex employees will also be offered the opportunity to participate in volunteering and mentoring activities.

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.

Spain

Save the Children works so that millions of children have the opportunity to be what they want to be today and to dream of what they will be tomorrow. Cellnex has participated in the "At your side" project, which consists of educational intervention programmes through remote learning support and by providing them with technological tools (internet connection, distribution of tablets, etc.) focusing in particular on minors in vulnerable situations.

The Formació i Treball Foundation aims to train and employ people at risk of social exclusion and manage the delivery of clothes, furniture and other household equipment to vulnerable families. Cellnex has cooperated in the project to purchase computer equipment (mainly tablets) for vulnerable groups with the aim of preventing lack of access to technology from widening the social gap.

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 campaigns promoted by the Nuestros Pequeños Hermanos Foundation due to the health crisis.

UNICEF works so that every child around the world can enjoy their childhood without any further worries. In more than 190 countries, they defend the rights of children above all else, with passion, dedication and diligence. Cellnex has worked with the "Emergency Coronavirus" campaign that provides protective equipment and detection kits for the communities that are most at need.

The Red Cross is a humanitarian, voluntary and public interest institution. Cellnex made a contribution to the "CRUZ ROJA RESPONDE" project aimed at alleviating the effects of the COVID Crisis among the most vulnerable groups.

Cáritas Española aims to undertake the charitable and social action on behalf of the Church in Spain, through its confederated members. It promotes the comprehensive development of individuals and peoples, especially the poorest and most excluded. Since the beginning of the pandemic, the network of 70 diocesan Caritas organisations that make up Cáritas Española have been committed to supporting the most disadvantaged communities in the face of the social and health crisis caused by COVID-19. Cellnex takes part in this objective by contributing financial resources to the campaigns conducted by Càritas Catalunya and Cáritas Diocesana Madrid to alleviate the effects of the crisis.

For Cáritas Catalunya, Cellnex made a contribution to the #WeAsYou campaign, which aims to dignify the delivery of food using a wallet card and so avoid the embarrassing queues that form in many parishes and at Cáritas distribution centres. With the YO COMO TÚ Campaign, Cáritas is working to ensure that everyone can buy the products they want in any food establishment keeping with their food, family or cultural needs.

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 the associated Food Banks in their action against hunger, poverty and food waste making use of products and distributing them to the people most in need, which also helps to improve the environment. Cellnex made a financial contribution to the campaign "La gran recogida de alimentos" (The great food collection). Cellnex also sponsors "Calle Cellnex" in the central warehouse of the Madrid Food Bank.

Fundació Oncolliga offers psychosocial support to people with cancer and their families to improve their well-being and quality of life. Cellnex bare the cost of strengthening the psychological care service in response to the pandemic.

Cellnex working with society

Quality education and digitisation

As explained throughout chapter “3. Commitment to our employees”, for Cellnex training, and opportunities for professional development, empowerment, involvement, etc. are maxims that play a key role in the dynamics of the company. But the company also carries out numerous activities beyond its centers and groups of employees, in constant contact with society whose digitisation and modernisation form a key part of its social objectives. An example of this is Cellnex's participation in the Enterprise Challenges, as well as its partnership with various foundations.

Enterprise Challenges

The third edition of the Enterprise Challenges was held in 2021, a competition aimed at students taking a degree in Industrial Technologies and Economic Analysis that seeks to find appropriate solutions to specific business problems in line with the "Problem-Idea-Prototype" cycle, so that students can study the problem identified in the challenge, then develop a proposal for a solution that demonstrates its viability (MVP, Minimum Viable Product).

For the second consecutive year, the team mentored by Cellnex has achieved first place among the 16 participating groups.

For the second year running, the team mentored by Cellnex earned first place among the 16 participating groups. In this totally online edition, the students accepted the challenge of improving the management of medical equipment in a hospital to achieve maximum efficiency. The result was Meditrack, a system that enables the monitoring and prioritisation of portable medical equipment in a hospital. The project aims, above all, to improve efficiency in the use of hospital equipment and to allow it to be made available quickly in the event of urgent need.

Cellnex working with foundations

Working with 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 from 2020-21 to 2023-2024. Cellnex involvement in this programme is driven by the company's commitment tocontribute towards the progress of society by training young people. With the “Cellnex scholarship”, the company joins the effort made by ESADE to promote equal opportunities and inclusion, removing all the economic barriers to access to training for young people.

Partnership with the BEST Foundation: Cellnex made a commitment to the Barcelona Engineering and Economic Studies project this year as a sponsor company of the BEST Foundation. This new 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. Cellnex will sponsor two students in a four-year commitment.

IESE: Cellnex has been an IESE sponsor company since 2017 and is involved in various projects run by the Public Sector-Private Sector Centre at the Business School.

Other social initiatives

During 2021 Cellnex has developed several social initiatives, some of which were:

- Magic Line Sant Joan de Déu: The Magic Line is a solidarity action at Sant Joan de Déu in favour of the most vulnerable people. The 2021 Magic Line had the slogan "More than ever", whith all the resources allocated to social projects for people suffering the consequences of the COVID pandemic throughout Spain. Cellnex Volunteers encouraged Cellnex employees to participate in a family solidarity activity on 13 June 2021.

- 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 2021, Cellnex continued with this online solidarity initiative for the second 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, some online donation campaigns were proposed for organisations dedicated to helping those who need it most.

- La Palma needs our help: In 2021 La Palma (Canary Islands) was in constant distress due to the eruption of the Cumbre Vieja volcano on 19 September, which wiped out more than 1000 houses and left many, many people homeless. Cellnex has a staffed office in La Palma in one of the devastated areas so, through an in-house initiative by some of our colleagues in the Canary Islands and thanks to Cellnex Foundation volunteers, provided the opportunity to make an online donation to one of the organisations that are working with and helping the people affected.

- El Gran Recapte: Once again this year, Cellnex participated in the Gran Recapte event.

- Teaming: This initiative has been running for more than 8 years and consists of a monthly contribution of 1 euro through payroll deductions. The contributions that are collected are used to help finance social initiatives and organisations. The participants in the Teaming initiative themselves are responsible for proposing and voting on the social actions to be funded each year.

Cellnex Foundation

The Cellnex Foundation is driven by to the Cellnex's resolute wish to go one step further towards contributing to a better connected and socially inclusive environment as a comprehensive initiative that complements the Company's ESG (Environment, Social Responsibility and Corporate Governance) strategy.

The creation of the Cellnex Foundation is Cellnex''s response to boost its social commitment and provide differential value.

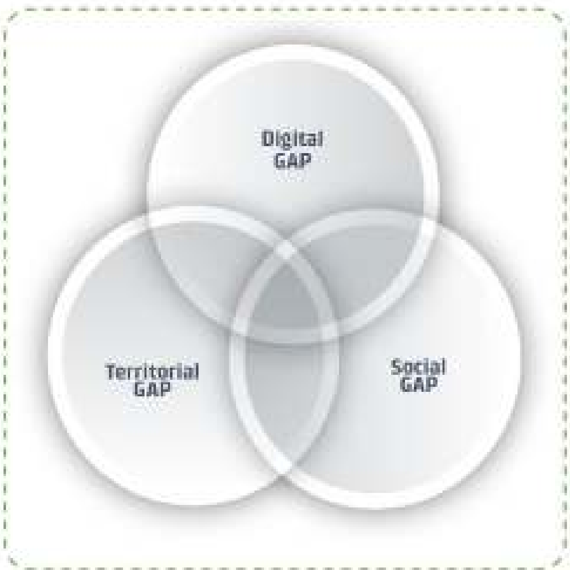
The creation of the Cellnex Foundation is Cellnex's response to boost its social commitment and offer differential value through actions based on technological connectivity solutions, aligned with the company's business model. The Foundationwas envisioned as a dynamic tool at the service of people to achieve the transformation of individual and collective realities in vulnerable situations, as well as contributing improving of the environment.

Bringing people at risk of exclusion closer to technology by promoting effective connectivity, fostering the improvement of connections in territories and spaces with distinctive heritage or historical relevance, and promoting positive solutions for the environment are the main fields of action of the Foundation.

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 problems 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 neighborhoods 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.



"In Cellnex Foundation we have been supporting schools, providing our knowledge to vulnerable young people and inserting them into the labor market; broughting nature closer to children with disabilities; and being committed to social innovation. Developing projects that reduce the digital, territorial and social divide is to connect us with the world."

Àngels Ucero - Cellnex Fundation Director

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: These programmes are the Cellnex Foundation's main line of action, as they are focused on rural areas and on responding to the challenges arising from the digital, territorial and social gaps, with the aim of contributing to improving social and territorial cohesion and the quality of life of the people who live in these territories.

- Joint programmes: These are programmes conducted in partnership with other organisations or public or private institutions to respond to specific needs aligned with Cellnex's activity.

- Corporate volunteering: The programme involves employees and former employees of the company in corporate volunteering initiatives in keeping with the Foundation's strategic lines. Particular emphasis is placed on accompanying people and improving the environment.

- Specific Partnerships: These are one-off projects with specific funding carried out by other entities.

The Foundation's own programmes

The strategy for implementing the Foundation's own programmes is based on the Foundation's Connectivity Master Plan, which defines the lines of regeneration by rural area to achieve the defined impact on the territory.

The Master Plan is delivered in a matrix of rural localities where the Foundation can bring connectivity and generate a significant impact through revitalisation programmes aligned with its objectives and strategy. The Master Plan proposes 6 revitalisation programmes:

1. Reviving of empty spaces
2. Training and education
3. Social domotics
4. Basic needs
5. Connected businesses
6. Transformation of the primary sector

In this regard, as its first project, the Foundation is working on the revitalisation of the textile colonies in the area of Puig-Reig (Berguedà, Barcelona, Spain). The objectives of the Textile Colonies pilot programme are to promote economic activity and innovation in the municipality of Puig-Reig, and the revitalisation of the industrial colonies located there. Consequently, the design principles on which the Textile Colonies pilot programme is based are: self-sustainability, digital innovation, reindustrialisation, activation and revitalisation of the territory, and conservation of industrial heritage.

Joint programmes

In 2021, the Cellnex Foundation launched its first acceleration programme for social impact startups: the Cellnex Bridge.

The Cellnex Bridge Accelerator was created with the aim of holistically supporting startups with a high social impact through technology and connectivity to work within the aims of the Cellnex Foundation. This programme is undertaken by the Cellnex Foundation in collaboration with Innuba and AticoLab.

The Accelerator, promotes startups that work to reduce the gaps that cause inequality of opportunities of any kind. Cellnex is looking for startups that work in the field of technology and connectivity, preferably in the following areas (although not exclusively): Elderly people, Care for people, Employability, Rural depopulation, Education, Areas of low rural or urban connectivity, and Protection of vulnerable groups.

The Cellnex Bridge Accelerator offers a three-month systemic impact acceleration programme and includes:

In November 2021 the three startups selected in the first Cellnex Bridge programme were announced: Voluta.coop, Nixi for Children and eAgora.

- Voluta.coop is a rural entrepreneurship startup that seeks to attract families, digital nomads and resettler entrepreneurs, connecting rural and urban environments through IoT technology and the development of an ecosocial micro-DIY, permaculture and self-consumption project for centres that want to offer more contact with nature through endangered native chickens. Its main objective is to diversify the economic activity of rural areas and foster social contact by combating depopulation, disconnection with nature and the digital divide through smart solutions, workshops and eco-social events.

- Nixi for Children is a startup focused on supporting children and their families during the preparation process for an operation or hospital procedure help reduce their anxiety through virtual reality. Using a "Nixi kit", which includes glasses with virtual reality experiences, they help them understand the situations that they will encounter in a an accessible and fun way. This empowers patients, increases family satisfaction and humanises hospitals.

- eAgora is an application that connects all the stakeholders in a territory (the local community, terciary sector, private sector and public authorities) to create a network of municipalities to promote the transfer of knowledge and solutions. Its main objective is to foster civic participation, deploy the 2030 agenda and measure its social impact by gamifying to highlight sustainable actions and record the SDGs related to the actions of each municipality in real time.

VOLUTA.COOP Nixi for children eAgora

Corporate volunteering

The Cellnex Foundation is creating a portfolio of activities of great social value for employees in all the countries where Cellnex is present.

Corporate volunteering is developed by drawing on Cellnex's know-how in the areas of:

- Education, training and mentoring
- Employability
- Access to technology

In the area of Education, training and mentoring, a corporate volunteering programme has been designed called Youth Challenge. This is an education programme for young people in vulnerable situations to facilitate their entry into the labour market. The objectives of the Cellnex Youth Challenge are:

- Combating early against school leaving by young people at risk of social exclusion through a coaching programme.
- Improving the employability of students through volunteer conferences.

"I am proud to be involved in Youth Challenge, to explain to the students/ pupils what our activity is, and how we have got to where we are, helping them to discover what is hidden behind their smartphones. The exchange that follows is quite rich; we receive from both sides - who knows if we may lead to vocations!"

Sandrine Parpet - Executive assistant

The project is managed by Cellnex and United Way España, and implemented in collaboration with the Exit Foundation, Alwa Social Entrepreneurship and the Bertelsmann Foundation, all of which specialise in promoting educational innovation and equal opportunities.

The Youth Challenge Cellnex programme harnesses the commitment of the teaching teams, the work of educators from various bodies involved and the support work offered by Cellnex volunteers, to operate in three capacities:

- Supporting younger students, often in a 1-to-1 mentoring format, and connecting them to the world of work where they can discover their passions and interests and develop a roadmap to pursue them.

- Conducting lectures for middle and high school students, given by Cellnex volunteers, on specific topics in the world of telecommunications with the aim of familiarising students with and orienting them towards the work of a leading technology company.

- Carrying out active learning workshops, using "learning by doing" methodology, to enable students to put the technical knowledge they have acquired into practice.

In addition, the students made a series of visits to Cellnex offices and network control centres in the area, which provided a number of volunteering opportunities and a more complete learning experience for the students. Students also prepared for job interviews through mock interviews. In addition, some graduating students are offered paid internships at the company, strengthening the link between the educational/ training centre and Cellnex Group.

During the 2020-2021 academic year, the programme was developed in Spain (Centro Formación José Ramón Otero and IES Velázquez in Madrid, Institut La Mercè in Barcelona, and Institut Escola del Treball in Barcelona) and Italy (Istituto Tecnico Industriale Statale Galileo Galilei in Rome). For the academic year 2021-2022 the programme has also been extended to France and Portugal.

Employability project in Portugal

Cellnex Portugal has developed a project to promote access to employment for young people (aged 18 to 30) from families with limited resources and a low level of education through 9 mentoring sessions. The project involves the participation of 20 corporate volunteers from Cellnex Portugal.

The key objective of the Cellnex volunteers is to bridge the gap between students' training and the skills required in the workplace. The mentoring process ultimately promotes STEM (Science, Technology, Engineering and Mathematics) vocations among young people, establishing a link between Cellnex's activities and their social impact.

Volunteer Day

The 5th of December is International Volunteer Day. This day is a unique opportunity to give thanks for all the efforts made by volunteers and their organisations, as well as to promote their values and publicise the achievements they make in their communities.

The Cellnex Foundation wanted to recognise the commitment and effort of volunteers. For this reason, on 10 December 2021, all the employees were invited to have the opportunity to join in and participate in various activities with volunteering as the key pillar and the environment and sustainability the main theme. Two speakers (Koldo Villalba, biologist and guide; and Victor Küppers, writer and lecturer on motivation, passion and attitude) explained how to act as corporate and individual volunteers.

In addition, two workshops were held: one on biodiversity, where the concept was explained, the biodiversity situation in the country was outlined, the related Sustainable Development Goals (SDG 14 and SDG 15) were explained and a practical workshop on making nesting boxes from recycled materials was held; and a second workshop on Sustainable Development Goals and Climate Change, where SDG 13 "Climate Action" and how it affects Cellnex was explained, the Company's carbon footprint and water footprint were explained, consideration was given to the role of the individual in advancing towards the achievement of the SDGs and a practical workshop was held on the raising poultry with homemade materials.

Occasional collaborations

The Cellnex Foundation promotes initiatives and works with other entities to develop projects with a social impact. Some of the initiatives carried out in 2021 are:

- Nature outings for children with disabilities: in partnership with the Navarre federation of associations of people with disabilities and the nature and culture guide company ITARINATURA, the Cellnex Foundation organised a total of four outdoor outings for children aged 5 to 15 with the aim of increasing their knowledge of their environment and raising awareness of the importance of understanding and caring for nature as a step towards full social integration. The activities took place inside the Irati Forest and in the Arga River Park where the children enjoyed a fun day of inclusive games. They learned how humans have used this space for hundreds of years and discovered the flora and fauna of the area by identifying various types of plants and birds.

- The Cellnex Foundation believes in inclusive leisure as a space that offers an opportunity to integrate into the environment, improve autonomy and develop social skills. With this objective, an inclusive hiking project has been developed in partnership with the Montserrat Mountain Board and the AMPANS Foundation. Various groups of boys and girls between the ages of 12 and 16 with varying degrees of disability related to autism spectrum and behavioural disorders enjoyed a programme of adapted activities in the Montserrat mountain natural area. The day had the support of volunteers from Cellnex and specialist professionals. With activities like these, and thanks to the commitment and solidarity of all the participants, Cellnex helps to overcome some of the barriers that make it difficult for people with disabilities or reduced mobility to access natural spaces.

- Digitisation of the Castell Peralada Festival's documentary collection: The Cellnex Foundation works with the Castell de Peralada Foundation to modernise and digitise the Castell Peralada Festival's documentary collection of images. This project will make it possible to preseve culture and provide access to a great wealth of documents. The project has two phases, the first to be undertaken until 2023, comprising the digitisation of 21,000 images, and a second phase planned from 2024 onwards for the digitisation of the entire collection (50,000 images).

- "Transforming the future", an alliance to combat unwanted loneliness: the Cellnex Foundation joined an alliance with seven other foundations, companies and social entities to combat loneliness in a pilot plan in Spain. Social isolation and loneliness caused by a lack of social fabric, ongoing support or access to community services due to a lack of resources or skills, is a social problem that creates situations of vulnerability and risk. In the current context, marked by the impact of the COVID-19 pandemic, it has become more acute and has had a greater impact on everybody's health and emotional well-being. In this regard, the partnership aims to work together to design and implement a number of strategies, actions, and solutions and to address the issue of loneliness and social isolation using technology at the disposal of people to strengthen the intervention model and social protection. To this end, some of the tools used are: data analysis, artificial intelligence (AI), behavioural patterns, process automation, the Internet of Things (IoT), connectivity and 5G networks, accessibility to resources, community proximity networks and digital training environments.

Cellnex Socio-economic impact

In 2021 Cellnex carried out a study to quantify the Company's socio-economic contribution in eight countries in which the company operates. The study calculates the impact of its activity on a GDP and employment through the use of input-output tables, a robust and widely used and accepted methodology for this type of measurement.

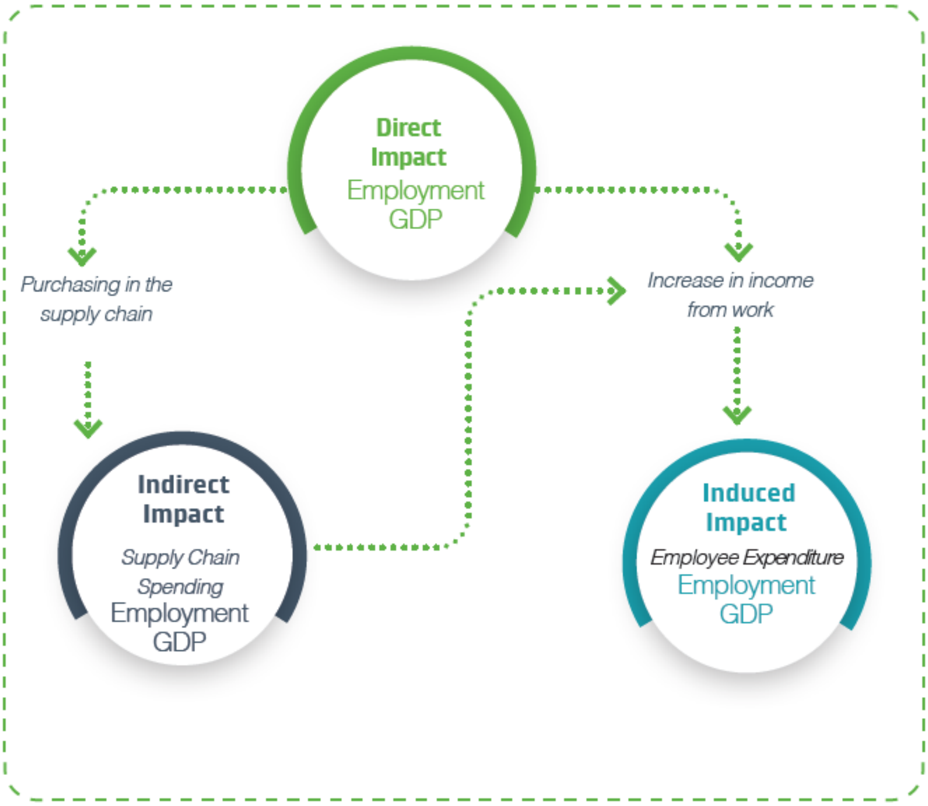
The study covers the eight main countries in which Cellnex operates, which together, they represented around 86% of the Group's global turnover in 2021. These countries are: Spain, France, Italy, Switzerland, the United Kingdom, Portugal, the Netherlands and Ireland. As such, the impact of Cellnex covers the contribution of the 63 companies that Cellnex has in the countries that were studied does not include the companies within Austria, Denmark, Finland, Sweden and Poland due to their lower representation at turnover, and also because some of these companies located in these countries were integrated into Cellnex through out the year 2021.

The study measures the direct, indirect and induced impact on Gross Domestic Product (GDP) and on the employment of the different countries generated by Cellnex's activity. Direct impact refers to the economic activity generated directly by the company; the indirect impact, the increase in economic activity generated by the expenditure and investments made by the company through suppliers; and, induced impact corresponds to the increase in economic activity arising from the increase in labour income from employment created directly and indirectly. The contribution to GDP was measured in terms of Gross Value Added (GVA)[31] and the contribution to employment in terms of total employed people.

It should be noted that the estimates of indirect and induced impacts are based on the expenditure and investments made by the company in local suppliers in each of the countries under analysis and do not include the expenditure and investments made between companies of the Group itself, with the aim of avoiding duplications in the estimated impacts. In this regard, it must be taken into consideration that the impacts by country are subject to the impacts of the investment cycle of Cellnex in the country and these may be volatile over time and therefore be over or under represented depending on the year studied.

The economic impacts, were estimated using input-output methodology. This methodology is based on the use of input-output tables prepared by the national statistical institutes of each country and harmonised for the OECD database to guarantee comparability between countries.

[31] GVA is equal to GDP at market prices minus net taxes on products, although for ease of understanding GDP is used because of its more generalized use.

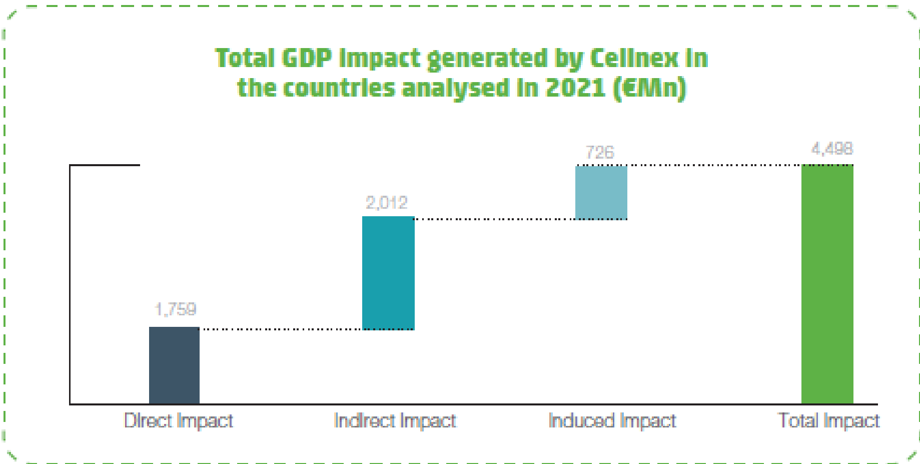


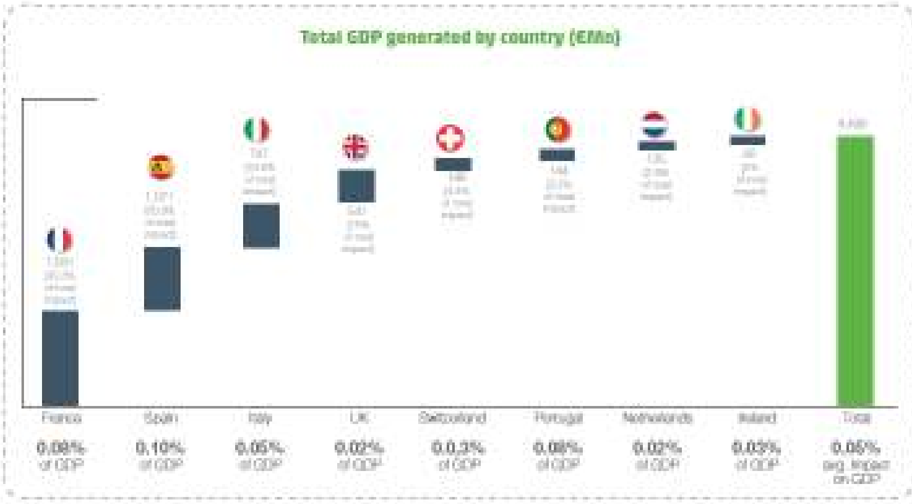
In 2021 Cellnex had a total socioeconomic contribution in the 8 countries analyzed of

€ 4,498 Mn

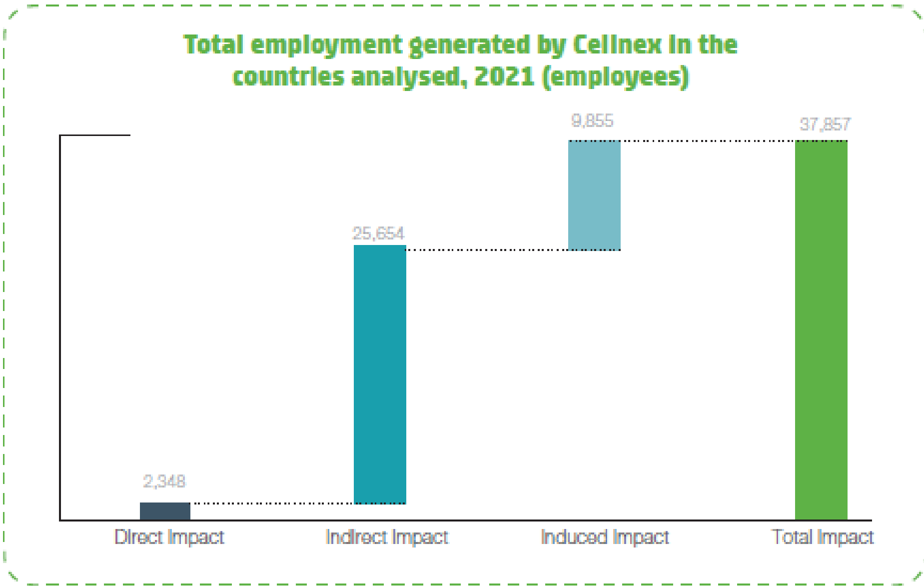
in terms of GDP.

In 2021 Cellnex made a total socio-economic contribution (taking into account the direct, indirect and induced impact) in the eight countries analyzed of € 4,498Mn in terms of GDP. 39.1% (€1,759 Mn) is Cellnex's direct contribution to the GDP of the countries under analysis (Direct Impact), 44.7% (€2,012 Mn) is the impact generated by the expenditure and investments made by Cellnex in the supply chain of the countries studied (Indirect Impact), and the remaining 16.2% (€726 Mn) is the impact generated by the increase in consumption arising from the increase in earned income associated with direct and indirect jobs (Induced Impact). The breakdown by country of the €4,498Mn in terms of GDP of Cellnex's total contribution is presented below.

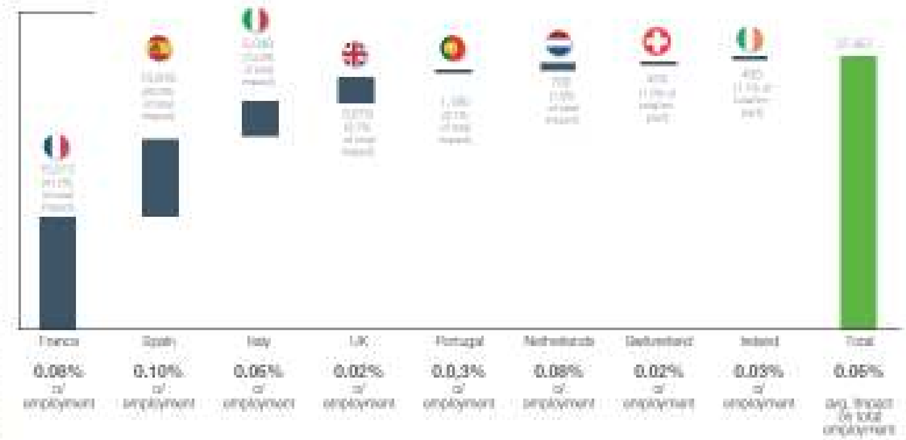




In employment terms, in 2021 Cellnex generated a total impact that amounted to 37,857 jobs in the eight countries under analysis. 6.2% (2,348 jobs) represent the employees hired directly by Cellnex (Direct Impact), 67.8% (25,654 jobs) are the impact on employment generated by the expenditure and investments made by Cellnex in the supply chain (Indirect Impact), and the remaining 26% (9,855 jobs) is the impact on employment generated by the increase in consumption arising from the increase in income from work generated by direct and indirect jobs (Induced Impact). The breakdown by country of the 37,857 jobs generated by the total impact of Cellnex is presented below.



Total employment impact generated by country (employment)



5 Environment

Growing with a long-term sustainable environmental approach

Growing with a long-term sustainable environmental approach

	Achievement	Target	Target year
Growing with a long-term sustainable environmental approach			
Sourcing of renewable electricity (SBT) [1,2]	40%	40% ✓ / 100%	2021 / 2025
Reduction of scope 1 and 2 GHG emissions and scope 3 GHG emissions from fuel and energy-related activities (SBT) [2]	-18%	-70%	2030
Absolute scope 3 GHG emissions from purchased goods and services and capital goods (SBT) [2]	-8%	-21%	2025

1 Energy targets refer to the energy directly managed by Cellnex (Scope 2). Data calculated according to SBT and GHG Protocol methodology applied to FY21 perimeter.
2 Compared to the base year 2020 verified by an external certified entity.

Actions 2021

Establishment of specific objectives and milestones for the reduction of emissions validated by the Science Based Targets initiative (SBTi) aligned with a 1.5°C scenario

According to the recommendations of the TCFD, 9 risks & opportunities derived from climate change have been identified, thanks to the analysis of climate scenarios carried out in 2020

Publication of the first Annual Report on the Environment and Climate Change

Approval of the Environment and Climate Change Policy

TCFD | TASK FORCE on CLIMATE-RELATED FINANCIAL DISCLOSURES

Cellnex became a Supporter of the TCFD

Next steps

Study of the natural capital contribution of Cellnex

Application of the Internal Carbon Price

Identify and assess the impact on biodiversity and natural capital

Carry out a Life Cycle Assessment (LCA) of the existing products' portfolio of the company, in order to incorporate circular economy criteria when launching new products.

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Responsible environmental management

In 2021, the Cellnex Board of Directors approved the Group's Environmental, Social and Governance (ESG) Policy and the Environment and Climate Change Policy.

In 2021, the Cellnex 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 where the Group operates and are based on international benchmark standards.

In addition, the provisions of the Company's Management System and the requirements of the ISO standards in which the Company holds certifications related to the environment and climate change are also taken into consideration within the framework of the Environment and Climate Change Policy.

Three basic principles are established within Cellnex's Environmental, Social and Governance Policy (ESG), which are transversally applicable to all lines of action and commitments. One of these principles is the Environment and Climate Change: the protection and conservation of the environment, preserving the areas in which the Company's activities are undertaken and their biodiversity, through the use of renewable energies, mitigating and adapting to climate change, and contributing to sustainable development through the efficient use of resources.

Cellnex Group follows the basic principles of the ESG Policy, to define the strategic lines of action, which include that of Sustainable Development. Growing with a long-term sustainable environmental proposal", which is aligned with the objectives and targets of Sustainable Development Goals numbers 3, 9, and 15.

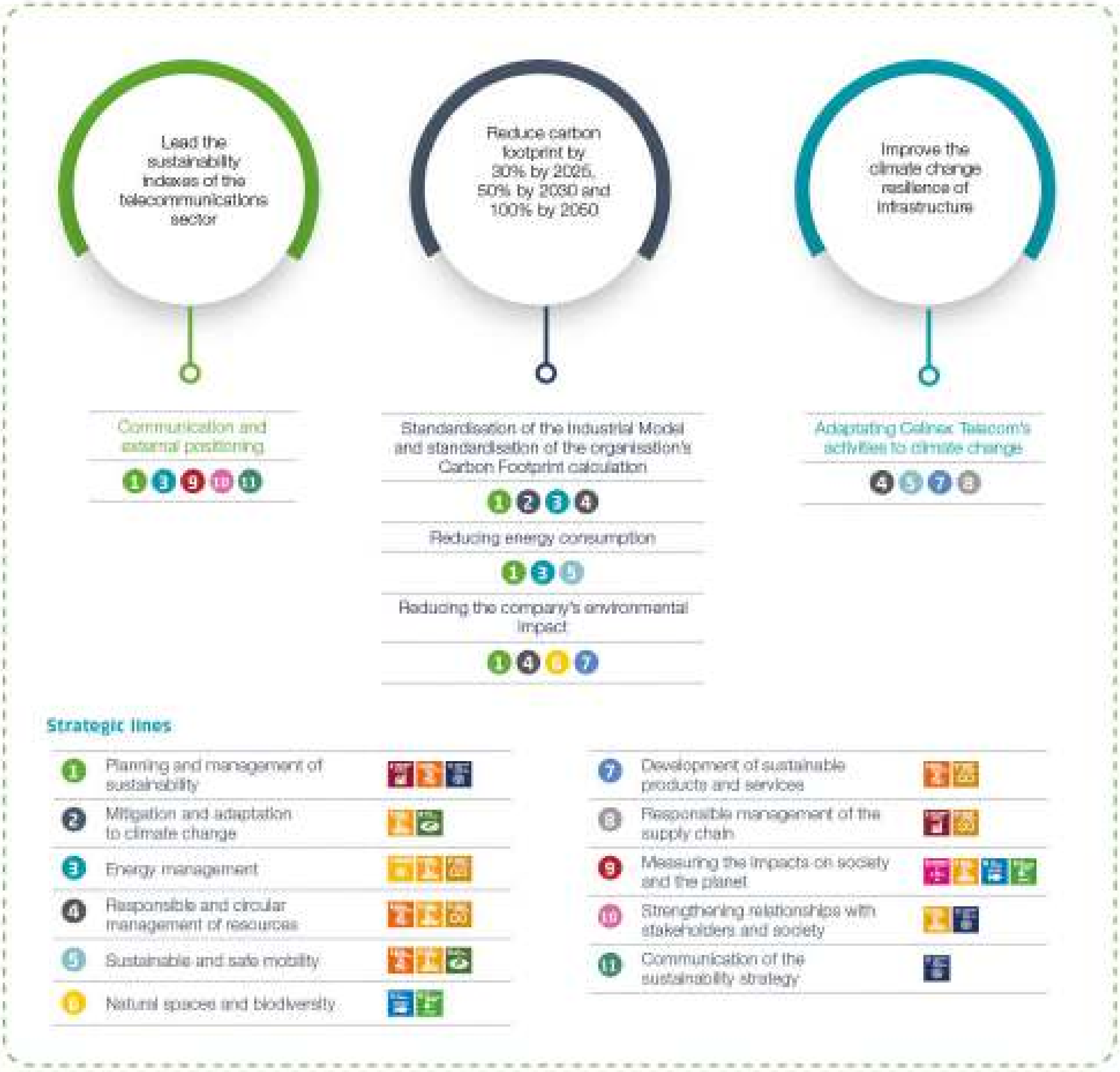
In this regard, the environment and combating climate change are a strategic priority and a cross-cutting commitment that must be present in each of the actions and activities carried out by Cellnex Group. The commitment to the creation of sustainable value distributed to stakeholders is part of the Company's business model.

The Environmental and Climate Change Policy highlights Cellnex's efforts in the area of sustainability to ensure that each of its projects and actions takes into consideration the balance between generating profitability and social and environmental development, and also promotes the creation of sustained value in the short, medium and long term for all of the Company's stakeholders, while demonstrating its commitment to reducing the effects of its activities on the environment.

Strategic Sustainability Plan (2019-2023) aims to raise Cellnex's level of responsibility in the field of the environment and the fight against climate change.

As such, the Company works to make progress in the responsible management of resources and to protect natural spaces and biodiversity, as well as to comply with and respect due diligence and environmental legislation. It is also committed to promoting efficient energy management and responsible and circular resource management, as well as incorporating measures to promote sustainable and safe mobility. In this regard, in 2021 there have been no environmental incidents that have incurred fines or sanctions.

The Strategic Sustainability Plan (2019-2023), which stems from these commitments, aims to raise Cellnex's level of responsibility in the field of the environment and combating climate change. The strategy and global objectives of the Plan are presented below.



In addition, in 2021 a number of environmental awareness actions have been carried out, both internally and externally. Some of these actions are the following:

- Carbon Footprint Verification 2021
- CDP Europe 2021 Awards
- Earth Hour
- Science Based Target initiative
- World Environment Day
- European Mobility Week
- UN Climate Change Conference COP26
- CDP Climate Change

Management and follow up of main risks, opportunities and environmental impacts

In a context of significant changes in the regulatory, economic and industrial sectors, caused by the transition towards a decarbonised economic model, pressure is growing 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 demonstrates how it takes account of climate-related risks and opportunities, as well as strategies to mitigate risks and take advantage of opportunities.

Governance

Cellnex's climate risk and opportunity analysis is part of the risk management process, following a bottom-up methodology, which reaches from every user in every business unit to Senior Management, and all the way to the Cellnex Board of Directors, the body responsible for supervising and guiding the Group in this matter. To this end, Cellnex has a global risk management policy, through which a framework is established which implements, evaluates and improves risk management throughout the company's processes and activities.

There is a Global Risk Management department within the company that provides the common risk management framework (templates, impact and probability scales, etc.) and support in risk management issues to the people responsible, since all Cellnex's departments are liable for risk management in their area of responsibility.

As explained in the "Global Management System and Risk Management" section of this report, Cellnex has a risk management methodology with three lines of defence, and a risk management model. Within the risk management governance framework, the Board of Directors supervises the process establishing the organisation's tolerance for risk, gathers information about the most significant risks for the organisation and assesses whether Senior Management is responding appropriately. Additionally, the Audit and Risk Management Committee (ARMC) has the most senior role in the deployment of the audit and internal control plan established at Cellnex, providing independent assurance to the Board of Directors. Its functions include monitoring risk management systems, as well as monitoring key risks at least every six months. Lastly, the CEO has ultimate responsibility for ownership of the organisation's risk management and control framework, as it ensures a positive internal environment and a culture of risk; he also provides leadership and direction to operational management and supervises general risk activities.

The risk management process is based on the identification and subsequent, evaluation, reactions and control of risks, and is carried out on a quarterly basis or ad-hoc when necessary due to a new emerging risk and/or significant commercial or organisational changes in the company. In this regard, Cellnex plans to carry out a risk assessment annually.

Risk management

In parallel to the Global Risk Management explained in the section on “Global Management System and Risk Management” of this report, the Cellnex Sustainability Department worked in 2021 to assess the risks and opportunities arising from climate change, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). These risks and opportunities will be included in the Environmental functional unit so that they form part of the company's general risk management.

As such, the potential impact of a risk and the probability of its occurrence are evaluated, taking the substantial impacts into consideration, based on the following areas:

- Economic: in the income statement and/or investments.
- Organisational: level of involvement in the organisation for monitoring and resolution.
- Reputation: media impact and possible liability actions.

In addition,f the impact is classified as low, medium, important and critical. After the impact assessment, the likelihood of the risk occurring must be evaluated to establish the probability that an event that has an impact will actually occur:

- Critical: Almost certain to occur.
- Important: Likely to occur.
- Medium: May occur.
- Low: Unlikely to occur.

Based on these two aspects, impact and probability, the risks are prioritised as high, medium or low.

In this regard, Cellnex has identified and evaluated nine risks arising from climate change, where the three risks with the highest priority are "changes in consumer (customer) preferences" (reputational risk), "increased concern or negative feedback from interest groups "(reputational risk), and "increase in average temperatures"(chronic risk).

In addition, Cellnex has identified and evaluated nine opportunities arising from climate change, the three opportunities with the highest priority are "change in investor preferences" (opportunity in products and services), "development and/or expansion of low-carbon goods and services "(opportunity in products and services), and “use of more efficient production and distribution processes” (opportunity in resource efficiency).

ESG Plan 2021-2025: climate change is a fundamental pillar of the strategy.

Strategy

Cellnex is aware of the new risks and the demands arising from the environmental and social phenomena that predominate the international context, which is evidenced by the preparation and implementation of the ESG Plan 2021-2025, where climate change is a key pillar of the strategy due to its connection with the environment, which includes carbon emissions, toxic emissions and waste.

Cellnex has carried out a climate scenario analysis, as recommended by the TCFD, which allows the company to understand and define the level of resilience with regard to a number of future states relating to climate change. This enables Cellnex to explore and develop an understanding of how physical and transition risks, as well as opportunities, could plausibly impact the business over time.

Climate Scenarios analysis therefore evaluates a range of hypothetical outcomes by considering a variety of alternative plausible future states (scenarios) under a given set of assumptions and constraints. According to the TCFD methodology, there are two main types of scenarios to analyse: physical and transition.

- Physical scenarios take into account the concentrations of greenhouse gases (GHG) in the atmosphere and the physical characteristics of the climate to assess the possible risks that climate change may cause.

- Transition scenarios analyse trends in politics, energy and economics related to climate change, to determine the possible risks that they may pose to the activity of an organisation.

In this context, Cellnex has selected a physical climate scenario and two transitional climate scenarios to assess the possible impacts that the Company would have to face in the future.

Physical Climate Scenario

This scenario makes it possible to evaluate future climate projections in all the countries where Cellnex conducts its business, to be appraised of forecasts and be able to anticipate the impacts they may cause. To do this, the report was drawn up using the scenario developed by the Intergovernmental Group of Experts on Climate Change (IPCC) in its fifth assessment report (AR5) (the latest report available at the time of writing, an analysis that relied on representative concentration trajectories (RCPs) to define a series of climate scenarios. Such as, RCPs cumulatively measure human emissions from all sources of Greenhouse Gases (GHG) up to 2100.

In the analysis of the physical climate scenarios, the worst possible scenario was taken into consideration, (the RCP 8.5 scenario), since it considers that GHG emissions would continue to increase at the current rate and is therefore the worst possible scenario of higher emissions. of GHG in the atmosphere and increased global warming. In addition, when analysing physical climate scenarios, it is important to take into account the differences between the countries under study, in terms of the availability and publication of information.

The following is a brief summary of the main physical impacts by country in this scenario:

Rising temperatures (in °C)		Sea level rise		Other phenomena	
Country	**Increase**	**Country**	**Increase**	**Country**	**Phenomena**
Spain	2-3 (3.5 southeast Andalusia)	Denmark	26-77 cm by the end of the XXI century	Denmark	Hurricanes and floods
France	1-3 (more severe East)	Spain	26-77 cm by the end of the XXI century	Spain	Hurricanes, floods and wildfires
Italy	1-2 (more intense north and west)	Finland	26-155 cm by the end of the XXI century	France	Hurricanes and floods
Portugal	2-3 (more intense interior)	France	Up to 1 meter by the end of the XXI century	Italy	Hurricanes, floods and wildfires
		Iceland	1.98 meters in Dublin cm by the end of the XXI century	Netherlands	Hurricanes and floods
		Italy	Rise especially north of the Adriatic Sea	Poland	Forest fires
		Netherlands	20-40 cm in 2050	Portugal	Forest fires
		Poland	65 cm at the end of the XXI century	Sweden	Forest fires
		Portugal	0.5-1 meter by the end of the XXI century	United Kingdom	Hurricanes, floods and wildfires
		Sweden	26-77 cm by the end of the XXI century		
		United Kingdom	45-82 cm by the end of the XXI century		

Climate Transition Scenarios

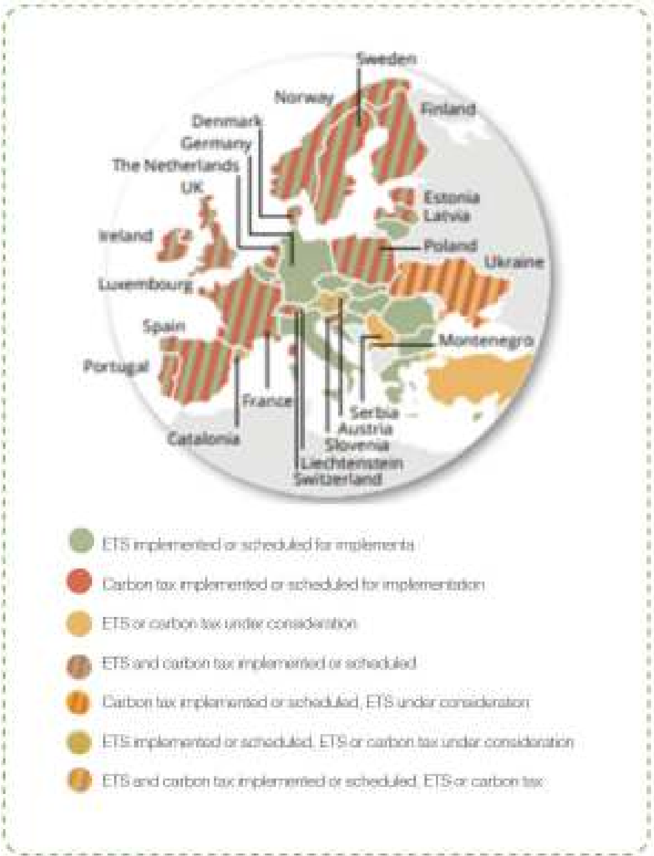
Two scenarios were selected for the transition scenarios:

Current Policy Scenario

Current policy scenario (Stated Policies Scenario or SPS), in order to study the existing trajectory and see what future risks and opportunities would arise from the non-implementation of measures. This analysis was carried out for Spain, Italy, France, the Netherlands, Switzerland, the United Kingdom, Ireland, Portugal and Finland.

In this scenario, policies that have been formally adopted by governments and are currently included in their legislation have been considered. Therefore, this scenario is built on the basis of what has already been defined and the objectives set by the countries with a 2030 and 2050 horizon.

Below is a summary map of the regional, national and sub-national carbon pricing initiatives in place, scheduled for implementation, and under consideration (ETS and carbon tax).



Future Sustainable Development Policy Scenario

Scenario of future sustainable development policies. This scenario goes beyond currently established policies. A more ambitious reduction scenario than the Paris Agreement, is considered that is, one in which it is possible to keep the global temperature below 2ºC. This analysis is carried out from a global perspective since it is based on generic hypotheses, with a certain degree of uncertainty.

The main sources used to produce this scenario were the scenario developed by the International Energy Agency (IEA) called Sustainable Development Scenario (SDS) and the Deep Decarbonization Pathways Project (DDPP), a global research project,that aims to analyse how countries can transition to a low carbon economy in line with the Paris Agreement goal of limiting global warming from anthropogenic sources to below 2ºC.

Based on these scenarios, Cellnex has defined a series of time horizons, which are determined by the probabilities and reaction time on the part of Cellnex (short, medium and long term). The results obtained from the analysis allow Cellnex to envisage possible impacts and inform and influence its strategy and commercial objectives, so it can further increase its resilience and have the necessary tools in place to face possible future climate risks.

Metrics and objectives

The objectives set by Cellnex Telecom demonstrate to its stakeholders that it is committed to reducing environmental impact, while reducing exposure to the price of carbon. As explained in the "Carbon footprint and climate change" section of this report, in 2021 Cellnex strengthened its commitment to combating climate change by setting specific targets and milestones for reducing emissions validated by the Science Based Targets initiative (SBTi) aligned with a 1.5ºC scenario.

Setting specific targets and milestones for reducing emissions validated by the Science Based Targets initiative (SBTi).

Cellnex used a series of reference metrics to assess climate risks and opportunities, estimate their financial impact and management cost, and to define monitoring indicators. In this regard, metrics related to climate, metrics related to GHG emissions, and objectives related to climate were defined.

Cellnex will continue to measure and disclose its performance in relation to these objectives, many of which are already being monitored due to their connection with the 2021-2025 ESG Plan as well as the company's Strategic Sustainability Plan.

Cellnex Spain response to storms and major fires

Weather storms and major forest fires pose a significant risk to Cellnex in relation to the continuity of service provision. An example of this was the Filomena storm that affected the Iberian Peninsula in early January 2021. The various COLs (Cut off lows) gave rise to major storms that brought the country to a standstill: strong wind, rain, flooding, and even snowfall at low altitudes.

To mitigate risks and provide continuity of service, Cellnex España has been working in recent years and, especially in 2021, on preventive and contingency measures with the aim of minimising the impacts caused by these situations. To this end, towers have been reinforced, the continuous power supply systems of the centres with greater autonomy have been strengthened, auxiliary equipment has been renewed (generators, Uninterruptible Power Supply Systems - UPSs), the Scada remote control system has been replaced by new, more effective and powerful software, etc.

An example of the effectiveness of this type of measures was the experience of the Sierra Bermeja forest fire in Malaga, where Cellnex España has a major communications node. The fire devastated the area around the site, but the measures taken to clean up the site, increase the centre's autonomy by up to 20 hours (the company's power supply failed due to the fire) and the remote control systems for the equipment allowed 100% of services to be maintained without impact.

Sustainable use of resources

Energy management

Energy saving and efficiency, improved energy performance and the use of renewable energies are indispensable principles in all Cellnex activities.

The Cellnex Energy Policy was approved in 2020. This Policy establishes that the Company promotes the efficient use of energy, through the implementation of energy saving and efficiency measures in work processes and conduct, and the control and monitoring of 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.

Approval in 2021 of the Cellnex Energy Transition Plan framework.

Cellnex's commitment to energy management established in the Energy Policy has was put into effect in 2021 with the adoption of the Cellnex Energy Transition Plan framework. The Plan aims to set progressive guidelines to make energy supply more sustainable, working alongside the Company's primary customers to achieve this.

Target has been approved in 2021, of 100% renewable energy consumption by 2025 across the organisation.

Along with the approval of the Energy Transition Plan framework, the corporate Green Power Purchasing target was also adopted in 2021, setting a goal of consuming 100% renewable energy across the organisation by 2025. To monitor the achievement of the target, an intermediate target of consuming over 70% green energy was also been set for 2022. In 2021, the overall share of green energy consumption across the Organisation was approximately 45%.

In this regard, one of the main milestones in 2021 in terms of energy, was that all new Business Units incorporated in Cellnex during 2021 included the provision of green energy in electricity supply contracts. For example, in Poland, the Polkomtel MSA Business Unit includes the supply of 100% green energy through the Guarantee of Origin (GoO).

In this regard, one of the main milestones in 2021 in terms of energy, was that all new Business Units incorporated in Cellnex during 2021 included the provision of green energy in electricity supply contracts. For example, in Poland, the Polkomtel MSA Business Unit will include the supply of 100% green energy through the Guarantee of Origin (GoO).

Guarantees of Origin

Guarantees of Origin are an electronic certification issued by the National Markets and Competition Commission (CNMC), or the competent authority in any other EU member state, which allows electricity suppliers to certify that the energy they sell comes from renewable generation sources. This mechanism ensures that the producer is delivering renewable energy and certifies the amount of green energy being supplied to the system.

In addition to the objective of purchasing of green energy, work is currently under way to finish establishing the commitments and objectives related to the other three pillars that make up the Energy Transition Plan, related to:

- Energy 4.0 principles such as smart metering or digitalisation of energy-related processes and procedures.
- Energy efficiency.
- Renewable energy self-generation.

Smart Energy (Energy 4.0)

The Cellnex Smart Energy model consists of applying the IoT vision and digitalisation (Energy 4.0) to the entire energy cycle (consumption control, cost control, continuous improvement), through two key elements:

- Smart Metering: this consists of introducing meters to obtain an accurate view of where and when energy is consumed, with a view of centres and services, to clearly identify where consumption originates. Smart Metering is currently fully deployed in Spain and the Netherlands, it is deployed in more than 25% of centres in Italy, and a plan is being designed for the United Kingdom and Sweden with a view to initiating implementation in 2022.
- Cellnex Energy Control Platform (CEC): Cellnex is in the process of initiating the implementation of a platform that will enable intelligent and detailed management of all consumption data, based on Smart Metering and supplier billing, allowing data mining to enhance consumption efficiency and reduce costs. Deployment will begin in 2022 in Spain and Italy and it will subsequently be implemented in the remaining countries.

Energy efficiency

Cellnex will complete the renewal of DTT, FM and DAB equipment, focused on reducing consumption, by June 2022, with an implementationlevel of 75% by the end of 2021. 305 DTT, 318 FM and 5 DAB equipment be replaced, within the framework of this project, with an estimated saving in electricity consumption of 10GWh/year.

In addition, in 2021, new free-cooling projects were implemented with an estimated reduction of 1GWh/year. Moreover, progress has been made in the approval of high-efficiency power stations, and in the evaluation of various energy storage technologies.

Spain energy self-generation pilot: "The calculations already foresaw the feasibility of the project, but it is when the difficulties of the first installations are overcome and the success of the production is proved, that the team really believes in the possibility of bringing solar energy to every corner of Cellnex".

Arturo Losada - Country Head of Infrastructures

Spain energy self-generation pilot

Cellnex is implementing a solar energy self-generation project in Spain, which involves the installation of solar panels at 692 rural sites with which it expects to produce around 3GWh/year of 100% emission-free energy at the point of consumption, reducing distribution losses. The solar initiative in Spain is launched with the aim of using self-generation of energy as a lever to capture inefficiencies and reduce the carbon footprint.

The Pilot consisted of four stages, which made it pssible to identify of telecommunications infrastructure in potential rural sites to develop energy self-generation,conduct studies on any adaptation and modifications required. AAt the same time, constant negotiations have been under way with landowners and infrastructure operators.

In this way, it is expected that regulatory changes regarding energy costs, technological advances, the reduction of costs for the main components and the experience gained during the pilot will allow Cellnex to initiate a mass deployment of self-generation at its sites. In addition, pilots are planned for 2022 in Italy and other countries to green-light the possible extension of self-generation using photovoltaics, as well as other technologies such as wind or hydrogen-based fuel cells.

80% of the organisation's energy consumption will meet ISO 50001 criteria.

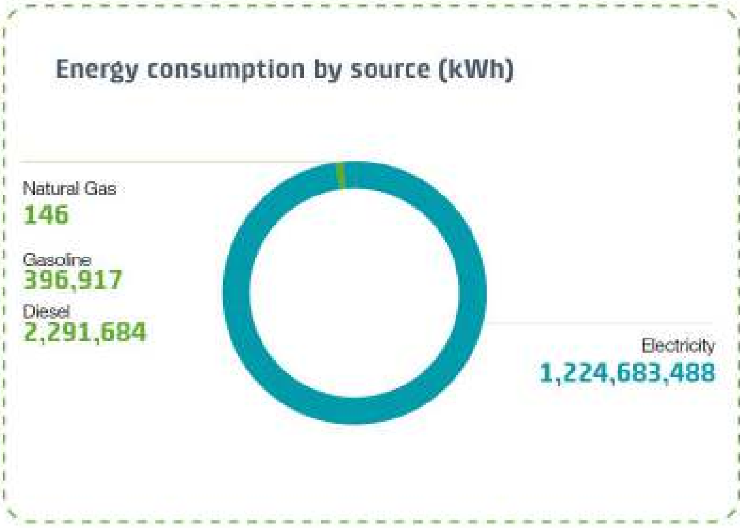
To certify the efficient energy management efforts being developed at Cellnex, work is under way to ensure 80% of the organisation's energy consumption will meet ISO 50001 criteria by 2022-2025. In this regard, Spain is already ISO 50001 certified.

The Group's total energy consumption for 2021 was 1,227 GWh.

The Group's total energy consumption for 2021 was 1,227.4 kWh (700.8 kWh in 2020), the most significant part of which was electricity consumption. Cellnex's electricity consumption derives mainly to site electricity consumption and, to a lesser extent, office electricity consumption. In 2021, the Organisation's total electricity consumption was 1,224.7 GWh (694.5 GWh in 2020), 40.5% of the consumption comes from renewable sources.

The actions undertaken in terms of energy management are focused on the transition towards a low-carbon economy, which is established as one of the lines of action of the company's Strategic Sustainability Plan, intended, among other objectives,to mitigate the impact that the company's activity may have on climate change.

The breakdown of total energy consumption by source is presented below.



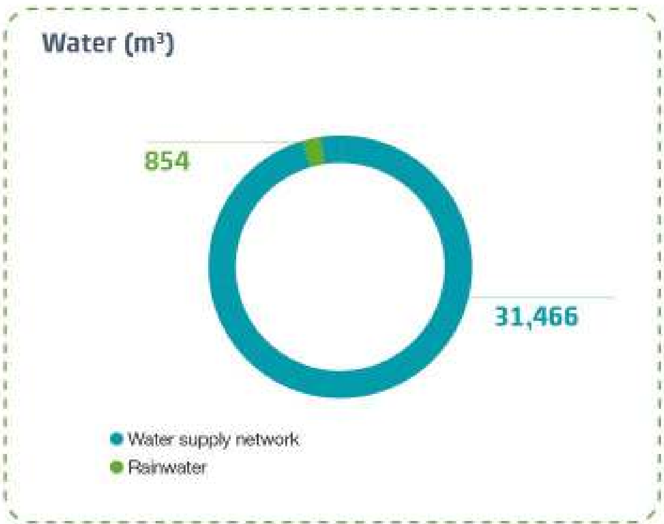
Management of other resources

Water consumption

The Organization's total water consumption was 32.320 m³

Due to the nature of Cellnex's activity, water consumption is not a material issue. Water consumption is mainly limited to the use of toilets and the office kitchen. The source of the water consumed is the municipal drinking water network. In 2021, the Organisation's total water consumption was 32.320 m^3 (28,795 m^3 in 2020). The breakdown of total water consumption by source is presented below.

However, to demonstrate Cellnex's commitment to ensuring the sustainability of its activity, in 2021 the Group's water footprint for 2020 and 2021 was calculated according to the methodology defined in ISO 14046. Cellnex's objective is to calculate its water footprint annually to monitor and control the impact of Cellnex's activity on this resource.



Waste management

Cellnex produces practically no waste directly, however, waste is generated through its the activities of its suppliers. As such, this is a non-material issue for Cellnex. Nevertheless, waste management is carried out in the Organisation in line with the principles of precaution and preventive action, based on the waste management hierarchy. Consequently, the first priority is the prevention/reduction of waste generation during the course of the activity. When waste is generated, the priority is to prepare it for reuse, then recycling and, finally, maximum recovery before disposal.

Reduction and reuse are the key to protecting the environment, saving on the environmental and economic costs associated with waste management and extending the life of products. That is why the Organisation is committed to ensuring that waste produced by its suppliers and contractors in the course of their activities at Cellnex sites (construction, operation, maintenance and decommissioning) is properly managed.

This process is ensured through the progressive implementation of the Integrated Management System, whereby Cellnex periodically requests evidence of proper waste disposal and encourages its suppliers to find alternatives to waste disposal where possible, recycling the metal used for tower construction and maintenance.

Life Cycle Assessment (LCA) of Telecommunications Infrastructure Services (TIS)

Life Cycle Assessment (LCA) is a methodology standardised by ISO 14040:44 (2006) that systematises the acquisition and generation of information on the environmental aspects of products, services and processes by analysing inputs (consumption of raw materials and energy) and outputs (emissions to water, air, soil, waste and by-products) throughout all stages of their life cycle.

In 2020, the company started Life Cycle Analysis of Telecommunications Infrastructure Services to identify critical points, identify the environmental impacts generated along the value chain, minimise the risks of transferring impacts from one process to another, and thereby obtain rigorous information for decision-making.

The key principles on which the strategies promoting more circular production and consumption models are as follows:

Based on the Life Cycle Analysis (LCA) of the Telecommunications Infrastructure Services (TIS) carried out in 2020, work was undertaken in 2021 on the preparation of a starting point document, outlining the forces of change, and the ecodesign opportunities that can be addressed by Cellnex. An opportunity prioritisation exercise will be carried out, during 2022, which will form the basis of the sustainable vision and define the strategy to be followed.

Carbon footprint and climate change

Cellnex Group is committed to the comprehensive management of sustainability and combating climate change and it presents the Company's commitments and general principles of action in these areas through the Environment and Climate Change Policy.

In this regard, one of the strategic lines of the Environment and Climate Change Policy is based on the mitigation and adaptation of climate change, for which the Company is taking a step forward to implement measures that contribute to its mitigation and to achieve the objectives established in the Paris Agreements and to adopt an active and proactive position in combating climate change through the following initiatives:

These initiatives were included in the ESG Master Plan, where one of the actions planned for 2021 was implementing the corresponding initiatives to minimise and mitigate the company's impact on climate change, including monitoring and controlling fossil fuel and electricity consumption,calculating the carbon footprint (scopes 1, 2 and 3), establishing reduction targets in this regard aligned with the Science Based Targets initiative (SBTi), and implementing the relevant actions to achieve them.

With regard to noise and light pollution, Cellnex's activity does not generate a significant impact. Nevertheless, Cellnex takes these impacts into consideration and strives to minimise them.

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 on the criteria of the GHG Protocol, for all countries and at the corporate level. Additionally, in 2021 internal audits related to the carbon footprint were conducted in five countries (France, Portugal, Ireland, Spain and the United Kingdom).

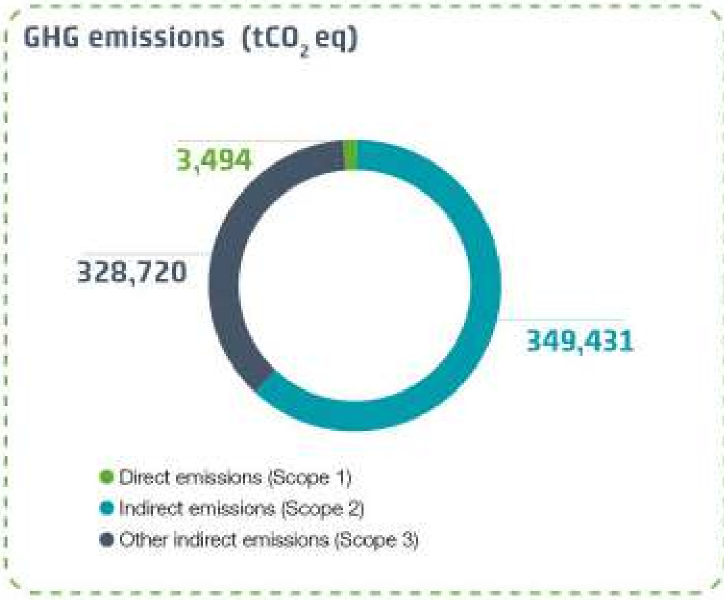
Emissions have also been reported and verified since 2021 with the classification established by the Corporate Accounting and Reporting Standard of the Greenhouse Gas Protocol (GHG Protocol), developed by the World Business Council for Sustainable Development. In the case of Scope 3 emissions, the classification set out in the GHG Protocol publication "Corporate Value Chain Accounting and Reporting Standard (Scope 3)" is used.

Verified emissions inventory for 2021 is 681,646 tons of CO_2e.

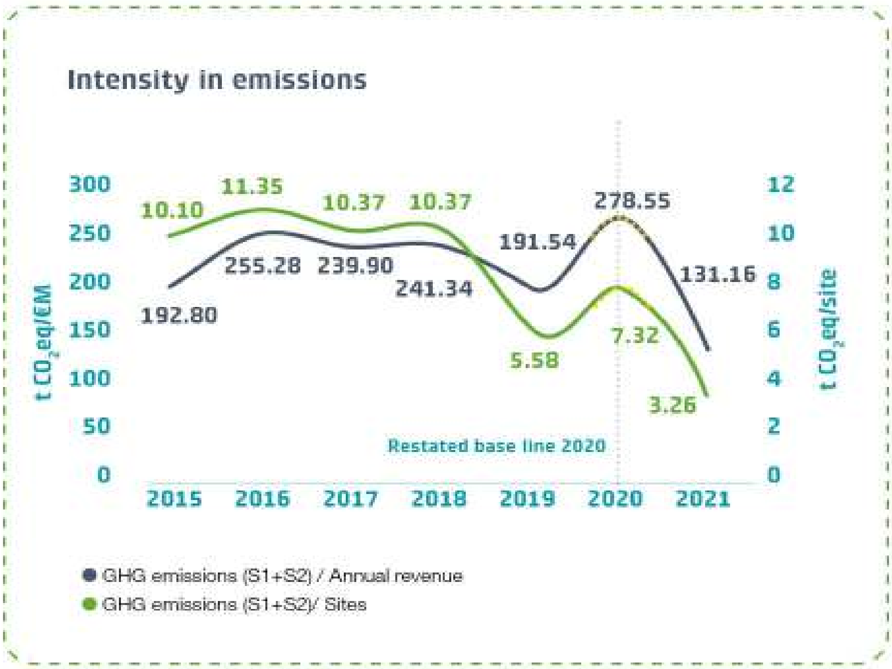
According to the verification, the verified emissions inventory for 2021 is 681,644 tonnes of CO_2e with the market focus (782,421 tonnes of CO_2e in 2020). The decrease in scope 2 emissions is due to the implementation of the actions defined in the Energy Transition Plan.

EMISSIONS FROM THE GHG PROTOCOL (market-based)			ISO 14064 GHG EMISSIONS (market based)		
Category	**GHG emissions ($t\ CO_2e$)**	**%**	**Category**	**GHG emissions ($t\ CO_2e$)**	**%**
Scope 1: direct emissions	3,494	1%	C1. Direct GHG emissions and removals	3,494	1%
Scope 2: indirect emissions	328,720	48%	C2. Indirect GHG emissions from imported energy (market)	328,720	48%
Scope 3: other indirect emissions	349,431	51%	C3. Indirect GHG emissions from transport	2,760	0.4%
			C4. Indirect GHG emissions from products used by the organisation.	218,390	32%
			C5. Indirect GHG emissions associated with the use of the organisation's products	128,282	19%
Total	**681,646**	**100,00%**	**Total**	**681,646**	**100,00%**

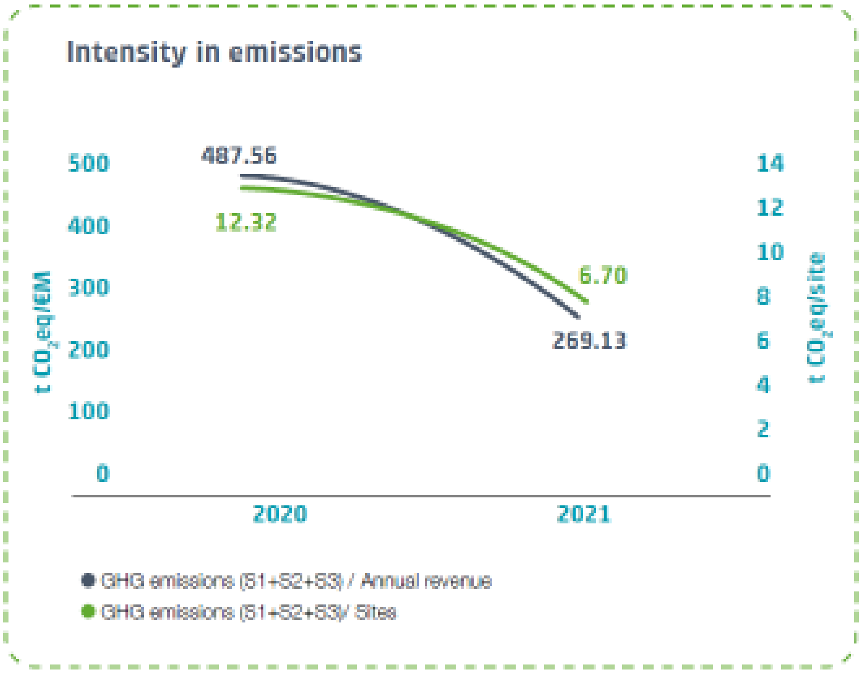
Following the ISO 14064, with the market-based approach 48.22% of the GHG emissions inventory corresponds to category C2 “indirect emissions from imported energy”, followed by category C4 “indirect GHG emissions from products used by the organization” with 32.04% of the total GHG emissions. C5 category “indirect GHG emissions associated with the use of products from the organization” represents the 18.82% of the total. C1 and C3 categories only contribute an 0.51% and 0.40% respectively.



Following the GHG protocol, 51% of the emissions corresponds to Scope 3, followed by Scope 2 with 48% and Scope 1 with less than 1% of the GHG emissions.



Cellnex's Scopes 1+2 intensities have been reduced mainly due to the efforts made within the Energy Transition Plan. Regarding the evolution of emissions intensity it should be noted that the emissions for the base year 2020 have been recalculated, Further information explained in Chapter 7.3. Carbon footprint: Scope and calculation methodology.



In 2021 Cellnex Group offset

3,494 tonnes of CO_2.

As part of its efforts to manage greenhouse gas emissions, in 2021 Cellnex offset 3,494 tons of CO2 from scope 1 (2,850 tons in 2020) by acquiring 3,494 CER credits (certified emission reductions) (2,850 CER credits in 2020) in the market Wind Energy Project in Tirunelveli and Coimbatore (India) according to CDM (Clean Development Mechanism), to achieve neutrality in emissions with carbon footprint of Scope 1 of all countries. The project consists of a package of 250 wind turbines for a total installed capacity of 56.25 MW.

The results obtained in the GHG emissions inventory are also useful for meeting to the various sustainability indexes in which the organisation participates, such as FTSE4GOOD, CDP, Sustainalytics and "Standard Ethics".

CDP A LIST 2021 CLIMATE

In 2021 it is worth noting that Cellnex was recognised for its commitment to sustainability and combating climate change by CDP, which manages a global disclosure system for investors, companies, cities, states and regions to measure their environmental impact and secured a place on its prestigious 'A List'.

Science Based Targets Initiative (SBT)

Science-based targets is an initiative of CDP (formerly Carbon Disclosure Project), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wildlife Fund (WWF), of which more than 2,000 companies are members worldwide. Its objective is to increase the commitment of companies to sustainable management, and the search for 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 this regard, in 2019 Cellnex committed to developing a science-based emissions reduction target and in 2021 the Company strengthens its commitment to combating climate change by establishing specific targets and milestones for emissions reduction validated by the Science Based Targets initiative (SBTi) aligned with a 1.5ºC stage.

Therefore, Cellnex is committed to:

- Reducing absolute Scope 1 and 2 GHG emissions and Scope 3 GHG emissions by 70% from fuel and energy-related activities by 2030 compared to the base year 2020.

- Increasing annual renewable electricity supply from 0% in 2020 to 100% by 2025.

- Reducing Scope 3 emissions from the purchase of products, services and capital goods by 21% by 2025, with 2020 as the base year.

To achieve these objectives, on the one hand, Cellnex has adopted an Energy Transition Plan whereby the company's electricity supply will be 100% renewable by 2025. On the other hand, commitment actions are planned with suppliers to achieve the planned emissions reductions in the supply chain.

The transition towards a low-carbon economy is one of the lines of action of the company's Strategic Sustainability Plan, as well as the ESG Master Plan. Both plans aim, among other objectives, to mitigate the impact that the company's activity may have on climate change.

Internal carbon price

The internal carbon price is a financial tool to reflect the social, environmental, and economic costs of climate change in terms of greenhouse gas emissions generated by the consumption of energy and materials needed for an organisation's daily activities.

Its analysis can add value to investments that reduce social, environmental, and economic costs, thus generating incentives for innovation in low-carbon companies. It also helps to anticipate policies that may affect a company's operations or supply chain. and meet ambitious emission reduction targets.

With internal carbon pricing it is possible to translate the business impact on climate change into financial terms, which helps to translate carbon into relevant terms for the company and strengthen internal commitment, thereby responding to the demands of investors and customers, and improving Cellnex's positioning in terms of climate change.

In this regard, during 2021, a study of possible Internal Carbon Pricing (ICP) options for Cellnex was carried out, resulting in a first preliminary proposal for an Internal Carbon Rate. As a continuation of the project, at the end of 2021, a pilot application of this internal rate was initiated, which will be developed during 2022.

Biodiversity

Cellnex recognises the environment and climate change as one of the three key principles that are transversally applicable to all the Company's lines of action and commitments. For this reason, the protection and conservation of the environment where the Company's activities are undertaken and biodiversity is a priority for Cellnex.

Growing with a long-term sustainable environmental proposal.

In the ESG Master Plan, within the strategic line of "Growing with a long-term sustainable environmental proposal", Cellnex has identified the need to develop actions focused on at respecting and minimising Cellnex's impact on natural areas and biodiversity.

One of these actions defined in the ESG Master Plan is determining and assessing the impact on biodiversity and natural spaces, identifying the areas affected by the company's activities and the legislation applicable to them, in order to implement the corresponding actions to minimise this impact and preserve the natural environment.

International tool (SALEM) to identify and assess compliance with all legislation applicable to the Company in biodiversity issues.

In this regard, Cellnex has an international tool (SALEM) to identify and assess compliance with all legislation applicable to the Company in biodiversity issues, such as quality, health and safety, energy, etc. In 2021, five training sessions (in France, Ireland, Portugal, Spain and the United Kingdom) and eight awareness-raising sessions (in Denmark, Sweden, the Netherlands, Austria, Finland, Switzerland, Italy and Poland) were held during which the tool was introduced. In addition, extension sessions were held in the countries involved in the 2021 IMS certification (France, Netherlands, Portugal, Ireland and Switzerland).

Another tool available to Cellnex to monitor its impact on the natural environment is the DaNA tool. This identifies sites in protected areas. During 2021, the information on the types of protected areas was expanded, as far as country level. In 2020 only the Natura 2000 network was displayed. In addition, in 2021, climate scenarios were incorporated into the tool, making it possible to obtain information on the effect of climate change on each site and thereby monitor its development, as well as for the identification and application of preventive and corrective measures.

With all this, it will be possible to carry out another action defined in the ESG Master Plan relating to undertaking a monetisation of the company's interactions with biodiversity and natural spaces, as a contribution of natural capital. In this regard, work will be done on this project during 2022 and 2023. The first step will be to carry out an analysis of exposure to Natural Capital risks and opportunities.

Applying this new approach provides a new perspective in the company when it comes to integrating environmental, economic and social aspects that help to boost the value of its contribution to society, make better management decisions and improve conservation of natural assets, and generate value shared by society and the natural environment. Natural capital and biodiversity have a direct impact on various Sustainable Development Goals of the United Nations 2030 Agenda. So much so that by correctly incorporating natural capital into the business plan and corporate culture of the company, a substantial contribution can be achieved on a number of SDGs.

However, in the specific case of this project, where Cellnex intends to take an initial approach to the issue of natural capital, the most substantial contribution will be in the following objectives:

13 - Climate Action | 14 - Aquatic life | 15 - Life on Earth

Below the total protected sites analysed following the IUCN categories are presented:

	Total analyzed sites	Not affected	Affected	% of sites in protected areas
Austria	3,189	2,880	309	10%
Denmark	1,351	1,320	31	2%
France	12,399	11,678	721	6%
Ireland	1,774	1,723	51	3%
Italy	21,663	20,581	1,082	5%
Netherlands	769	681	88	11%
Poland	6,911	6,069	842	12%
Portugal	5,958	5,443	515	9%
Spain	10,733	9,527	1,206	11%
Switzerland	5,308	5,237	71	1%
United Kingdom	9,236	8,346	890	10%
Cellnex Total	**79,291**	**73,485**	**5,806**	**7%**

"Cellnex has more than 300 sites in Irish forestry locations, which provide a unique habitat for many species. Cellnex actively work with Coillte, the Irish State Forestry Body, to ensure that the bio-diversity & sustainability of the forests is maintained. Cellnex & Coillte ensure the environmental impact from our infrastructure has a minimal impact on these beautiful Irish forest locations".

John Brophy, Health & Safety Manager

Sites in sensitive forest areas in Ireland

Cellnex Ireland has approximately 300 sites in environmentally sensitive forest areas. The forests belong to the state-owned forestry company Coillte (the name means forests in Irish). All construction and maintenance operations in these forest areas are governed by the requirements of Coillte, which establish that an Environmental Risk Assessment (ERA) must be completed to conduct activities in the area.

The ERA works by recording in the Site File the environmental designations and environmental features present, and then listing what mitigations or management measures need to be implemented to avoid a negative impact on the site features. Cellnex Ireland keeps an environmental risk assessment checklist for this purpose. In addition, relevant Cellnex contractors and employees are also trained in environmental risk assessment.

Stork nests at Cellnex Spain sites

Cellnex España has developed a novel and unique project that solves the operational problems caused by storks nesting at its sites.

"Por San Blas la cigüeña verás". As the saying goes, every year in February storks nest on telecommunications towers, heralding good weather, sunshine and warm temperatures. However, when they do so, the authorities do not allow access to the sites because of the risk that the nests, which can weigh between 80 and 100kg, might fall off. This is a major setback, as no maintenance work or new telecommunications installations are allowed until these birds migrate and leave the nests, sometimes for periods of nine months. The nests are then removed and maintenance and operation can be resumed. However, the storks return the following year to the same site and build their nests again.

As a solution to this situation, to avoid harming the birds and be able to continue with Cellnex's daily activity, it was decided to manufacture metal structures to support the nests, so that the storks do not need to rebuild them every year and also minimise the risk of the nests falling, making access to the centres compatible with nesting.

This solution was presented to the regional administrations and the project was approved. In 2021. Several metal nests have been built and the solution is expected to be deployed in up to

Habitat Protection and Biodiversity in Cellnex Portugal

Cellnex Portugal acknowledges that telecommunication infrastructures impact the surrounding ecosystems, and manages habitat protection and biodiversity through the following procedures:

- Compliance with Decree-law ºNo 49/2005, which aims to contribute to biodiversity, through the conservation or rehabilitation of natural habitats and flora and fauna through habitat protection, management, and species control.

- Compliance with Decree-law ºNo 11/2003, applying to municipalities to license new sites, which includes the evaluation of environmental aspects.

- Cellnex Portugal continues to monitor the sites through routine maintenance inspections to ensure local biodiversity is not negatively affected.

- Procedure to protect stork nests in towers before interventions are undertaken. Cellnex Portugal consults ICNF (Instituto de Conservação de Natureza e Florestas) whenever a stork nest interferes with an intervention.

6 Value Chain

Extending our commitment to the value chain

Extending our commitment to the value chain

Actions 2021

Unified
global survey
("Customer satisfaction surveys")
for all business units.

Customer satisfaction

7,9

Net Promoter Score

+28%

Customer Effort Score

7,7

Approval of
Suppliers Code of Conduct

Next steps

Common Claims Management Procedure for the entire Company by 2023

Strategic Global Security Plan 2022-2025

Expansion of the functions of the Global Security Office

100%
Approved critical suppliers considering ESG criteria by 2023

80%
Critical suppliers audited by 2025

Customers

Responsibility to customer: focus and performance

One of the key factors of Cellnex's business model is continuous interaction with the customers throughout the entire service provision process. From commercial management, to response to incidents, reporting and possible queries and complaints during provision, operation and maintenance. Customers are one of the most important stakeholders for the company. In this regard, Cellnex has defined a relationship model with its customers based on proximity, transparency and striving for constant improvement.

With the aim of guaranteeing a personal and stable relationship with customers, Cellnex is committed to 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 them a comprehensive and personalised service, focusing on their overall satisfaction.

In addition, the extension of Cellnex's commitment to its customers is one of the strategic lines of Cellnex's ESG Master Plan. Consequently, one of the objectives defined by the Plan to be achieved by 2025 is the development of a specific Code of Conduct for customers that includes issues such as working conditions, human rights, anti-corruption and bribery, to ensure compliance with ESG issues.

The Global Commercial Vision is one of the Core Business Functions (CBF) underpinning Cellnex's Industrial Model, where the objective is to implement a common business perspective and commercial strategy, offering a broader vision of the market and a clear customer focus.

To this end, the corporate Global Marketing and Sales area is responsible for identifying international opportunities, developing commercial activity in each country by providing support materials, introducing new services and products, and extending good practices to all sales representatives.

The Salesforce tool has been implemented in all countries to homogenise and standardise the sales process.

In addition, under the Industrial Model, 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. Salesforce is the management, reporting and commercial monitoring tool used by all Cellnex sales staff in all countries. During 2021, the tool undergone various updates, which provide more detailed and precise visibility of all sales activities.

Cellnex Connectivity Days

The Cellnex Connectivity Days programme continued in 2021, a series of conferences that bring together a range of major players in the field of telecommunications to discuss the most innovative and topical issues in the sector. The conferences and topics featured in 2021 were as follows:

- April 2021: "Towards the city of the future", a project focused on improving the connectivity of the cities of the future through the deployment of telecommunications infrastructures and Smart & IoT services.
- June 2021: "When connectivity in health really matters", a project developed to address the needs of the health service through digitalisation.
- 7 October 2021: "Enabling Industry 4.0: Boost productivity with private wireless networks", a project to address the challenges and benefits of private network deployments for the manufacturing industry.

Customer Service

Customer Service is a strategic priority and a cross-cutting commitment that must be present every the Cellnex action create sustainable value distributed to all stakeholders.

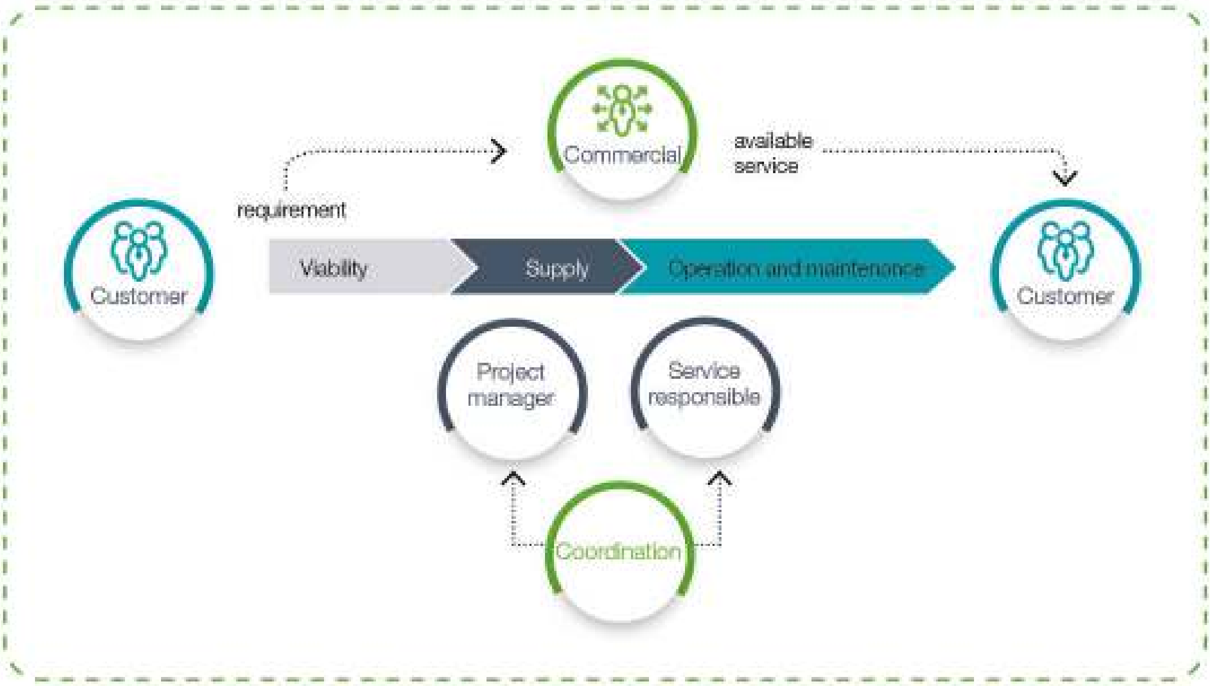
To guarantee a personal and stable relationship with customers, Cellnex has designed a global customer service model in which it provides the customer with three contact points throughout the service:

- Commercial: Each customer is assigned an account manager, whose responsibility is to keep abreast of all the relationships that Cellnex maintains with its customer to meet their needs and concerns from a global perspective.
- Project Manager: These are the contacts with the customer, together with the Account Manager, in the feasibility and delivery stage of a service. They play an important role in customer satisfaction, as they are the department that 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 addition, in the countries where the volume of customers is not so very high, business with customers can be much closer and more individualized. This allows close links to be established through regular conversations managed directly by an account manager or director.

Cellnex focuses on stakeholder needs and expectations, offers high quality services, satisfies customers and is continuously improving. In this respect, at Cellnex Spain in 2021 the average frequency of interruption was 119 days (97 days in 2020), that is, on average a customer who had contracted a service with Cellnex would have observed a network interruption approximately every 119 days, and the average duration of interruption was 2.2 hours (2 hours in 2020). This demonstrates the trend of improvement in the interruption frequency. In Cellnex Italy, in 2021 the average network outage frequency was 1.2%, with around 94 outages per month with an average duration of 2.2 hours.



In addition, Cellnex offers customers a number of communication channels. Through these channels, Cellnex receives the claims sent by its customers and analyses them. In this regard, with a view to 2023, the ESG Master Plan has defined the establishment of a common Claims Management Procedure for the entire Company.

There were 124 complaints of which 98% were processed and resolved.

In 2021, there were 124 complaints (13 in 2020), of which 98% (100% in 2020) were processed and resolved in accordance with the company's procedures before the end of the year, the rest are still being processed in 2022.

A complaint is defined as a formal expression of dissatisfaction with the service received by a customer, user or group.

- Customer complaint: A complaint submitted directly by a customer with whom Cellnex has a contractual relationship.

- User complaint: A complaint submitted by the end user, received directly or derived from an external customer.

- Group complaint: Complaint from a group of users that may be represented by public administration bodies and private organisations (antenna organisations, neighborhood associations, etc.).

Customer Engagement

Following the customer care model, Cellnex carries out satisfaction surveys to ascertain customer overall opinion of the company and to evaluate the quality and suitability of the service provided, to be able to draw up an Action Plan in line with the resulting needs.

Customer Engagement Survey

for all business units, launched during the last quarter of 2021.

One action framed within the ESG Master Plan in relation to the extension of Cellnex's commitment to its customers is developing a standard survey and a corporate model to measure customer engagement. As such, during 2021, a unified global survey was designed (the "Customer Engagement Survey") for all business units, which was launched during the last four months of 2021 in a coordinated and homogeneous manner for all countries. Based on the results obtained, it will be possible to analyse the Cellnex services and activities that are most highly valued by customers, in order to extend best practices between the various countries. The homogeneous view provided by the survey will allow Cellnex to make a more realistic comparison between customers in all the countries where the Company provides its services.

Customer Engagement Survey

In 2021, a Customer Commitment study was launched for the first time in all Business Units. The main objectives were the following:

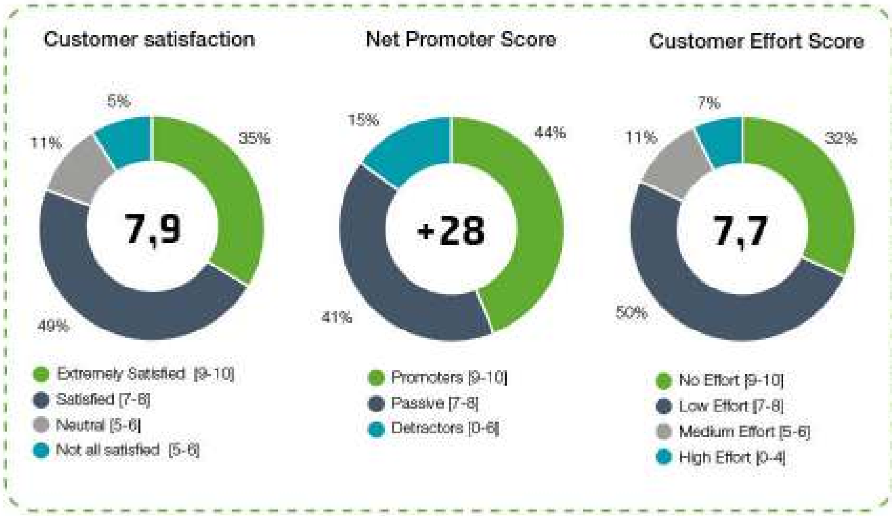
- Obtaining a global and easy framework, deployable across Cellnex, to compare customer engagement in all Business Units with common KPIs.

- Analysing 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, Business Units are recommended to the have the survey carried out by an external partner.

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 category (MNO and other critical customers, important customers, and Long Tail customers) and by customer segment (Broadcast, Operators, Public Administrations and Enterprises).

In this regard, 12 countries participated in the Customer Engagement Survey defined in 2021, in which more than 450 surveys were launched. The overall response rate was 61%, thus exceeding the target response rate that was initially defined.



Information Security

Information is a very important asset for Cellnex Group, 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.

Cellnex has an Information Security Policy

In this regard, in 2019 Cellnex approved the 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.

To this end, measures are taken to identify and protect information assets from unauthorised access, modification, communication or destruction, whether intentional or accidental, ensuring that they are used only for purposes approved by Cellnex Management.

Involvement in the protection of these assets and the implementation and maintenance of appropriate security controls is the responsibility of the entire Cellnex team. To this end, employees have the necessary material resources, continuous training in technologies and skills, and development processes to detect individual needs.

Cellnex has drawn up a Global Strategic Security Plan for Cybersecurity and Physical Security

In order to develop the provisions of the Information Security Policy, Cellnex has drawn up a Global Strategic Security Plan for Cybersecurity and Physical Security, which enables it to anticipate high-impact incidents, in accordance with the reference frameworks. The Plan applies to all the companies that make up Cellnex group and covers all aspects of corporate security, regardless of the type of threat, whether physical, IT or hybrid.

The Global Strategic Security Plan for Cybersecurity and Physical Security defined the actions to be undertaken between 2019 and 2022. However, thanks to the quick pace of implementation of the actions the completion of the plan has been brought forward one year to end in 2021. In this regard, Cellnex is currently defining the new Global Security Strategic Plan 2022-2025.

The main initiatives developed during 2021 within the framework of the Strategic Plan are as follows:

- Implementation of two-factor authentication for access by all users (internal and external) to Cellnex applications.
- Deployment of virtual patching solution to protect Cellnex assets against new vulnerabilities that may arise.
- Optimisation of network segmentation to prevent the spread of malware in the event of an infection within Cellnex.

The projects run during 2021 involved major investment focused on anti-fraud protection related to the user (identity theft, phishing detection, etc.) and assets, both physical (advanced protection of the workstation, virtual patching, etc.) and cloud (implementation of CASB).

The Global Security Office was established to provide global Information Security support. During 2021 the services provided by the Office were consolidated in the countries defined in the Global Security Strategic Plan 2019-2022. By 2022 the Security Office will be expanded with new functions to strengthen its functional and also geographical scope, incorporating all new business units (Portugal, Ireland, Sweden, Denmark, Austria, Poland and Finland). The new services to be offered include the following

- Development and maintenance of the third party security risk management model.
- Annual review of the security master plans for each business unit.
- Support for the monitoring of new regulations with an impact on security for each business unit.

Cellnex has a Personal Data Protection Policy

Cellnex has a Personal Data Protection Policy, through which Cellnex Group guarantees the security, secrecy and confidentiality of the personal data under its responsibility, adopting the most demanding and robust security measures and technical means to prevent any loss, misuse or unauthorised access. As such, any personal data that Cellnex Group collects through the various channels will be treated with absolute confidentiality, and it pledges to keep them secret and discharge its obligation to protect them by adopting all reasonable measures necessary to prevent alteration, loss and unauthorised access or processing, in accordance with the provisions of applicable law.

In addition, Cellnex's ESG Master Plan, includes an objective for 2025 to join other companies in signing the "Charter of Trust", a charter for greater cybersecurity.

Continuous improvements in information security are introduced within the framework of a Management System, which the Management is committed to leading in accordance with the ISO 27001 standard, and which applies to all of the Group's Business Units. This is centered on people management, process management and continuous improvement, which guarantees its effectiveness and efficiency. In 2021, the global ISO 27001 certification was maintained in the countries already included in the 2020 perimeter and all the companies in Portugal and Ireland were included, as well as OnTower UK. By 2022, Sweden, Austria and Denmark are expected to be included in the global ISO 27001 certification.

Automation of security processes

Cellnex is committed to the automation of security processes, for example through the development of tools that enable automatic implementation of actions upon detection of certain events to block sophisticated attacks. This has made it possible to gain detection, prevention and protection capacity, thereby increasing the response capacity and security level, and mitigating the associated risks. Detected and blocked security incidents have increased in complexity in recent years due to the development of increasingly targeted attacks.

During 2021, no incident involving theft, data breaches or loss of information or affecting the business was detected in any of Cellnex's business units.

One incident was reported to the Spanish Data Protection Agency in which an employee's credentials were compromised, giving access to his mailbox. This account was used to send emails to contacts in his address book. There was no impact on the business and the incident was closed by the Spanish Data Protection Agency.

Awareness

During 2021, several awareness and training campaigns were carried out for employees related to information security. In this regard, for example, the following were carried out:

- 7 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 on the victim's infrastructure).
- 1 simulation of a high impact virus event for 100% of employees.
- 2 mandatory training sessions also for 100% of employees.

In addition, information security advice has been provided and alerts have been given on virus or phishing campaigns aimed at Cellnex staff.

All of this has contributed to a 25% drop in the rate of phishing campaigns from 2020 to 2021, despite the increase in the sophistication of the attacks.

Suppliers

Cellnex Supply Chain and Engagement with suppliers

The purchasing process is key for the company due to its high economic, environmental and social impact. For this reason, Cellnex Group has established and promotes a guide for action in the purchasing process that goes beyond price, product and/or service quality, also taking into account social, ethical, environmental and privacy aspects in the performance of Cellnex Group's suppliers.

Cellnex has a supplier management model based on collaboration and continuous improvement, seeking the most efficient purchasing procedures and finding technological solutions that result in improvements.

For Cellnex, it is essential that suppliers are aware of corporate policies and values and ensure compliance with each of them. Commitment to suppliers is essential for the development of a responsible supply chain.

Industrial Purchasing Model Pillars: Guidelines, Organisation, Processes, IT Tools and Dashboard.

Supplier management is carried out in a coordinated and homogeneous manner among all the Business Units under the Cellnex Industrial Model. In 2021, work was undertaken to consolidate an industrial purchasing model that includes five key pillars: Guidelines, Organisation, Processes, IT Tools and Dashboard. In addition, the strategic purchasing planning process was strengthened for all Business Units with the aim of obtaining a consolidated purchasing plan that allows the Company's purchasing needs to be anticipated at global level.

In this regard, the Operations area is in charge of coordinating the purchasing process throughout the Company, as well as promoting efficient, innovative, transparent, sustainable and quality purchases.

Cellnex has a Purchasing Policy that establishes the basic principles that the Group must take into account in the Purchasing process. These principles are:

- Defence of competition. It is mandatory to act with impartiality, integrity, objectivity, criteria of competition, transparency and equal opportunities. Selection of suppliers is based mainly on criteria of quality, cost, compliance with deadlines and acting in accordance with the principles of the Code of Ethics of Cellnex Group at all times.

- Respect for the environment. Cellnex Group suppliers must actively and responsibly commit to preserving it, respecting current legislation in this area and adopting procedures to minimise the environmental impact of their activities.

- Cellnex Group suppliers must protect, respect universally recognised fundamental Human Rights, within the sphere of influence of Cellnex Group.

- Information containing personal and/or confidential data which may arise from commercial relations between the Cellnex Group and its suppliers must comply with the data protection policy which ensures the confidentiality of such data.

- Compliance with applicable laws and regulations (international, European, national, regional and local), as well as the willingness to adapt to future standards, customer and social requirements, is a commitment and responsibility for all of us.

Based on the Industrial Model, Cellnex has implemented the SAP Ariba Suite, a tool for managing the purchasing process in an operational, strategic and decentralised manner in all areas and Business Units. The various modules in the tool make it possible to unify the purchasing processes in all the Business Units, provide greater autonomy to suppliers and improve the transparency of the process. In this way, a unified vision of purchasing is obtained throughout the Company. In addition, it makes it possible to analyse and classify purchases and define purchasing strategies for the most strategic and significant categories, and to digitalise the entire purchasing process.

During 2021, SAP Ariba was implemented in seven countries (France, Switzerland, Portugal, the United Kingdom, Italy, Ireland and Austria), which, together with Spain, the Netherlands and the company at a corporate level, are now fully active and in operational development. By 2022 it is planned to implement the tool in the new countries and Business Units incorporated into the Company (Sweden, Denmark and Poland).

	SUPPLIER MANAGEMENT	PROCUREMENT MANAGEMENT	
	Ariba SLP SAP Ariba SLP provides comprehensive tools to help you onboard, qualigy, segment, and manage supplier performance more efficiently	**Ariba Buying** Allows to manage the entire P2O process while being fully integrated with the corporate ERP, while easing supplier collaboration and ensuring compliance of process	**Ariba Network** Allows to search for new suppliers, speed up transac-tional process and increase document visibility which are managed though the cloud
Who Will use it?	Procurement Team End users Supplier managers Suppliers	Procurement team Local buyers End users	Procurement team Suppliers
Objectives	Manage supplier Lifecycle, from new supplier requisitions to qualification Transfer to suppliers the maintenance and updating of their information	Manage the entire P2O process Reduce workload from buyer side Guaranteed the compliance of policies and procedures	Automate the Exchange of documents with suppliers through electronic communication Given supplier visibility related to its POs and invoices (status, payment dates, etc.)
Processes covered	Supplier requisition Supplier registration	Catalog management PRs creation and approval Collaborative requisition POs generation Perform GR	Send POs to suppliers Send GRs to suppliers Receive Order Confirmation and Advance Ship Notice from suppliers (not mandatory) Receive invoices from suppliers

ARIBA STRATEGIC SOURCING	ARIBA CONTRACT MANAGEMENT
Ariba Sourcing Allows to manage the sourcing activities, homogenizing the process across the group with the use of templates. Completely integrate with contracts and buying, which allows full traceability from and end-to-end procurement process perspectoive.	**Ariba contracts** Allows to manage the end-to-end process of a contract creation. Additionally adds automatic controls (availability, expiration dates,etc.) and fully integrates with the procure-ment process managed in buying.
Sourcing request Spurcing Project management RFX and auctions Awarding Full integration with Ariba Suite (SLP, Buying and contracts)	Contract initiation Negotiation Review and approval Digital signatures Standard terms and contract templates Traceability of contract consumption

The Ariba Sourcing module will allow the establishment of homogeneous and scalable processes in relation to the management of purchasing events (RFQ, RFP, RFI, auctions, etc.), and the processes for the preparation and management of contracts for all Business Units will be established through the Ariba Contracts module, which will allow the contract information to be shared transversally between them. In addition, it will act as a centralised repository and will enable standardised preparation of contracts.

The Ariba Network module is the new supplier portal that streghnthens the relationship with suppliers, centralising 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 this regard, suppliers register directly as new suppliers by means of a predefined questionnaire where they have to confirm that they accept the Code of Ethics, the Purchasing Policy, the Data Protection Policy and Cellnex's general contracting conditions. In 2021, 500 suppliers were incorporated into the portal.

"We are very proud about supplier code of conduct developed. It is the sum of a team effort in which many departments have been involved in making improvements to achieve excellence. "

Rut Collado - Purchasing analyst

In this regard, the supplier must be aware of Cellnex Group's Management System Policies, guarantee that it will comply with each of its guidelines, as well as the specific requirements regarding the performance of its work, and make the established standards known to all its contracted and subcontracted personnel. To this end, the supplier shall adopt any preventive measures necessary to avoid creating negative environmental impacts during the performance of its work, and, should any occur, it must adopt the necessary corrective measures to correct them, at its own expense, and immediately inform Cellnex Group's contact personnel. In addition, Cellnex Group establishes coordination requirements in terms of Occupational Risk Prevention between Cellnex and its suppliers of works and services to comply with the obligations established in the Law on Occupational Risk Prevention and other supplementary legislation.

Supplier Code of Conduct

Cellnex adopted a Code of Conduct for Suppliers

In addition, a series of actions have been defined within the strategic line "Expanding our commitment to customers" in Cellnex's ESG Master Plan, to be implemented in coordination with its suppliers. In this regard, at the beginning of 2022 Cellnex adopted a Code of Conduct for Suppliers that acts as a framework of trust and cooperation for the Organisation with its value chain, resulting in the continuous improvement of purchasing 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, in the following areas:

- Ethics and integrity: adhering to the action principles established in the Code of Ethics and the Cellnex Corruption Prevention Procedure.

- Environment and climate change: Cellnex suppliers must comply with environmental legislation in each of the countries in which Cellnex operates, as suppliers are expected to undertake this commitment to sustainability and the combating climate change with the aim of seeking and promoting a balance between profitability, social development and the reduction of adverse environmental impacts in the performance of their activities.

- Human rights: Cellnex safeguards and is committed to the protection of and respect for universally recognised fundamental human rights, within its sphere of influence and non-complicity in the violation thereof, and wishes to extend this commitment to all its Suppliers, requiring them to respect, support and promote Human Rights.

- Working conditions and remuneration: Cellnex is firmly committed to guaranteeing compliance with the working conditions established in each country where it operates. In this regard, suppliers that wish to work with Cellnex must comply with the law in force in each country regarding working conditions and remuneration.

- Diversity and non-discrimination: Cellnex is committed to equity, diversity and inclusion at work, and extends this to all its suppliers through the Equity, Diversity and Inclusion Policy. In this regard, Cellnex will ensure that its suppliers commit to promoting diversity and non-discrimination.

- Health and safety: Cellnex establishes specific commitments regarding the responsibility of suppliers throughout the value chain to engage all workers to supervise their own health and safety and that of anyone who may be affected.

- Information security: Suppliers must sign, the relevant confidentiality and data protection agreements in accordance with the applicable data protection regulations. Additionally, the Suppliers undertake to comply with the laws on data protection, privacy and information security applicable in the countries in which they operate; to protect and respect all the intellectual property rights of Cellnex; and not to use, in any case, the information provided for any other purpose than for which it was provided.

- Business continuity: Cellnex's suppliers must be aware of the business continuity requirements established with Cellnex and ensure that they can comply with them through the evaluation by Cellnex of the services/products provided.

- Risk management: Cellnex's suppliers must analyze and assess the risks related to the services provided to Cellnex and implement the necessary actions to mitigate them.

Strategic Purchasing

In addition, Cellnexx aims to establish an industrialised model for Strategic Purchasing through the implementation of two new SAP Ariba suite modules (Ariba Sourcing and Ariba Contracts), planned for 2022. During 2021, the Strategic Purchasing project was awarded and the process of defining the tools was initiated at a corporate level and by the Business Units in Spain. During 2022 these tools will be implemented in all of Cellnex Group's Business Units

Circular economy with suppliers in Italy

Cellnex Italy works with suppliers to find solutions for its business based on the circular economy. As such, in 2021, a solution was identified to apply of the circular economy to batteries. Cellnex Italy is currently working with local suppliers to replace batteries to bring 80% of its material under the circular economy concept.

Environmental specifications for suppliers in Denmark

Cellnex Denmark is carrying out a project regarding the steel material components used in the installation of network towers and the resulting impacts. The project will continue until 2022.

iLOQ Project

Cellnex signed a long-term framework agreement with iLOQ for it to be one of the priority providers of access control to Cellnex's telecommunications tower network and data centres.

The iLOQ project focuses on a new access system with NFC technology that allows remote access to subcontractors who need to enter Cellnex sites, facilitates access traceability. The power required to unlock comes from a smartphone, using the iLOQ S50 mobile app. Access rights can be updated remotely, in real time, and multiple sites can be consolidated simplty onto a single, secure, cloud-based software platform.

Furthermore, iLOQ S50 is also a battery-free solution. This will help Cellnex reduce maintenance costs, eliminate battery waste and minimise the environmental impact of traveling between sites and administrative offices to update access rights.

Cellnex is committed to generating local value by contracting most of its suppliers locally.

Working with local companies in Spain

Cellnex Spain opted at an earlier date for a model of partner companies with a strong presence in the territory, with their own staff low turnover, and with a high level of loyalty. This proved a key model the pandemic and the lockdowns, when telecommunications services were essential for informing the population and facilitating communications. In 2021, the provision of quality-assured services was mantianed during the successive waves of infection and the restrictions imposed by COVID. Cellnex transfers to its suppliers the criteria it applies to itself in terms of ESG policies.

Cellnex Italia's Commitment to Sustainable Purchasing

Cellnex Italia's sustainability values are applied over the entire supply chain. To this end, ESG requirements have been integrated in every stage of the purchasing processes:

- When they enrol on the Cellnex' supplier register, suppliers need to evidence compliance with and endorse social and environmental requirements.
- ESG requirements are present in the management of Tenders and Requests for Proposal.
- New social and environmental parameters in the evaluation criteria for supplies
- Supplier audits are prioritised according to the ESG risk level of the supplier is and this is estimated using defined parameters

Stakeholder engagement initiatives have been developed with the most compliant suppliers to identify and implement joint sustainable projects.

In 2021 Cellnex scored a A on the CDP Supply Chain questionnaire.

In 2021, for the fourth consecutive year, the CDP Supply Chain questionnaire was launched for Cellnex suppliers, with 178 responses in 2021 (169 in 2020). In this questionnaire, the company's suppliers report data on their emissions and environmental conduct to assess their efforts to combat climate change. In 2021 Cellnex has improved its score, rising from an A to an A, which is considered a Leadership stripe.

Training on the CDP Supply Chain questionnaire

One action undertaken during 2021 within the framework of the Cellnex ESG Master Plan was the implementation of training and awareness-raising actions on ESG issues for suppliers. For example, as Cellnex is a member of the CDP - Supply Chain, suppliers were given training to explain the context and importance of the CDP questionnaire, in addition how to answer it and the information and documentation they need to collect. The training was attended by Cellnex's Environment and Purchasing departments and CDP representatives, and a total of 91 suppliers from all over Europe took part in the session (61 from Spain for the training conducted in Spanish and 30 from the rest of Europe for the training conducted in English).

Cellnex is a "Zero Outage Supplier"

The Deutsche Telekom Group has renewed Cellnex Telecom's certification as a "Zero Outage Supplier" for the fifth year running. This certification is part of the German group's worldwide programme to select and certify their key connectivity service providers in each country. The programme sets the Deutsche Telekom Group quality standards for its customers based on the operational excellence, security and stability of the systems, monitoring of critical components and reduction/resolution of incidents with 24/7 availability by its key suppliers.

Cellnex has been working for Deutsche Telekom in Spain since 2015, providing connectivity services to T-Systems. This company in the German group was responsible for performing the type-approval and certification process for Cellnex, based on the criteria and quality levels set by Deutsche Telekom.

This type-approval and certification process measures indicators linked to commercial service, compliance with the delivery dates of contracted services, continuity of service, and constant real-time information, scaling, response time and resolution of incidents, to name just a few. T-Systems monitored these indicators throughout 2021 along with the quality of the connectivity service and the level of continuity offered by Cellnex.

Supplier evaluation, selection and monitoring

The ESG Master Plan defines a new model for the analysis and assessment of the risk associated with suppliers, including ESG factors.

The supplier selection, approval and evaluation processes are considered critical within the purchasing process. Therefore, in 2021, a project was launched to redefine the model in line with the Company's objectives in terms of ESG, Risks, Quality, Compliance and Information Security. This process is part of the action defined in the ESG Master Plan on the definition of a model for the analysis and assessment of the risk associated with suppliers, including factors related to ESG and the definition and identification of critical suppliers.

As such, the strategic purchasing model must include the criteria defined in the supplier selection, approval and evaluation model. Together both projects seek to transform the way in which the Company undertakes the purchasing process and aim to transfer Cellnex's strategic objectives to the supply chain. To ensure this, Cellnex companies carry out a supplier evaluation and selection process.

During 2021, work continued with EcoVadis for the evaluation of suppliers, on this occasion by carrying out a selection of the suppliers with the highest risk in terms of ESG. As such, they were selected according to criteria of purchase volume, type of service or product they provide, risk situation in a given country and lack of alternative suppliers. Once the evaluation has been completed, the results are explained to the suppliers and the areas with the greatest risk of non-compliance are identified. Based on this, an action plan is drawn up for the supplier, which is registered and managed directly through the EcoVadis platform. In 2021, a total of 489 suppliers were evaluated based on environmental criteria, 257 suppliers were evaluated in relation to their potential environmental impact, 402 suppliers based on social criteria and also 402 suppliers whose impact on labor practices has been evaluated.

Supplier evaluation in Ireland

Cellnex Ireland assesses its suppliers on an annual basis. The assessment model is based primarily on safety legislation, which sets out procurement, design and management requirements for contractors involved in construction projects and maintenance programmes.

As part of the procurement process, the competence and resources of each contractor are assessed. The contractor is required to complete a selection questionnaire, designed to ensure that new service providers have an appropriate level of competence and resources to safely manage and execute the project.

Once a contractor has passed the assessment, they are formally appointed. In addition, once they are selected as an approved contractor, there is no need to repeat the questionnaire process for similar types of projects or work.

7 Basis for the preparations of the Report

Structure and content of the Report

This document represents the Consolidated Management Report for 2021 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 2021 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 has been prepared in accordance with the provisions of Royal Decree Law 18/2017, which transposes Directive 2014/95/EU into Spanish law with regard to the dissemination of non-financial information and diversity.

Likewise, to ensure the credibility of the information and generate trust with its stakeholders, this report has been verified by an independent third party, as presented in the 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, the CMNV guide for the preparation of management reports of listed companies and was prepared in accordance with GRI Standards in their “core” option and the AA1000AP (2018), AccountAbility Principles Standard, in relation to the principles of inclusivity, materiality, responsiveness and impact.

Following the guidelines laid down by those standards, the content of this report was defined on the basis of a materiality study, 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.

Reporting scope

Regarding Non-financial information scope, the report covers 12 countries in which Cellnex operates, which account the 100%of revenues, except for environmental indicators related to carbon footprint. The scope of these indicators represents 97% of the Group's revenues (see Carbon Footprint: Scope & Calculation methodology for CO2 emissions section).

It is supplemented with the information presented in the Cellnex Consolidated Consolidated Financial Statements for the financial year ended 31 December 2021, the 2021 Annual Corporate Governance Report and the Annual Report on the Remuneration of Directors 2021 all publicly available on the company website. The information reported regarding total staff and taxes refers to the entire Cellnex group, unless otherwise stated.

The GRI contents that Cellnex has addressed in this report are detailed in the GRI table presented in the Annex, with the scope of information reported by each one as shown in the table, depending on whether it applies specifically to Cellnex companies in Spain, Italy, France, Switzerland, the Netherlands, the United Kingdom, Ireland, Portugal, Austria, Denmark, Sweden, Poland or to the Cellnex Group as a whole.

Additionally, 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 GRI “core” option standards 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).

Carbon Footprint: Scope & Calculation methodology for CO_2 emissions

The GHG emissions inventory of Cellnex Group has been prepared according to the ISO 14064-1:2018 standard, and GHG statements related to GHG inventories and procedures have been independently (third-party) verified following the standard ISO 14064-3:2019 achieving a limited level of assurance.

The scope of Cellnex Group carbon footprint for the year 2021 includes the following business units, that represents a 97% of the Group's revenues:

Country	Holding	Society
United Kingdom	Cellnex UK limited	Cellnex UK Consulting Limited On Tower UK
Ireland	Cellnex Ireland Limited	Cignal Infraestructure Limited On Tower Ireland Limited
Netherlands	Cellnex Netherlands B.V.	Shere Masten B.V. Alticom B.V. On Tower Netherlands, B.V. Towerlink Netherlands B.V. Cignal Infraestructure Netherlands Breedlink B.V.
France	Cellnex France Groupe S.A.S	Cellnex France, S.A.S. On Tower France S.A.S Springbok Mobility NexLoop France S.A.S.
Switzerland	Cellnex Switzerland A.G.	Swiss Towers A.G. Swiss Infra Services S.A.
Italy	Cellnex Italia SPA	Towerco, S.p.A. CK Hutchison Networks Italia
Spain	Cellnex Telecom España S.L.U.	Retevision-I, S.A.U. Tradia Telecom, S.A.U. On Tower Telecom Infraestructuras, S.A.U. Metrocall, S.A.
Corporate	Cellnex Telecom S.A. Ukkoverkot OY	Cellnex Finance Company S.A. Edzcom OY
Portugal	Cellnex Portugal S.A.	Omtel, Estruturas de Comunicaçoes, S.A. Towerlink Portugal, Unipessoal, L.D.A. On Tower Portugal, S.A.
Austria	Cellnex Austria	On Tower Austria GmbH
Denmark	Cellnex Denmark APS	On Tower Denmmark APS

Country	Holding	Society
Sweden	Cellnex Sweden AB	On Tower Sweden AB
Poland	Cellnex Poland Sp, z o.o.	On Tower Poland Sp z.o.o Towerlink Poland Sp z.o.o

Cellnex Group has been preparing their GHG emissions inventory in accordance with the International ISO 14064 Standard since 2015. In the internal procedure of the GHG emissions information management there is a summary table with the organizational and reporting boundaries included between 2015 and 2019 in Cellnex's GHG inventories.

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 GHG Protocol, Cellnex has established 2020 as the base year for GHG emissions for comparative purposes and other GHG programs requirements and intended uses. Furthermore, the 2020 carbon footprint has been recalculated according to the GHG Protocol, as there have been relevant structural and methodological changes in 2021:

- Structural changes in the reporting organization that have a significant impact on the company's base year emissions. Structural changes that include acquisitions of new companies and countries have occurred. Regarding the carbon footprint of 2020, companies from the following countries have been added to the scope in 2021: Austria, Denmark, Finland, Poland, and Sweden. In addition, the Group has also acquired a new companies in The Netherlands (also in France, but this acquisition has not been factored in the carbon footprint calculation).

- 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 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 the carbon footprint of Cellnex Group correspond to the period from January 1, 2021 to December 31, 2021. The GHG emissions inventory maintains the structure and content established by the reference standard ISO 14064-1:2018, 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. Besides, Cellnex does not present biogenic GHG emissions or removals.

To calculate the carbon footprint of Cellnex Group the approach of financial control has been considered. According to the ISO 14064-1:2018 methodology, GHG emissions have be aggregated into the following categories at the organizational 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 organization C5. Indirect GHG emissions associated with the use of products from the organizations	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 have been 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. Are considered not relevant all categories which its GHG emissions contributes less than a 5% to the global carbon footprint.

- Level of influence: the organization has the ability to monitor and reduce these emissions.

- Risk or opportunity: indirect emissions that contribute to the organization's exposure to risk or its opportunity for business.

- Sector-specific guidance: GHG emissions deemed as 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 organization, Downstream leased assets owned by the organization and Investments. These subcategories were then excluded from the 2020 GHG emissions inventory. However, due to the setting of SBT targets, in 2021 all emission categories have been considered as significant, and have been included in the carbon footprint results.

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).

Contact information

Passeig Zona Franca, 105. 08038 – Barcelona

Phone: 935 678 910

cellnex@cellnextelecom.com

www.cellnextelecom.com

Produced and compiled by:

Cellnex's Corporate & Public Affairs

8 Annexes

Annex 1. Risks

The Group has implemented a risk management model that has been approved and is monitored by the Audit and Control 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 to its competitors.
	IV)	Industry trends and technological developments may require the Group to continue investing in asset class-businesses adjacent to telecommunication towers, such as fibre, edge computing and small cells.
	V)	Spectrum is a scarce resource and it is highly dependent on politic decisions. Access may not be secured in the future, which would prevent the Group from providing its services in accordance with his plans.
	VI)	Risk related to a substantial portion of the revenue of the Group is derived from a small number of customers.
	VII)	Risk of infrastructure sharing.
	VIII)	Risk of non-execution 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 to 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 Company's significant shareholder's interests may differ from those of the Company.
Operational risks	XVI)	Risks related to the industry and the business in which the Group operates.
	XVII)	Risk of not developing 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 negatively 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 Company cannot assure that it will be able to implement its Shareholders' Remuneration Policy or to pay dividends (and even if able, that the Company 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 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, including, among others:

- Increased use of network sharing, roaming or resale arrangements by MNOs;
- 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;
- 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 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 has recently completed 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. 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, which could make the acquisition of high quality assets significantly more costly, in the current environment of low rates 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 are showing appetite towards this kind of assets. Some competitors are larger than the Group and may have greater financial resources (such as KKR), 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 Company'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, which has concluded on July 17, 2019 with the publication of Resolution approving the definition and analysis of the wholesale market for the television broadcasting transmission service (Market 18/2003) and 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 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 asset class-businesses adjacent to telecommunication towers, such as fibre, edge computing and small cells

European MNOs are apparently moving towards a less infrastructural business model, thus the share trends in the telecommunications sector are increasing, especially given the upcoming 5G technological cycle. In this context, Cellnex may need to reinforce its offer in order to meet the needs of its customers, increasingly investing in asset-class businesses adjacent 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) weak 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 be large-scale to become a relevant player in these businesses given global and local competence; (v) increased risk of overbuilding capacity affecting the price equilibrium in the market; (vi) compliance with new regulations; (vii) risk of over-paying, giving increasing valuations due to investment demand; and (viii) increased competition against players holding better operational capabilities, among others.

The Company believes it holds 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, but the investment in asset-class businesses adjacent to telecommunication towers 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 politic decisions. Access may not be secured in the future, which would prevent the Group from providing 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…), 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.

The Decision (EU) 2017/899 of the European Parliament and of the Council, of May 17, 2017, on the use of the 470-790 MHz frequency band in the Union sets up the spectrum usage until 2030 (the so-called "second Digital Dividend"). As a consequence, the Spanish government published on June 21, 2019 the 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" was passed. This Royal Decree regulates how the 700 MHz band will be liberalized and how the radio-electric channels and the new digital MUXs will be distributed among the Spanish Public Radio and Television Corporation and other license holders, obligations of minimum range of reception and the technical specifications that the television services have to meet. The current number of MUXs (and their coverages) on the sub 700MHz band will be maintained, as well as the offer of DTT channels. This Royal Decree also states that the DTT service will be offered in the sub-700 MHz band and that the 700 MHz band shall not be used by audiovisual communication service providers by June 30, 2020, in order to make it available for the 5G mobile services from that date onwards. The Royal Decree further establishes that the sub-700 MHz will continue to be used for television broadcasting until, at least, 2030. On the same date and on October 11, 2019, respectively, the Spanish government approved the Royal Decree 392/2019 and the Royal Decree 579/2019, which regulate the granting of subsidies to compensate certain costs related to television audiovisual communication services, as a consequence of the implementation of the liberalization of the "second Digital Dividend". Also, on 28 July 2020, the Spanish government approved the Royal Decree 706/2020 and the Royal Decree 707/2020, which regulate the granting of additional direct subsidies for that same purpose of compensating the costs related to the liberalization of the "second Digital Dividend.

Due to the sanitary crisis caused by the Coronavirus Pandemic, the Spanish government declared the state of emergency by means of Royal Decree 463/2020, of 14 March. In this context, the government decided to postpone (not suspend) the execution of the pending phases for the implementation of the liberalization of the "second Digital Dividend". The Ministry of Economic Affairs and Digital Transformation, in a press note released on March 30, 2020, has explained that the above measure has been communicated to the European Commission. Notwithstanding the above, due to the ending of the state of emergency on 21 June 2020, the Spanish Council of Ministers of 23 June 2020 agreed on 31 October 2020 as the new deadline for the implementation of the liberalization of the "second Digital Dividend", which was duly complied and the liberalization has been completed. On 15 December 2020, the Spanish government launched a public consultation, which ended on 17 January 2021, on the conditions to apply to the 5G frequency auction process.

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.

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.

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 its 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 the 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. Further, the Group is exposed to constant renegotiation and renewal processes of its contracts with its customers, 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. 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, 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 mis-match 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. Land-aggregators, intermediaries that act on behalf of relevant land portfolios to extract value through amending terms with lessees may pressure the Group's ability to secure this primary resource at reasonable terms, should they increase their relevance in the markets where Cellnex is present. 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, 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.

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 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. These two scenarios could materially and adversely affect revenues from the Group's wireless infrastructure and its commercial prospects.

In addition, customer -consolidation may result in a reduction in their total future capital expenditures because their expansion plans may be similar. Both MNOs' and 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 with anchor customers may include agreements by which the parties agree further acquisitions or construction of infrastructures over a defined period or acquisition or construction of a maximum number of infrastructures. Such framework 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, framework agreements with anchor customers may include the unilateral right to dismiss a low-digit percentage of the total sites (respiration rate clause) per year.

If these circumstances occurred, 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.

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). Since Cellnex's ordinary shares (the "Shares" or individually, a "Share") were admitted to listing on the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges (the "Spanish Stock Exchanges") in May 2015 and until the date of this Consolidated Management Report, the Group has entered into numerous transactions.

This growth strategy has contributed to the Group's accounting losses in recent years and exposes the Group to operational challenges and risks, such as the need to identify potential acquisition opportunities on favorable 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, liabilities are recorded for prudency reasons). 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 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 framework agreements may or may not be wholly implemented, due to a potential integration or consolidation of the Group's customers or due to a change in their business strategy or to the impact of the Coronavirus Pandemic, among others. In addition, 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. 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 agreements with third-party suppliers or the customers that will use the new infrastructures, that may be impacted by raw materials increase, and so the Group relies on third parties to effectively execute its contractual obligations. 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, analyzes 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 effected to account for potential changes in the perimeter of the target, or may fail to successfully effect them, 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 growth through acquisitions strategy (including due to the lack of suitable acquisitions, the failure to negotiate and agree acceptable purchase 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 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 (for example, by having one or more MNOs as a significant shareholder represented in the Board of Directors and other governance bodies of Cellnex) 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. 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 (in the current low interest rate business environment and 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 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 labor (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 growth strategy (or M&A pipeline) and there is no guarantee that the Group will be successful in identifying such acquisitions or making any investments in a timely manner or at all. Generally, if the Group cannot identify, implement or integrate attractive acquisition opportunities on favorable 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 internationalization 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 and the United Kingdom represent a significant portion of the operating income of the Group, therefore especially exposing it to risks affecting these countries. In addition the Group has increased its presence in France after the completion of the Hivory Acquisition and will increase its presence in the United Kingdom, following completion of the CK Hutchison Holdings Transaction in respect of United Kingdom, and therefore will also increase its exposure to risks affecting those countries.

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 and where the Group (in particular, in those countries where there are customers which represent a significant portion of the operating income of the Group).

This may be further accentuated by a potential recession in the markets where the Group operates and in others as a result of the coronavirus COVID-19 pandemic (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 the accompanying Consolidated Management Report (in particular, in those countries where there are customers which represent a significant portion of the operating income of the Group). The uncertainty surrounding the Coronavirus Pandemic and its effects on the global economy, as of the accompanying Consolidated Management Report, are expected to significantly impact global growth in future periods, due to the restriction or suspension of production, operational and business activities, disruptions to travel and transportation and adverse impacts on labor supply affecting both supply and demand chains. 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 Coronavirus Pandemic could, among other effects, also depress the value of the Group's assets and investments, limit the Group's ability to finance its future operations and capital needs, disrupt the Group's supply chain, generate or lead to deflation (reducing the revenue of the Group in the future, considering that most of the Group's contracts with customers are inflation-linked), disrupt the Group's growth plans and increase the likelihood and/or magnitude of other risks described in this Consolidated Management Report. While the Group's business activity has remained largely unaffected by 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, the Group could 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. 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 spread and effects of 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.

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 which represent a significant portion of the operating income of the Group). Also, changes in the international financial markets' conditions as a result of 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 which represent 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 European Union, 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 European Union 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 January 31, 2020 ("Brexit"). Prior to that, on January 24, 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 December 31, 2020, during which time the United Kingdom continued to benefit from, and was bound by, many EU laws. On December 24, 2020, the EU and the United Kingdom entered into three agreements setting out the terms of their future relationship. These are the Trade and Cooperation Agreement, the Agreement on Nuclear Cooperation, and the Agreement on Security Procedures for Exchanging and Protecting Classified Information, each of which applies provisionally until formally ratified by both parties. 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. As of the date of the accompanying Consolidated Management Report, the application of the Trade and Cooperation Agreement is unclear and its effect on the United Kingdom economy and markets is unknown. In addition, while domestic law derived from EU law, EU law directly applicable in the United Kingdom, and EU rights, powers, liabilities and obligations recognized and available in the United Kingdom, in each case immediately before December 31, 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 (which will be further increased upon completion of the CK Hutchison Holdings Transaction in respect of 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. Conversely, in a high rates scenario, 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 installments are generally uncapped, which would negatively impact the Group's business, prospects, results of operations, financial condition and cash flows.

Moreover, 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. Also, in these contracts, some customers may not be able to afford the inflation impact and could target to renegotiate terms. In addition, 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 spread and effects of 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 acquistion 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 expansion plans, business, prospects, results of operations, financial condition and cash flows. Additionaly, liabilities and defects may emerge that are hidden or unknown at the time of the execution of any agreement.

Prior to entering into any agreements, 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, labor, 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 failed 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 from an operational perspective

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 both 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 Company's shares, prospects, results of operations, financial condition and cash flows.

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 efficiently, this could result in a loss of market share and of key customers, 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 Company has full control over certain subsidiaries in which shareholders are holders of a minority investment. As of 31 December 2021, the Group subsidiary with the highest percentage of minority shareholders was On Tower Poland (see Note 14.f of the accompanying consolidated financial statements).

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 Company 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 10% of Swiss Infra 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.

In relation to the agreement between Cellnex and Illiad, S.A. to purchase the 70% of On Tower France, Cellnex France and Iliad, S.A., as shareholders of On Tower France, entered into a shareholders' agreement, as amended on 22 December 2021, which sets out the conditions for Iliad, S.A.'s right to sell its 30% (and not less than 30%) non-controlling interest in On Tower France to Cellnex France Groupe, at a price to be calculated pursuant to said agreement, which is expected to be very inflationary as happened with the acquisition of the additional 10% of Swiss Infra. According to the shareholders agreement terms, as of 31 December 2021 and 2020, Cellnex France Groupe has the right, but not the obligation to purchase this non-controlling interest, and therefore, no liability has been recorded in the accompanying consolidated balance sheet. Moreover, in relation to the Iliad Poland SHA, it sets forth the conditions for Iliad Purple's right to sell (i) a 10% (and not less than 10%) of the share capital and voting rights of On Tower Poland to Cellnex Poland during a 30-day period following the first anniversary of the Iliad Poland Completion Date; and (ii) 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, which is expected to be very inflationary as happened with the acquisition of the additional 10% of Swiss Infra. According to the shareholders agreement terms, as of 31 December 2021, 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 2021. These situations will be revaluated in subsequent reporting periods, especially considering the facts described in Note 26 of the accompanying consolidated financial statements.

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 areas 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 Company's significant shareholder's interests may differ from those of the Company

As of the date of the 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 5% of the share capital.

Cellnex's principal 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 trunked 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 according to IPPC (SBTi)), as well as with our stakeholders and society in general.

The company 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 company'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.

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, 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. 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 Group. 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.

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 mis-match in the maturities of both contractual relationships which could prevent the Group from succesfully 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. As such, some infrastructures linked to the broadcasting business are subject to the contract renewal conditions set at the time when the company CTTI was privatized and contributed assets to Cellnex's subsidiary Tradia. The duration of the contract is 35 years, distinguishing a mandatory period of 25 years until February 10, 2025 subject to be renewed for an additional period of 10 additional years if Cellnex has fulfilled its financial rent obligations to date, the maintenance of such infrastructure is adequate and there is reserved space in favor of CTTI.

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 programmeto 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 other key employees. The loss of any of its key senior executives, especially if lost to a competitor, could have an adverse effect on its business unless and until a replacement is found. The Group may not be able to locate or employ qualified executives on acceptable economic terms. Moreover, if the relationship with one or more of the Group's key employees ends for any reason, there is no assurance that the Group will be able to replace them in the short term with people of comparable experience and qualifications. Any material delay in replacing such individuals may have an adverse effect on the public perception of the strength of the Group's business, prospects, results of operations, financial condition and cash flows. 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. Demand for these persons is intense and the Group may not be able to successfully recruit, train or retain qualified managerial personnel, especially in new markets where the Group may operate.

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.

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 Company's existing suppliers and such competitors may obtain more favorable 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 favorable 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.

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 some instances, the contracts for services may be cancelled under certain circumstances by the customer at short notice without penalty.

It should be noted that the first renewals of the Telecom Infrastructure Services contracts will take place in 2022 and 2023, being Telefónica (as defined herein) the customer of the relevant contract. In addition, contracts with mayor customers in the Broadcasting Infrastructure segment will face a new cycle of renewals in the following years with most of its customers. The termination of the contracts ("churn") with mayor 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 S.p.A. ("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% and of -15% to +5% for Wind Tre. In addition, 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. In the case of "engineering services", that are pre-agreed and associated to incremental fees may be phased over a longer than expected period of time, reduced or even cancelled, seriously affecting the management's estimate of contracted revenues over time. Even where a project proceeds as scheduled, it is possible that the client may default and fail to pay amounts owed to the Group. Delays, payment defaults or 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 francs, the Danish krone, the Swedish krone and the Polish zloty may have negative consequences on the Group, affecting its overall performance, business, results in operations, financial condition, and/or 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.

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 9 of the accompanying consolidated financial statements).

As of 31 December 2021 and 2020 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.

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.

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 c. EUR 8.7 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

Despite a long period of historically low inflation, there is no assurance that inflation may not increase as a result of among others. 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.

XXVIII) Risk 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, including:

- Placing the Group at a possible competitive disadvantage to less leveraged competitors and competitors that may have better access to capital resources, including with respect to acquisitions and forcing the Group to forego certain business opportunities;
- Requiring the dedication of a substantial portion of cash flow from operations to service the debt, thereby reducing the amount of cash flow available for other purposes, including, among others, capital expenditures and dividends;
- Requiring the Group to issue debt or equity securities or to sell some of its core assets, possibly not on the best terms, to meet payment obligations;
- Accepting financial covenants in the financing contracts such as: debt limitation, minimum cash restriction, or pledge of assets;
- A potential downgrade from a rating agency, which can make obtaining new financing more difficult and expensive; and
- Requiring the Group to early repay the outstanding debt in the event that the relevant change of control clause is triggered.

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.

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.

XXIX) The Company cannot assure that it will be able to implement its Shareholders' Remuneration Policy or to pay dividends (and even if able, that the Company 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 Company's Shareholders' 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 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 Company in any financial year, any limitations to the distribution of dividends included in the Company's financing agreements and the Company's growth strategy. In the future, the 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 Company to be able to do so. Even if the Company does have adequate cash and reserves, the 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 Company's ability to distribute dividends at all, depends on the same circumstances and factors and even if the Company does have adequate cash and reserves, the Company's shareholders and Board of Directors may choose not to distribute dividends at all.

Consequently, the Company cannot assure that it will pay a dividend in the future in compliance with the Company's Shareholders' 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. Moreover, in relation with the consideration for the CK Hutchison Holdings Transaction in respect of the United Kingdom that is expected to be partially settled upon closing partly in cash and partly by the issue to Hutchison of new Shares and (if applicable) the transfer to Hutchison of treasury Shares, if as a result of a takeover bid prior to closing of such transaction a third party (alone or in concert with another person) acquires the majority of the votes in Cellnex, instead of delivering Shares, Cellnex shall procure that Hutchison receives at completion such equivalent consideration as Hutchison would have received had it been a shareholder of Cellnex at the time of the takeover bid (see Note 21 of the accompanying consolidated financial statements). 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), at a discount to fair market value 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%.

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). In addition, 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.

On the other hand, the bonds issued under the EMTN Programme, the Convertible Bonds, the Guaranteed EMTN Programme (see note 15 of the accompanying consolidated financial statements) and the bank financing contracts of the Group include certain change of control clauses which 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"). These asset buy back options will be executed at a price below fair market valuation. 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 2021, 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.cellnextelecom.com/en/investor-relations/7838-2/).
- Supplement to the informative prospectus for the sale and admission to trading of shares of Cellnex Telecom, S.A.U. (https://www.cellnextelecom.com/en/investor-relations/7838-2/).
- Prospectus March 2019 Capital Increase (https://www.cellnextelecom.com/content/uploads/2019/05/Prospectus-Capital-Increase.pdf)
- Prospectus October 2019 Capital Increase (https://www.cellnextelecom.com/content/uploads/2019/10/Prospectus-Capital-Increase.pdf)
- Prospectus July 2020 Capital Increase (https://www.cellnextelecom.com/en/capital-increase-july-2020-2/)
- Prospectus March 2021 Capital Increase (https://www.cellnextelecom.com/en/2021-capital-increase-proposal/)
- Debt Programs (https://www.cellnextelecom.com/en/investor-relations/debt-programs/)
- Universal Registration Document (https://www.cellnextelecom.com/en/investor-relations/emisiones-y-opas/).
- Euro Medium Term Note Program (EMTN) Base Prospectus (https://www.cellnextelecom.com/en/investor-relations/emisiones-y-opas/).
- Euro-Commercial Paper Programme (https://www.cellnextelecom.com/en/investor-relations/emisiones-y-opas/).
- Report of the Board of Directors on Convertible Bonds (https://www.cellnextelecom.com/en/investor-relations/emisiones-y-opas/).
- Auditor's Report on Convertible Bonds (https://www.cellnextelecom.com/en/investor-relations/emisiones-y-opas/)
- Ratings Rating Agencies (https://www.cellnextelecom.com/en/rating-eng/).
- Corporate Policies (https://www.cellnextelecom.com/)
- Press releases (https://www.cellnextelecom.com/en/press-room/news/)

- Relevant Facts (https://cellnextelecom.com/en/investor-relations/relevant-facts/).
- Results Presentations (https://www.cellnextelecom.com/en/investor-relations/quaterly-results/).
- Annual/half-yearly consolidated financial statements and Annual Governance Report (https://www.cellnextelecom.com/en/investor-relations/annual-report/).
- Corporate Bylaws of Cellnex Telecom S.A. which can be found in the Commercial Registry of Barcelona.
- Comisión Nacional del Mercado de Valores ("CNMV") website (https://www.cnmv.es/portal/home.aspx).
- Cellnex Telecom website (https://www.cellnextelecom.com/en/)
- 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

Legal content (Law 11/2018)	Materiality	Equivalent GRI content (2016 Version if not stated otherwise)	Section of the Integrated Annual Report 2021 and/or direct response	Page number of the Integrated Annual Report 2021
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	GRI 102-1 GRI 102-2 GRI 102-3 GRI 102-4 GRI 102-6 GRI 102-7 GRI 102-14	1. CELLNEX: European leader in telecommunications infrastructure / Business model 2. GOVERNANCE – Showing what we are, acting with integrity • Corporate governance / Corporate governance • Context and business development • Business perspective • Investors relationships / Market figures: Cellnex on the stock market 3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees	17-31 90-104 117-150 151-152 153-156 164-167
Reporting framework used	Material	GRI 102-54	This report has been prepared in accordance with the Essential option of the GRI Standards	
Materiality	Material	GRI 102-46 GRI 102-47	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / Materiality	51-53
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	GRI 103-2 regarding the management approach for each area within the Economic, Environmental and Social dimensions	2. GOVERNANCE – Showing what we are, acting with integrity/ Corporate governance • Corporate governance • Global Management System ◦ Risk Management ◦ Quality and certifications • Context and business development / Sustained creation of value / Cellnex's tax contribution • Investors relationships: ◦ Market figures: Cellnex on the Stock market / Shareholder remuneration ◦ Shareholders 3. PEOPLE – Boosting our talent, being diverse and inclusive • Commitment to our employees ◦ People management / Work-life balance and flexibility ◦ Culture / Empowering our talent by being diverse and inclusive • Work Health and safety 5. ENVIRONMENT – Growing with a long-term sustainable environmental approach • Responsible environmental management • Sustainable use of resources / Energy management • Carbon footprint and climate change 6. VALUE CHAIN – Extending our commitment to the value chain • Customer / Information Security • Suppliers / Cellnex Supply Chain and Engagement with suppliers	90-104 106-110 111-115 117-132 153-155 156 195 169-181 199-205 230-231 239-242 245-249 260-262 263-270
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	GRI 102-15	2. GOVERNANCE – Showing what we are, acting with integrity / Global Management System/ Risk Management 4. SOCIETY – Being a facilitator of social progress / Cellnex Socioeconomic impact 5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Management and follow up of main risks, opportunities and environmental impacts 8. Annexes / Annex 1. Risks	106-110 224-227 232-238 280-313

Legal content (Law 11/2018)	Materiality	Equivalent GRI content (2016 Version if not stated otherwise)	Section of the Integrated Annual Report 2021 and/or direct response	Page number of the Integrated Annual Report 2021
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	GRI 102-15	2. GOVERNANCE – Showing what we are, acting with integrity / Global Management System/ Risk Management 5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Management and follow up of main risks, opportunities and environmental impacts 8. Annexes / Annex 1. Risks	106-110 232-238 280-313
		GRI 103-2	1. CELLNEX: European leader in telecommunications infrastructure / Present context / Exposure to electromagnetic fields 2. GOVERNANCE – Showing what we are, acting with integrity / Global Management System/ Quality and certifications 5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Responsible environmental management	77-80 111-115 230-231
Resources dedicated to the prevention of environmental risks.	Material	GRI 102-15	2. GOVERNANCE – Showing what we are, acting with integrity / Global Management System/ Risk Management 5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Management and follow up of main risks, opportunities and environmental impacts 8. Annexes / Annex 1. Risks	106-110 232-238 280-313
The application of the precautionary principle, the amount of provisions and guarantees against environmental risks.	Material	GRI 102-11	Cellnex has environmental liability insurance in accordance with current legislation and a provision of 67,198 euros in 2021 (60,000 euros in 2020). Note 20 of the Annual Consolidated Accounts 2. GOVERNANCE – Showing what we are, acting with integrity / Context and business evolution / Sustained value creation / Cellnex's tax contribution 5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Management and follow up of main risks, opportunities and environmental impacts	132-133 232-238
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.	Material	GRI 103-2 GRI 302-4 GRI 305-5	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach • Responsible environmental management • Sustainable use of resources • Carbon footprint and climate change	230-231 239-244 245-249
Circular economy and prevention and waste managements				
Waste: Prevention, recycling, reuse, other forms of recovery and waste disposal.	Not material	GRI 306-2 (2020)	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Sustainable use of resources / Management of other resources • Waste management • Life Cycle Assessment (LCA) of Telecommunications Infrastructure Services (TIS)	243 243-244
Actions to fight food waste	Not material	-	Cellnex considers this matter as non-material	
Sustainable use of resources				
Water consumption and water supply according to local limitations	Not material	GRI 303-1 (2018) GRI 303-2 (2018) GRI 303-5 (2018)	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Sustainable use of resources / Management of other resources / Water consumption Annex 6. KPI tables	242 350
Consumption of raw materials and the measures adopted to improve the efficiency of their use.	Not material	-	Cellnex considers this matter as non-material	
Consumption, direct and indirect, of energy.	Material	GRI 302-1 GRI 302-2	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Sustainable use of resources / Energy management Annex 6. KPI tables	239-242 345-346
Measures taken to improve energy efficiency.	Material	GRI 302-4	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Sustainable use of resources / Energy management	239-242
Use of renewable energies	Material	GRI 302-1	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Sustainable use of resources / Energy management	239-242

Legal content (Law 11/2018)	Materiality	Equivalent GRI content (2016 Version if not stated otherwise)	Section of the Integrated Annual Report 2021 and/or direct response	Page number of the Integrated Annual Report 2021
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	GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Carbon footprint and climate change Annex 6. KPI tables	245-249 347-349
The measures adopted to adapt to the consequences of Climate Change.	Material	GRI 102-11 GRI 102-15	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Management and follow up of main risks, opportunities and environmental impacts	232-238
The reduction goals established voluntarily in the medium and long term to reduce greenhouse gas emissions and the means implemented for that purpose.	Material	GRI 305-5	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Carbon footprint and climate change / Science-Based Targets (SBT) Initiative	248-249
Biodiversity				
The measures taken to preserve or restore biodiversity.	Not material	GRI 103-2	5. ENVIRONMENT – Grow with a long-term sustainable environmental approach / Biodiversity	250-253
Impacts caused by activities or operations in protected areas.	Not material	GRI 304-1 GRI 304-2	5. ENVIRONMENT – Grow with a long-term sustainable environmental approach / Biodiversity	250-253
Social issues and related to employees				
Employment				
Total number and distribution of employees by sex, age, country and professional category.	Material	GRI 102-8 GRI 405-1.b	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees Annex 6. KPI tables	164-165 334-339
Total number and distribution of work contract modalities.	Material	GRI 102-8	Annex 6. KPI tables	334-339
Annual average of permanent, temporary and part-time contracts by sex, age and professional category	Material	GRI 102-8 GRI 405-1.b	Annex 6. KPI tables	334-339
Number of dismissals by sex, age and professional classification.	Material	GRI 401-1.b	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees Annex 6. KPI tables	164-165 334-339
The average remunerations and their evolution disaggregated by sex, age and professional classification or equal value.	Material	GRI 405-2	Annex 6. KPI tables	340-341
Salary gap, the remuneration of equal or average positions in the company	Material	GRI 405-2	Annex 6. KPI tables	340-341
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	GRI 102-35 GRI 102-36 GRI 102-37 GRI 102-38 GRI 102-39	Annual Report on Remuneration of the Directors of Cellnex Telecom 2021 (Annex 10) Section C of the 2021 Annual Corporate Governance Report (Annex 11) 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 88.59 in 2021 (in 2020 it was 65.85). The variation in the average remuneration of the Group in relation to the year 2020 was -7,70% (-2.6% in the previous period) and the variation in the remuneration of the CEO was 23.8% (-21% in the previous period). The changes correspond to the total remuneration accrued, excluding contributions to pension funds and life insurance premiums.	
Implementation of labour disconnection measures.	Material	GRI 103-2	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / People management / Work-life balance and flexibility	195
Employees with disabilities	Material	GRI 405-1.b	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees	165
Work organisation				
Organisation of working time	Material	GRI 103-2	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / People management / Work-life balance and flexibility	195
Number of hours of absenteeism.	Material	GRI 403-9 (2018)	3. PEOPLE – Boosting our talent, being diverse and inclusive / Work Health and safety / Accident rate and absenteeism Annex 6. KPI tables	205 344
Measures designed to facilitate the enjoyment of conciliation and encourage joint responsibility of these by both parents	Material	GRI 103-2	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / People management / Work-life balance and flexibility	195
Health and safety				
Conditions of health and safety at work.	Material	GRI 403-1 a GRI 403-8 (2018)	3. PEOPLE – Boosting our talent, being diverse and inclusive / Work Health and safety	199-205

Legal content (Law 11/2018)	Materiality	Equivalent GRI content (2016 Version if not stated otherwise)	Section of the Integrated Annual Report 2021 and/or direct response	Page number of the Integrated Annual Report 2021
Work accidents, in particular their frequency and seriousness, occupational diseases, disaggregated by sex.	Material	GRI 403-9 (2018) GRI 403-10 (2018)	3. PEOPLE – Boosting our talent, being diverse and inclusive / Work Health and safety / Accident rate and absenteeism Annex 6. KPI tables	205 343-344
Social relations				
Organisation of social dialogue, including procedures for informing and consulting staff and negotiating with them.	Material	GRI 402-1	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / People management / Social dialogue	197-198
Percentage of employees covered by collective agreement by country.	Material	GRI 102-41	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / People management / Collective agreements Annex 6. KPI tables	196-197 337
Balance of collective agreements, particularly in the field of health and safety at work.	Material	GRI 403-1 (2018) GRI 403-4 (2018)	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / People management / Collective agreements	196-197
Training				
The policies implemented in the field of training	Material	GRI 404-2	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / Talent / Training	194
The total amount of training hours by professional categories.	Material	GRI 404-1	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / Talent / Training Annex 6. KPI tables	194 342
Accessibility				
Universal accessibility for people with disabilities	Material	GRI 103-2	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees	165
Equality				
Measures taken to promote equal treatment and opportunities between men and women.	Material	GRI 103-2	3. PEOPLE – Promoting our talent, being diverse and inclusive / Commitment to our employees / Culture / Empowering our talent by being diverse and inclusive / Equality Plan and Harassment and discrimination Protocol	180-181
Equality plans, measures adopted to promote employment, protocols against sexual and gender-based harassment, integration and the universal accessibility of people with disabilities.	Material	GRI 103-2	3. PEOPLE – Promoting our talent, being diverse and inclusive / Commitment to our employees / Culture /Empowering our talent by being diverse and inclusive / Equality Plan and Harassment and discrimination Protocol	180-181
The policy against all types of discrimination and, where appropriate, management of diversity	Material	GRI 103-2	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / Culture / Empowering our talent by being diverse and inclusive	169-181
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	GRI 102-16 GRI 102-17	2. GOVERNANCE – Showing what we are, acting with integrity / Global Management System/ Cellnex's Commitment to Human Rights	115-116
Complaints about cases of violation of human rights.	Material	GRI 406-1	2. GOVERNANCE – Showing what we are, acting with integrity / Global Management System/ Cellnex's Commitment to Human Rights	115-116
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	GRI 408-1 GRI 409-1	2. GOVERNANCE – Showing what we are, acting with integrity / Global Management System/ Cellnex's Commitment to Human Rights 3. PEOPLE – Boosting our talent, being diverse and inclusive / Work Health and safety	115-116 199-205
Anti-corruption and anti-brivery				
Measures taken to prevent corruption and bribery.	Material	GRI 102-16 GRI 102-17 GRI 205-2	2. GOVERNANCE – Showing what we are, acting with integrity / Corporate governance / Ethics and regulatory compliance 6. VALUE CHAIN – Extending our commitment to the value chain • Customers / Responsibility to the customer: focus and performance • Suppliers / Cellnex Supply Chain and Engagement with suppliers Annex 1. Risks	99-104 256-257 263-270 280-313
Measures to combat money laundering.	Material	GRI 205-3	2. GOVERNANCE – Showing what we are, acting with integrity / Corporate governance / Ethics and regulatory compliance	99-104

Legal content (Law 11/2018)	Materiality	Equivalent GRI content (2016 Version if not stated otherwise)	Section of the Integrated Annual Report 2021 and/or direct response	Page number of the Integrated Annual Report 2021
Contributions to foundations and non-profit entities.	Material	GRI 201-1 GRI 413-1	In 2021, the total contribution to sponsorship activities or events by Cellnex Telecom was €217,296 euros (€324,382 in 2020), the total contribution to associations of which Cellnex is a member was €799,523 (€355,283.18 in 2020) and the total of Donations was 2,692,660€.	
Society				
Commitments of the company to sustainable development				
The impact of society's activity on employment and local development.	Material	GRI 203-1 GRI 413-1	1. CELLNEX: European leader in telecommunications infrastructure • Sustainable Development Goals • Present context • Innovation 4. SOCIETY – Being a facilitator of social progress / Cellnex Socioeconomic impact	68-71 72-80 81-87 224-227
The relationships maintained with the actors of the local communities and the modalities of dialogue with them	Material	GRI 102-43 GRI 413-1	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision • ESG Master Plan • Stakeholders 2. GOVERNANCE – Showing what we are, acting with integrity / Investor Relations 4. SOCIETY – Being a facilitator of social progress / Social contribution • Commitment to society • Cellnex collaboration with society • Cellnex Foundation	54-58 59-67 153-161 208-214 214-215 215-223
The association or sponsorship actions.	Material	GRI 102-12 GRI 102-13	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / Stakeholders 4. SOCIETY – Being a facilitator of social progress / Social contribution • Commitment to society • Cellnex collaboration with society • Cellnex Foundation In 2021, the total contribution to sponsorship activities or events by Cellnex Telecom was €217,296 euros (€324,382 in 2020), the total contribution to associations of which Cellnex is a member was €799,523 (€355,283.18 in 2020). The contribution to Tallon Boury & Associés has been €55.134.79 in 2021 (€71,625.36 in 2020), to Mayer Brown €21,000 (€21,000 in 2020), to Kauffman €63,000 (€128,000 in 2020), to Brunswick €112,000 (€98,659.79 in 2020), to Utopia €60,000 euros (€60,000 in 2020), to Hill+Knowlton Strategies €94,815.90 (€54,439.19 in 2020).	59-67 208-214 214-215 215-223
Subcontracting and suppliers				
The inclusion in the purchasing policy of social issues, gender equality and environmental issues. Consideration in relations with suppliers and subcontractors of their social and environmental responsibility.	Not material	GRI 102-9 GRI 308-1 GRI 308-2 GRI 414-1 GRI 414-2	6. VALUE CHAIN – Extend our commitment to the value chain / Suppliers • Cellnex Supply Chain and Engagement with suppliers • Supplier evaluation, selection and monitoring	263-270 271
Supervision systems and audits and their results.	Not material	GRI 103-2	6. VALUE CHAIN – Extend our commitment to the value chain / Suppliers / Supplier evaluation, selection and monitoring	271
Consumers				
Measures for the health and safety of consumers.	Not material	GRI 103-2	6. VALUE CHAIN – Extend our commitment to the value chain / Customers • Responsibility to customer: focus and performance • Customer Service • Customer Engagement • Information Security	256-257 257-259 259-260 260-262
Claims systems, complaints received and resolution of them.	Material	GRI 103-2 GRI 418-1	6. VALUE CHAIN – Extend our commitment to the value chain / Customers • Responsibility to customer: focus and performance • Customer Service • Customer Engagement • Information Security	256-257 257-259 259-260 260-262

Legal content (Law 11/2018)	Materiality	Equivalent GRI content (2016 Version if not stated otherwise)	Section of the Integrated Annual Report 2021 and/or direct response	Page number of the Integrated Annual Report 2021
Tax information				
Benefits obtained country by country	Material	GRI 207-4 (2019)	2. GOVERNANCE – Showing what we are, acting with integrity • Context and business development • Business perspective	117-150 151-152
Taxes paid on benefits.	Material	GRI 207-1 (2019)	2. GOVERNANCE – Showing what we are, acting with integrity • Context and business development • Business perspective	117-150 151-152
		GRI 207-4 (2019)	This information is provided in detail in the Consolidated Annual Accounts	
Public subsidies received.	Material	GRI 201-4	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 2021	Page number of the 2021 Integrated Annual Report and/or direct response
The proportion of Taxonomy-eligible and Taxonomy 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	2. GOVERNANCE – Showing what we are, acting with integrity / Context and business development / EU Taxonomy Annex 7. EU Taxonomy	134-147 356-360
The proportion of Taxonomy-eligible and Taxonomy non-eligible economic activities in the total investments in fixed assets (CapEx)	Material		2. GOVERNANCE – Showing what we are, acting with integrity / Context and business development / EU Taxonomy Annex 7. EU Taxonomy	134-147 356-360
The proportion of Taxonomy-eligible and Taxonomy non-eligible economic activities in the operating expenses (OpEx)	Not material		-	-
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	2. GOVERNANCE – Showing what we are, acting with integrity / Context and business development / EU Taxonomy Annex 7. EU Taxonomy	134-147 356-360

Annex 4. GRI Content Index

GRI Standard	Content	Section of the Integrated Annual Report 2021 and/or direct response	Page number of the Integrated Annual Report 2021	Omissions
GENERAL INDICATORS				
GRI 102 GENERAL DISCLOSURES 2016				
ORGANIZATIONAL PROFILE				
102-1	Name of the organisation	Cellnex Telecom, S.A.		
102-2	Activities, brands, products and services	1. CELLNEX: European leader in telecommunications infrastructure / Business model	17-31	
102-3	Location of headquarters	Juan Esplandiú, 28007 Madrid		
102-4	Location of operations	1. CELLNEX: European leader in telecommunications infrastructure / Business model / Geographical presence and portfolio	32-37	
102-5	Ownership and legal form	Cellnex Telecom, S.A.		
102-6	Markets served	1. CELLNEX: European leader in telecommunications infrastructure / Business model • Business model and value chain • Services • Geographical presence and portfolio	17-21 22-31 32-43	
102-7	Size of the organisation	2. GOVERNANCE – Showing what we are, acting with integrity • Context and business development • Business perspective • Investors relations / Market figures: Cellnex on the stock market 3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees	117-150 151-152 153-155 164-165	
102-8	Information about employees and other workers	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees Annex 6. KPI tables	164-165 336-337	
102-9	Organisational structure, value chain, supply chain	1. CELLNEX: European leader in telecommunications infrastructure / Business model • Business model and value chain • Services 6. VALUE CHAIN – Extending our commitment to the value chain / Suppliers / Cellnex Supply Chain and Engagement with suppliers	17-21 22-31 263-270	
102-10	Significant changes in the organisation and its supply chain	1. CELLNEX: European leader in telecommunications infrastructure / Business model / Geographical presence and portfolio / Significant events in 2021 2. GOVERNANCE – Showing what we are, acting with integrity/ • Context and business development • Business perspective	37-40 117-150 151-152	
102-11	Precautionary principle or approach	Cellnex has environmental liability insurance in accordance with current legislation and a provision of 67,198 euros in 2021 (60,000 euros in 2020). Note 20 of the Consolidated Annual Accounts 2. GOVERNANCE – Showing what we are, acting with integrity / Context and business development / Sustained value creation / Cellnex tax contribution 5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Management and follow up of main risks, opportunities and environmental impacts	132-133 232-238	
102-12	External initiatives	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / Stakeholders 4. SOCIETY – Being a facilitator of social progress / Social contribution • Commitment to Society • Cellnex working with society • Cellnex Foundation	59-67 208-214 214-215 215-223	

GRI Standard	Content	Section of the Integrated Annual Report 2021 and/or direct response	Page number of the Integrated Annual Report 2021	Omissions
102-13	Membership of associations	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / Stakeholders	59-67	
		In 2021, the total contribution to sponsorship activities or events by Cellnex Telecom was €217,296 euros (€324,382 in 2020), the total contribution to associations of which Cellnex is a member was €799,523 (€355,283.18 in 2020). The contribution to Tallon Boury & Associés has been €55.134.79 in 2021 (€71,625.36 in 2020), to Mayer Brown €21,000 (€21,000 in 2020), to Kauffman €63,000 (€128,000 in 2020), to Brunswick €112,000 (€98,659.79 in 2020), to Utopia €60,000 euros (€60,000 in 2020), to Hill+Knowlton Strategies €94,815.90 (€54,439.19 in 2020).		
STRATEGY				
102-14	Declaration of senior executives responsible for decision-making	Interview with the Chairman and the CEO	5-11	
		2. GOVERNANCE – Showing what we are, acting with integrity / Corporate Governance	90-104	
102-15	Main impacts, risks and opportunities	2. GOVERNANCE – Showing what we are, acting with integrity / Global Management System / Risk Management	106-110	
		4. SOCIETY – Being a facilitator of social progress / Cellnex Socioeconomic impact	224-227	
		5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Management and follow up of main risks, opportunities and environmental impacts	232-238	
		8. Annexes / Annex 1. Risks	280-313	
ETHICS AND INTEGRITY				
102-16	Values, principles, standards, and norms of behaviour	2. GOVERNANCE – Showing what we are, acting with integrity / Corporate Governance / Ethics and regulatory compliance	99-104	
102-17	Mechanisms for assessment and complaint of ethical conduct	2. GOVERNANCE – Showing what we are, acting with integrity / Corporate Governance / Ethics and regulatory compliance	99-104	
GOVERNANCE				
102-18	Governance structure	2. GOVERNANCE – Showing what we are, acting with integrity / Corporate Governance	90-99	
102-19	Delegation of authority	2. GOVERNANCE – Showing what we are, acting with integrity / Corporate Governance	90-99	
		Section C of the 2021 Annual Corporate Governance Report (Annex 11)		
102-20	Executive responsibility for economic, environmental and social matters	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / ESG Master Plan	55-59	
		2. GOVERNANCE – Showing what we are, acting with integrity / Corporate Governance / Corporate Governance	90-99	
		Section H of the 2021 Annual Corporate Governance Report (Annex 11)		
102-21	Consultation with stakeholders on economic, environmental and social matters	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / Stakeholders	59-67	
102-22	Composition of the highest governing body and its committees	2. GOVERNANCE – Showing what we are, acting with integrity / Corporate Governance / Corporate Governance	90-99	
		Sections C1.2, C1.3 and C2 of the 2021 Annual Corporate Governance Report (Annex 11)		
102-23	Chair of the highest governing body	2. GOVERNANCE – Showing what we are, acting with integrity / Corporate Governance / Corporate Governance	90-99	
102-24	Appointment and selection of the highest governing body	2. GOVERNANCE – Showing what we are, acting with integrity / Corporate Governance / Corporate Governance	90-99	
102-25	Conflicts of interest	Section D of the 2021 Annual Corporate Governance Report (Annex 11)		
102-26	Role of highest governance body insetting purpose, values, and strategy	2. GOVERNANCE – Showing what we are, acting with integrity / Corporate Governance / Corporate Governance	90-99	
		Section C of the 2021 Annual Corporate Governance Report (Annex 11)		
102-27	Collective knowledge of the highest governing body	2. GOVERNANCE – Showing what we are, acting with integrity / Corporate Governance / Corporate Governance	90-99	
102-28	Evaluation of the performance of the highest governance body	2. GOVERNANCE – Showing what we are, acting with integrity / Corporate Governance / Corporate Governance	90-99	
		Section C.17 of the 2021 Annual Corporate Governance Report (Annex 11)		

GRI Standard	Content	Section of the Integrated Annual Report 2021 and/or direct response	Page number of the Integrated Annual Report 2021	Omissions
102-29	Identification and management of economic, environmental and social impacts	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision • ESG Master Plan • Stakeholders 2. GOVERNANCE – Showing what we are, acting with integrity / Corporate Governance / Corporate Governance Annex 1. Risks	55-59 59-67 90-99 280-313	
102-30	Effectiveness of risk management processes	2. GOVERNANCE – Showing what we are, acting with integrity / Global Management System Annex 1. Risks	105-116 280-313	
102-31	Review of economic, environmental, and social topics	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / ESG Master Plan 2. GOVERNANCE – Showing what we are, acting with integrity / Global Management System Annex 1. Risks	55-59 105-116 280-313	
102-32	Highest governance body's role in sustainability reporting	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / ESG Master Plan Section H of the 2021 Annual Corporate Governance Report (Annex 11)	55-59	
102-33	Communicating critical concerns	2. GOVERNANCE – Showing what we are, acting with integrity / Corporate Governance / Ethics and regulatory compliance	99-104	
102-34	Nature and total number of critical concerns	2. GOVERNANCE – Showing what we are, acting with integrity / Corporate Governance / Ethics and regulatory compliance	99-104	
102-35	Remuneration policies	Section C of the 2021 Annual Corporate Governance Report (Annex 11)		
102-36	Process for determining remuneration	Section C of the 2021 Annual Corporate Governance Report (Annex 11)		
102-37	Stakeholders' involvement in remuneration	Annual Report of the Remuneration of the Directors of Cellnex Telecom 2021 (Annex 10)		
102-38	Annual total compensation ratio	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 88.59 in 2021 (in 2020 it was 65.85).		
102-39	Ratio of the percentage increase in total annual compensation	The variation in the average remuneration of the Group in relation to the year 2020 was -8% (-2.6% in the previous period) and the variation in the remuneration of the CEO was 23.8% (-21% in the previous period). The changes correspond to the total remuneration accrued, excluding contributions to pension funds and life insurance premiums.		
STAKEHOLDER ENGAGEMENT				
102-40	List of stakeholder groups	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / Stakeholders	59-67	
102-41	Collective bargaining agreements	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / People management / Collective agreements Annex 6. KPI tables	196-197 337	
102-42	Identifying and selecting stakeholders	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / Stakeholders	59-67	
102-43	Approach to stakeholder engagement	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / Stakeholders	59-67	
102-44	Key topics and concerns raised	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / Stakeholders	59-67	
REPORTING PRACTICES				
102-45	Entities included in the consolidated financial statements	7. Basis for the preparation of the Report / Reporting scope This information is provided in detail in the Consolidated Financial Statements	274	
102-46	Defining report content and topic boundaries	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / Materiality 7. Basis for the preparation of the Report / Structure and content of the Report	51-53 273	
102-47	List of material topics	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / Materiality	51-53	
102-48	Restatements of information	The data related to energy consumption and carbon footprint for 2020 have been recalculated as a baseline in 2020 according to the GHG Protocol.		
102-49	Changes in reporting	7. Basis for the preparation of the Report • Structure and content of the Report • Reporting scope	273 274	
102-50	Period covered by the report	Fiscal Year 2021, extending from 1st of January 2021 to 31st of December 2021		
102-51	Date of the last report	February 2021		
102-52	Reporting cycle	Annual		
102-53	Contact person for queries regarding the report	7. Basis for the preparation of the Report / Contact information	278	

GRI Standard	Content	Section of the Integrated Annual Report 2021 and/or direct response	Page number of the Integrated Annual Report 2021	Omissions
102-54	Claims of reporting in accordance with the GRI Standards	Basis for the preparation of the Report / Structure and content of the report.		
102-55	GRI content index	8. Annexes / Annex 4. GRI Content Index	323-332	
102-56	External assurance	8. Annexes / Annex 9. Independent Limited Verification Report	357-363	
MATERIAL TOPICS				
ENVIRONMENTAL AND CLIMATE RISKS AND IMPACT MANAGEMENT				
GRI 103 MANAGEMENT APPROACH 2016				
103-1	Explanation of the material topic and its Boundary	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / Materiality	51-53	
103-2	The management approach and its components	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Management and follow up of main risks, opportunities and environmental impacts	232-238	
103-3	Evaluation of the management approach	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Management and follow up of main risks, opportunities and environmental impacts	232-238	
GRI 307 ENVIRONMENTAL COMPLIANCE 2016				
307-1	Non-compliance with environmental laws and regulations	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Management and follow up of main risks, opportunities and environmental impacts	232-238	
GRI 308 SUPPLIER ENVIRONMENTAL ASSESSMENT 2016				
308-1	New suppliers that were screened using environmental criteria	6. VALUE CHAIN – Extend our commitment to the value chain / Suppliers / Supplier evaluation, selection and monitoring	271	
308-2	Negative environmental impacts in the supply chain and actions taken	6. VALUE CHAIN – Extend our commitment to the value chain / Suppliers / Cellnex Supply Chain and Engagement with suppliers	271	
Other Indicators				
GRI 304 BIODIVERSITY 2016				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	5. ENVIRONMENT – Grow with a long-term sustainable environmental approach / Biodiversity	250-253	
304-2	Significant impacts of activities, products and services on biodiversity	5. ENVIRONMENT – Grow with a long-term sustainable environmental approach / Biodiversity	250-253	
CLIMATE CHANGE AND CARBON FOOTPRINT STRATEGY				
GRI 103 MANAGEMENT APPROACH 2016				
103-1	Explanation of the material topic and its Boundary	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / Materiality	51-53	
103-2	The management approach and its components	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Carbon footprint and climate change	245-249	
103-3	Evaluation of the management approach	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Carbon footprint and climate change	245-249	
GRI 305 EMISSIONS 2016				
305-1	Direct GHG emissions (scope 1)	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Carbon footprint and climate change Annex 6. KPI tables	245-249 347-349	
305-2	Indirect GHG emissions when generating energy (scope 2)	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Carbon footprint and climate change Annex 6. KPI tables	245-249 347-349	
305-3	Other indirect GHG emissions (scope 3)	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Carbon footprint and climate change Annex 6. KPI tables	245-249 347-349	
305-4	GHG emissions intensity	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Carbon footprint and climate change Annex 6. KPI tables	245-249 347-349	
305-5	Reduction of GHG emissions	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Carbon footprint and climate change	245-249	

GRI Standard	Content	Section of the Integrated Annual Report 2021 and/or direct response	Page number of the Integrated Annual Report 2021	Omissions
SUSTAINABLE USE OF RESOURCES				
GRI 103 MANAGEMENT APPROACH 2016				
103-1	Explanation of the material topic and its Boundary	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / Materiality	51-53	
103-2	The management approach and its components	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Sustainable use of resources	239-244	
103-3	Evaluation of the management approach	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Sustainable use of resources	239-244	
GRI 302 ENERGY 2016				
302-1	Energy consumption in the organisation	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Sustainable use of resources / Energy management Annex 6. KPI tables	239-242 345-346	
302-2	Energy consumption outside the organisation	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Sustainable use of resources / Energy management Annex 6. KPI tables	239-242 345-346	
302-4	Reduction of energy consumption	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Sustainable use of resources / Energy management	239-242	
Other Indicators				
GRI 303 WATER AND EFFLUENTS2018				
303-1	Interactions with water as a shared resource	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Sustainable use of resources / Management of other resources / Water consumption	242	
303-2	Management of water discharge related impacts	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Sustainable use of resources / Management of other resources / Water consumption	242	
303-5	Water consumption	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Sustainable use of resources / Management of other resources / Water consumption Annex 6. KPI tables	242 350	
GRI 306 EFFLUENTS AND WASTE 2020				
306-1	Waste generation and significant waste-related impacts	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Sustainable use of resources / Management of other resources • Waste management • Life Cycle Assessment (LCA) of Telecommunications Infrastructure Services (TIS)	243 243-244	
306-2	Management of significant waste-related impacts	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Sustainable use of resources / Management of other resources • Waste management • Life Cycle Assessment (LCA) of Telecommunications Infrastructure Services (TIS)	243 243-244	
306-3	Waste generated	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Sustainable use of resources / Management of other resources • Waste management • Life Cycle Assessment (LCA) of Telecommunications Infrastructure Services (TIS)	243 243-244	
306-4	Waste diverted from disposal	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Sustainable use of resources / Management of other resources • Waste management • Life Cycle Assessment (LCA) of Telecommunications Infrastructure Services (TIS)	243 243-244	

GRI Standard	Content	Section of the Integrated Annual Report 2021 and/or direct response	Page number of the Integrated Annual Report 2021	Omissions
306-5	Waste directed to disposal	5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Sustainable use of resources / Management of other resources • Waste management • Life Cycle Assessment (LCA) of Telecommunications Infrastructure Services (TIS)	238 238-239	
CORPORATE CULTURE				
GRI 103 MANAGEMENT APPROACH 2016				
103-1	Explanation of the material topic and its Boundary	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / Materiality	51-53	
103-2	The management approach and its components	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / Culture	167-186	
103-3	Evaluation of the management approach	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / Culture	167-186	
GRI 402 LABOR/MANAGEMENT RELATIONS 2016				
	Minimum notice periods regarding operational changes	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / People management / Social dialogue	197-198	
EQUITY, DIVERSITY AND INCLUSION				
GRI 103 MANAGEMENT APPROACH 2016				
103-1	Explanation of the material topic and its Boundary	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / Materiality	51-53	
103-2	The management approach and its components	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees • Culture /Empowering our talent by being diverse and inclusive / Equality Plan and Harassment and discrimination Protocol • Culture / Empowering our talent by being diverse and inclusive	180-181 169-181	
103-3	Evaluation of the management approach	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees • Culture /Empowering our talent by being diverse and inclusive / Equality Plan and Harassment and discrimination Protocol • Culture / Empowering our talent by being diverse and inclusive	180-181 169-181	
GRI 405 DIVERSITY AND EQUAL OPPORTUNITY 2016				
405-1	Diversity of governing bodies and employees	2. GOVERNANCE – Showing what we are, acting with integrity / Corporate Governance / Corporate Governance / The Cellnex Board of Directors 3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees Annex 6. KPI tables	91-92 164-165 324-339	
405-2	Ratio of basic salary and remuneration of women to men	Annex 6. KPI tables	340-341	
GRI 406 NON-DISCRIMINATION 2016				
406-1	Incidents of discrimination and corrective actions taken	2. GOVERNANCE – Showing what we are, acting with integrity / Global Management System / Cellnex Commitment to Human Rights	115-116	
TALENT ATTRACTION AND RETENTION				
GRI 103 MANAGEMENT APPROACH 2016				
103-1	Explanation of the material topic and its Boundary	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / Materiality	51-53	
103-2	The management approach and its components	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / Talent	190-194	
103-3	Evaluation of the management approach	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / Talent	190-194	
GRI 202 MARKET PRESENCE 2016				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Annex 6. KPI tables	341	
202-2	Proportion of senior management hired from the local community	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / Culture / Empowering our talent by being diverse and inclusive	167-186	
GRI 401 EMPLOYMENT2016				
401-1	New employee hires and employee turnover	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees Annex 6. KPI tables	164-165 338-339	

GRI Standard	Content	Section of the Integrated Annual Report 2021 and/or direct response	Page number of the Integrated Annual Report 2021	Omissions
TRAINING AND DEVELOPMENT				
GRI 103 MANAGEMENT APPROACH 2016				
103-1	Explanation of the material topic and its Boundary	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / Materiality	51-53	
103-2	The management approach and its components	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / People management / Talent / Training	194	
103-3	Evaluation of the management approach	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / People management / Talent / Training	194	
GRI 404 TRAINING AND TEACHING 2016				
404-1	Average hours of training per year per employee	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / People management / Talent / Training Annex 6. KPI tables	194 342	
404-2	Programmes to improve employee skills and transition assistance programmes	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / People management / Talent / Training	194	
HEALTH AND SAFETY				
GRI 103 MANAGEMENT APPROACH 2016				
103-1	Explanation of the material topic and its Boundary	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / Materiality	51-53	
103-2	The management approach and its components	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / Work health and safety	199-205	
103-3	Evaluation of the management approach	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / Work health and safety	199-205	
GRI 403 OCCUPATIONAL HEALTH AND SAFETY 2018				
403-1	Occupational health and safety management system	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / Work health and safety	199-205	
403-2	Hazard identification, risk assessment, and incident investigation	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / Work health and safety	199-205	
403-3	Occupational health services	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / Work health and safety	199-205	
403-4	Worker participation, consultation, and communication on occupational health and safety	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / Work health and safety	199-205	
403-5	Worker training on occupational health and safety	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / Work health and safety	199-205	
403-6	Promotion of worker health	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / Work health and safety	199-205	
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 / Commitment to our employees / Work health and safety	199-205	
403-8	Workers covered by an occupational health and safety management system	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / Work health and safety	199-205	
403-9	Work-related injuries	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / Work health and safety / Accident rate and absenteeism Annex 6. KPI tables	205 343-344	
403-10	Work-related ill health	3. PEOPLE – Boosting our talent, being diverse and inclusive / Commitment to our employees / Work health and safety / Accident rate and absenteeism Annex 6. KPI tables	205 343-344	
BOOSTING THE DIGITALISATION OF SOCIETY				
GRI 103 MANAGEMENT APPROACH 2016				
103-1	Explanation of the material topic and its Boundary	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / Materiality	51-53	
103-2	The management approach and its components	1. CELLNEX: European leader in telecommunications infrastructure • Sustainable Development Goals • Present context • Innovation 4. SOCIETY – Being a facilitator of social progress / Cellnex Socioeconomic impact	68-71 72-80 81-87 224-227	

GRI Standard	Content	Section of the Integrated Annual Report 2021 and/or direct response	Page number of the Integrated Annual Report 2021	Omissions
103-3	Evaluation of the management approach	1. CELLNEX: European leader in telecommunications infrastructure • Sustainable Development Goals • Present context • Innovation 4. SOCIETY – Being a facilitator of social progress / Cellnex Socioeconomic impact	68-71 72-80 81-87 224-227	
GRI 203 INDIRECT ECONOMIC IMPACTS 2016				
203-1	Investments in infrastructure and supported services	1. CELLNEX: European leader in telecommunications infrastructure • Sustainable Development Goals • Present context • Innovation 4. SOCIETY – Being a facilitator of social progress / Cellnex Socioeconomic impact	68-71 72-80 81-87 224-227	
SOCIAL CONTRIBUTION				
GRI 103 MANAGEMENT APPROACH 2016				
103-1	Explanation of the material topic and its Boundary	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / Materiality	51-53	
103-2	The management approach and its components	4. SOCIETY – Being a facilitator of social progress / Social contribution	208-223	
103-3	Evaluation of the management approach	4. SOCIETY – Being a facilitator of social progress / Social contribution	208-223	
GRI 204 PROCUREMENT PRACTICES 2016				
204-1	Proportion of procurement from local suppliers	6. VALUE CHAIN – Extend our commitment to the value chain / Suppliers / Cellnex Supply Chain and Engagement with suppliers	263-270	
GRI 413 LOCAL COMMUNITIES 2016				
413-1	Operations with local community engagement, impact assessments, and development programmes	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision • Materiality / ESG Master Plan • Stakeholders 2. GOVERNANCE – Showing what we are, acting with integrity / Investor Relations 4. SOCIETY – Being a facilitator of social progress / Social contribution • Commitment to society • Cellnex collaboration with society • Cellnex Foundation	54-59 59-67 153-161 208-214 214-215 215-223	
Other indicators				
GRI 414 SUPPLIER SOCIAL ASSESSMENT 2016				
414-1	New suppliers that were screened using social criteria.	6. VALUE CHAIN – Extend our commitment to the value chain / Suppliers / Supplier evaluation, selection and monitoring	271	
414-2	Negative social impacts in the supply chain and actions taken	6. VALUE CHAIN – Extend our commitment to the value chain / Suppliers • Cellnex Supply Chain and Engagement with suppliers • Supplier evaluation, selection and monitoring	263-270 271	
MITIGATION OF INFRASTRUCTURES' IMPACTS				
GRI 103 MANAGEMENT APPROACH2016				
103-1	Explanation of the material topic and its Boundary	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / Materiality	51-53	
103-2	The management approach and its components	1. CELLNEX: European leader in telecommunications infrastructure / Present context / Exposure to electromagnetic fields	77-80	
103-3	Evaluation of the management approach	1. CELLNEX: European leader in telecommunications infrastructure / Present context / Exposure to electromagnetic fields	77-80	
GRI 416 CUSTOMER HEALTH AND SAFETY 2016				
416-1	Assessment of the health and safety impacts of product and service categories	1. CELLNEX: European leader in telecommunications infrastructure / Present context / Exposure to electromagnetic fields	77-80	
PRIVACY AND SECURITY OF INFORMATION				
GRI 103 MANAGEMENT APPROACH 2016				
103-1	Explanation of the material topic and its Boundary	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / Materiality	51-53	

GRI Standard	Content	Section of the Integrated Annual Report 2021 and/or direct response	Page number of the Integrated Annual Report 2021	Omissions
103-2	The management approach and its components	2. GOVERNANCE – Showing what we are, acting with integrity / Global Management System / Integrated Management System 6. VALUE CHAIN – Extend our commitment to the value chain / Customers / Information Security	105-106 260-263	
103-3	Evaluation of the management approach	2. GOVERNANCE – Showing what we are, acting with integrity / Global Management System / Integrated Management System 6. VALUE CHAIN – Extend our commitment to the value chain / Customers / Information Security	105-106 260-263	
GRI 418 CUSTOMER PRIVACY 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	6. VALUE CHAIN – Extend our commitment to the value chain / Customers • Customer Service • Customer Engagement	257-259 259-260	
ECONOMIC MANAGEMENT AND PERFORMANCE				
GRI 103 MANAGEMENT APPROACH 2016				
103-1	Explanation of the material topic and its Boundary	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / Materiality	51-53	
103-2	The management approach and its components	2. GOVERNANCE – Showing what we are, acting with integrity • Context and business development • Business perspective	117-150 151-152 This information is provided in detail in the Consolidated Annual	
103-3	Evaluation of the management approach	2. GOVERNANCE – Showing what we are, acting with integrity • Context and business development • Business perspective	117-150 151-152 This information is provided in detail in the Consolidated Annual Accounts	
GRI 201 ECONOMIC PERFORMANCE 2016				
201-4	Financial assistance received from government	No significant financial assistance has been received from the government.		
GRI 207 TAX 2019				
207-1	Approach to tax	2. GOVERNANCE – Showing what we are, acting with integrity • Context and business development • Business perspective	117-150 151-152 This information is provided in detail in the Consolidated Annual Accounts	
207-2	Tax governance, control, and risk management	2. GOVERNANCE – Showing what we are, acting with integrity • Context and business development • Business perspective	117-150 151-152 This information is provided in detail in the Consolidated Annual Accounts	
207-3	Stakeholder engagement and management of concerns related to tax	2. GOVERNANCE – Showing what we are, acting with integrity • Context and business development • Business perspective	117-150 151-152 This information is provided in detail in the Consolidated Annual Accounts	
207-4	Country-by-country reporting	2. GOVERNANCE – Showing what we are, acting with integrity • Context and business development • Business perspective	117-150 151-152 This information is provided in detail in the Consolidated Annual Accounts	
RISKS AND OPPORTUNITIES MANAGEMENT (BUSINESS, ESG RISKS, ETC.)				
GRI 103 MANAGEMENT APPROACH 2016				
103-1	Explanation of the material topic and its Boundary	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / Materiality	51-53	
103-2	The management approach and its components	2. GOVERNANCE – Showing what we are, acting with integrity / Global Management System / Risk Management 4. SOCIETY – Being a facilitator of social progress / Cellnex Socio-economic impact 5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Management and follow up of main risks, opportunities and environmental impacts Annex 1. Risks	106-110 224-227 232-238 280-313	

GRI Standard	Content	Section of the Integrated Annual Report 2021 and/or direct response	Page number of the Integrated Annual Report 2021	Omissions
103-3	Evaluation of the management approach	2. GOVERNANCE – Showing what we are, acting with integrity / Global Management System / Risk Management 4. SOCIETY – Being a facilitator of social progress / Cellnex Socio-economic impact 5. ENVIRONMENT – Growing with a long-term sustainable environmental approach / Management and follow up of main risks, opportunities and environmental impacts Annex 1. Risks	106-110 224-227 232-238 280-313	
CORPORATE GOVERNANCE				
GRI 103 MANAGEMENT APPROACH 2016				
103-1	Explanation of the material topic and its Boundary	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / Materiality	51-53	
103-2	The management approach and its components	2. GOVERNANCE – Showing what we are, acting with integrity / Corporate Governance / Corporate Governance	90-104	
103-3	Evaluation of the management approach	2. GOVERNANCE – Showing what we are, acting with integrity / Corporate Governance / Corporate Governance	90-104	
GRI 415 PUBLIC POLICY 2016				
415-1	Political contributions	In 2021, as in 2020, there were no contributions to political parties and/or representatives		
ETHICS AND HUMAN RIGHTS				
GRI 103 MANAGEMENT APPROACH 2016				
103-1	Explanation of the material topic and its Boundary	1. CELLNEX: European leader in telecommunications infrastructure / Strategic vision / Materiality	51-53	
103-2	The management approach and its components	2. GOVERNANCE – Showing what we are, acting with integrity / Corporate Governance / Ethics and regulatory compliance	99-104	
103-3	Evaluation of the management approach	2. GOVERNANCE – Showing what we are, acting with integrity / Corporate Governance / Ethics and regulatory compliance	99-104	
GRI 205 ANTI-CORRUPTION 2016				
205-2	Communication and training about anti-corruption policies and procedures	2. GOVERNANCE – Showing what we are, acting with integrity / Corporate Governance / Ethics and regulatory compliance	99-104	
205-3	Confirmed incidents of corruption and actions taken	2. GOVERNANCE – Showing what we are, acting with integrity / Corporate Governance / Ethics and regulatory compliance	99-104	
GRI 206 UNFAIR COMPETITION 2016				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In the 2021 financial year, as in the 2020 financial year, Cellnex has not received any lawsuits for unfair or monopolistic competition practices, nor has any ex officio file been initiated in this regard by the market and competition supervision authorities. Likewise, no firm sanction, pecuniary or otherwise, has been imposed due to the practices described.		
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	2. GOVERNANCE – Showing what we are, acting with integrity / Global Management System/ Cellnex's Commitment to Human Rights	115-116	
GRI 408 CHILD LABOR 2016				
407-1	Operations and suppliers at significant risk for incidents of child labour	2. GOVERNANCE – Showing what we are, acting with integrity / Global Management System/ Cellnex's Commitment to Human Rights	115-116	
GRI 409 FORCED OR COMPULSORY LABOR 2016				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	2. GOVERNANCE – Showing what we are, acting with integrity / Global Management System/ Cellnex's Commitment to Human Rights	115-116	
GRI 412 HUMAN RIGHTS ASSESSMENT 2016				
412-2	Employee training on human rights policies or procedures	2. GOVERNANCE – Showing what we are, acting with integrity / Global Management System/ Cellnex's Commitment to Human Rights	115-116	
GRI 419 SOCIOECONOMIC COMPLIANCE 2016				
419-1	Non-compliance with laws and regulations in the social and economic area	In 2021, as in 2020, there have been no sanctions for non-compliance with laws and regulations in the social and economic fields		

Anex 5. SASB Topics

Topic	SASB Code	Accounting metric	2021 Integrated Annual Report and/or direct response	Page number
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 / Sustainable use of resources / Energy management Annex 6. KPI tables	239-242 345-346
Data Privacy	TC-TL-220a.1	Description of policies and practices relating to behavioral advertising and customer privacy	6. VALUE CHAIN – Extend our commitment to the value chain / Customers / Information Security	260-262
	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 – Extend our commitment to the value chain / Customers / Information Security	260-262
	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 / Sustainable use of resources / Management of other resources • Waste management • Life Cycle Assessment (LCA) of Telecommunications Infrastructure Services (TIS)	243 243-244
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 FY 2021, Cellnex received no complaints for anticompetitive or monopolistic practices, nor have the market or competition supervisory authorities initiated procedures ex officio. Likewise, it received no final judgments or any other type of sanction for such practices.	
	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.	
Manage systemic risks from technology disruptions	TC-TL-550a.1	System average interruption frequency and customer average interruption duration	2. GOVERNANCE – Showing what we are, acting with integrity / Global Management System/ Quality and certifications / Quality	111-114
	TC-TL-550a.2	Discussion of systems to provide unimpeded service during service interruptions		
Activity Metric	TC-TL-000.A	Number of wireless subscribers	Due to the nature of Cellnex business, this indicator does 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

GRI 405-1 Diversity of governance bodies and employees[32]

	2021		2020		2019	
	Workforce	%	Workforce	%	Workforce	%
Gender distribution						
Women	861	30%	586	30%	394	25%
Men	2,016	70%	1,398	70%	1,188	75%
Total	**2,877**	**100%**	**1,984**	**100%**	**1,582**	**100%**
Age distribution						
Under 30	219	8%	132	7%	90	6%
30 to 45	1,204	42%	910	46%	745	47%
46 to 55	1,157	40%	793	40%	642	41%
Over 55	297	10%	149	8%	105	7%
Total	**2,877**	**100%**	**1,984**	**100%**	**1,582**	**100%**
Professional classification						
Top Management	9	0.3%	9	0.5%	8	0.5%
Directors	99	3%	76	4%	66	4%
Senior Management/ Managers	301	10%	235	12%	121	8%
Coordinators/ Other professionals	2,468	86%	1,664	84%	1,387	88%
Total	**2,877**	**100%**	**1,984**	**100%**	**1,582**	**100%**
Country distribution						
Spain	1,289	45%	1,199	60%	1,209	76%
Italy	252	9%	171	9%	151	10%
France	259	9%	131	7%	98	6%
Switzerland	50	2%	48	2%	35	2%
Netherlands	107	4%	73	4%	76	5%
UK	307	11%	267	13%	13	1%
Ireland	37	1%	25	1%	-	-
Portugal	61	2%	55	3%	-	-
Austria	23	1%	15	1%	-	-
Denmark	25	1%	-	-	-	-
Sweden	17	1%	-	-	-	-
Poland	450	16%	-	-	-	-
Total	**2,877**	**100%**	**1,984**	**100%**	**1,582**	**100%**

[32] CEO included in Top Management

	2021				2020				2019			
	Women	%	Men	%	Women	%	Men	%	Women	%	Men	%
Age distribution												
Under 30	105	48%	114	52%	59	45%	73	55%	38	42%	52	58%
30 to 45	437	36%	767	64%	313	34%	597	66%	213	29%	532	71%
46 to 55	264	23%	893	77%	182	23%	611	77%	125	19%	517	81%
Over 55	55	19%	242	81%	32	21%	117	79%	18	17%	87	83%
Total	**861**	**30%**	**2,016**	**70%**	**586**	**30%**	**1,398**	**70%**	**394**	**25%**	**1,188**	**75%**
Professional classification												
Top Management	1	11%	8	89%	1	11%	8	89%	—	—%	8	100%
Directors	14	14%	85	86%	11	14%	65	86%	10	15%	56	85%
Senior Management/ Managers	77	26%	224	74%	63	27%	172	73%	27	22%	94	78%
professionals	769	31%	1699	69%	511	31%	1,153	69%	357	26%	1,030	74%
Total	**861**	**30%**	**2,016**	**70%**	**586**	**30%**	**1,398**	**70%**	**394**	**25%**	**1,188**	**75%**
Country distribution												
Spain	328	25%	961	75%	288	24%	911	76%	273	23%	936	77%
Italy	89	35%	163	65%	62	36%	109	64%	50	33%	101	67%
France	110	42%	149	58%	51	39%	80	61%	41	42%	57	58%
Switzerland	17	34%	33	66%	14	29%	34	71%	9	26%	26	74%
Netherlands	29	27%	78	73%	20	27%	53	73%	17	22%	59	78%
UK	131	43%	176	57%	115	43%	152	57%	4	31%	9	69%
Ireland	19	51%	18	49%	11	44%	14	56%	-	-	-	-
Portugal	28	46%	33	54%	24	44%	31	56%	-	-	-	-
Austria	7	30%	16	70%	1	7%	14	93%	-	-	-	-
Denmark	8	32%	17	68%	-	-	-	-	-	-	-	-
Sweden	5	29%	12	71%	-	-	-	-	-	-	-	-
Poland	90	20%	360	80%	-	-	-	-	-	-	-	-
Total	**861**	**30%**	**2,016**	**70 %**	**586**	**30 %**	**1,398**	**70%**	**394**	**25 %**	**1,188**	**75%**

	2021				2020				2019			
	Women	%	Men	%	Women	%	Men	%	Women	%	Men	%
Top Management												
Under 30	0	0 %	0	0 %	0	0 %	0	0 %	0	0 %	0	0 %
30 to 45	1	11 %	1	11 %	1	11 %	1	11 %	0	0 %	1	13 %
46 to 55	0	0 %	3	33 %	0	0 %	2	22 %	0	0 %	3	38 %
Over 55	0	0 %	4	44 %	0	0 %	5	56 %	0	0 %	4	50 %
Total	**1**	**11%**	**8**	**89%**	**1**	**11%**	**8**	**89%**	**0**	**0 %**	**8**	**100%**

GRI 102-8 Information on employees and other workers (Total number of employees by employment contract and type (permanent or temporary, and full-time or part-time), by gender and professional classification)[33]

	2021				2020				2019			
	Fix Workforce	% %	Temporary Workforce	% %	Fix Workforce	% %	Temporary Workforce	% %	Fix Workforce	% %	Temporary Workforce	% %
Gender distribution												
Women	821	95%	40	5%	549	94%	37	6%	387	98%	7	2%
Men	1,963	97%	53	3%	1,363	97%	35	3%	1,174	99%	14	1%
Total	**2,784**	**97%**	**93**	**3%**	**1,912**	**96%**	**72**	**4%**	**1,561**	**99%**	**21**	**1%**
Age distribution												
Under 30	189	86 %	30	14%	107	81%	25	19%	78	87%	12	13%
30 to 45	1,163	97 %	41	3%	882	97%	28	3%	739	99%	6	1%
46 to 55	1,141	99 %	16	1%	783	99%	10	1%	640	100%	2	0.3%
Over 55	291	98 %	6	2%	140	94%	9	6%	104	99%	1	1%
Total	**2,784**	**97 %**	**93**	**3%**	**1,912**	**96%**	**72**	**4%**	**1,561**	**99%**	**21**	**1%**
Professional classification												
Top Management	9	100%	0	0%	8	1	0	0%	8	100%	0	0%
Directors	98	99%	1	1%	75	99%	1	1%	64	97%	2	3%
Senior Management/ Managers	297	99%	4	1%	234	100%	1	0.4%	117	97%	4	3%
Coordinators/ Other professionals	2,380	96%	88	4%	1,594	96%	70	4%	1,372	99%	15	1%
Total	**2,784**	**97%**	**93**	**3%**	**1,911**	**96%**	**72**	**4%**	**1,561**	**99%**	**21**	**1%**
Country distribution												
Spain	1,272	99%	17	1%	1,181	98%	18	2%	1,195	99%	14	1%
Italy	251	100%	1	0%	169	99%	2	1%	151	100%	0	0%
France	246	95%	13	5%	129	98%	2	2%	97	99%	1	1%
Switzerland	50	100%	0	0%	47	98%	1	2%	35	100%	0	0%
Netherlands	87	81%	20	19%	62	85%	11	15%	70	92%	6	8%
UK	284	93%	23	7%	230	86%	37	14%	13	100%	0	0%
Ireland	37	100%	0	0%	25	100%	0	0%	-	-	-	-
Portugal	61	100%	0	0%	55	100%	0	0%	-	-	-	-
Austria	22	96%	1	4%	14	93	1	7%	-	-	-	-
Denmark	25	100%	0	0%	-	-	-	-	-	-	-	-
Sweden	17	100%	0	0%	-	-	-	-	-	-	-	-
Poland	432	96%	18	4%	-	-	-	-	-	-	-	-
Total	**2,784**	**97%**	**93**	**3 %**	**1,912**	**96%**	**72**	**4%**	**1,561**	**99%**	**21**	**1%**

33 CEO included in Top Management

	2021		2020		2019	
	Part time	%	Part time	%	Part time	%
	Workforce	%	Workforce	%	Workforce	%
Gender distribution						
Women	46	5%	36	6%	19	5%
Men	18	1%	15	1%	12	1%
Total	**64**	**2%**	**51**	**3%**	**31**	**2%**
Age distribution						
Under 30	2	1%	3	2%	1	1%
30 to 45	33	3%	26	3%	18	2%
46 to 55	19	2%	12	2%	8	1%
Over 55	10	3%	10	7%	4	4%
Total	**64**	**2%**	**51**	**3%**	**31**	**2%**
Professional classification						
Top Management	0	0%	0	0%	0	0%
Directors	0	0%	1	1%	1	2%
Senior Management/ Managers	0	0%	4	2%	3	2%
Coordinators/ Other professionals	64	3%	46	3%	27	2%
Total	**64**	**2%**	**51**	**3%**	**31**	**2%**

GRI 102-41 Collective bargaining agreements

	2021		2020		2019	
	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	1,275	99%	1,193	90%	1,093	90%
Italy	252	100%	171	100%	151	100%
France	259	100%	131	100%	59	60%
Switzerland	0	0%	0	0%	0	0%
Netherlands	0	0%	0	0%	0	0%
UK	0	0%	0	0%	0	0%
Ireland	0	0%	0	0%	-	-
Portugal	0	0%	0	0%	-	-
Austria	0	0%	0	0%	-	-
Denmark	0	0%	-	-	-	-
Sweden	0	0%	-	-	-	-
Poland	0	0%	-	-	-	-
Total	**1,786**	**62%**	**1,495**	**75%**	**1,303**	**82%**

GRI 401-1 Total number and rate of employee turnover during the reporting period, by age group, gender and professional classification (only relative to layoffs)

New employee hires	2021		2020		2019	
	New employees	New employee rate	New employees	New employee rate[34]	New employees	New employee rate
Gender distribution						
Women	330	38%	218	37%	40	10%
Men	699	35%	299	21%	91	8%
Total	**1,029**	**36%**	**517**	**26%**	**131**	**8%**
Age distribution						
Under 30	145	66%	76	58%	37	41%
30 to 45	410	34%	233	26%	60	8%
46 to 55	381	33%	156	20%	32	5%
Over 55	93	31%	52	35%	2	2%
Total	**1,029**	**36%**	**517**	**26%**	**131**	**8%**
Country distribuion						
Spain	108	2%	71	6%	66	5%
Italy	94	9%	27	16%	26	17%
France	148	14%	48	37%	26	27%
Switzerland	6	1%	12	25%	6	17%
Netherlands	42	4%	3	4%	6	8%
UK	88	9%	270	101%	1	8%
Ireland	8	1%	11	44%	-	-
Portugal	9	1%	57	104%	-	-
Austria	20	2%	18	120%	-	-
Denmark	11	1%	-	-	-	-
Sweden	17	2%	-	-	-	-
Poland	478	46%	-	-	-	-
Total	**1,029**	**36%**	**517**	**26%**	**131**	

[34] In 2020, there have been more registrations than existing employees in the country, in the UK, Portugal and Austria.

Employee turnover	2021		2020		2019	
	Employee turnover	Rate of employee turnover	Employee turnover	Rate of employee turnover	Employee turnover	Rate of employee turnover
Gender distribution						
Women	138	16%	35	6%	16	4%
Men	153	8%	96	7%	58	5%
Total	**291**	**10%**	**131**	**7%**	**74**	**5%**
Age distribution						
Under 30	78	36%	9	7%	11	12%
30 to 45	163	14%	38	4%	19	3%
46 to 55	49	4%	14	2%	9	1%
Over 55	1	0%	64	43%	35	33%
Total	**291**	**10%**	**125**	**6%**	**74**	**5%**
Country distribution						
Spain	75	6%	83	7%	60	5%
Italy	(5)	(2%)	7	4%	9	6%
France	60	23%	14	11%	1	1%
Switzerland	2	4%	1	2%	4	11%
Netherlands	8	7%	4	5%	0	0%
UK	40	13%	17	6%	0	0%
Ireland	6	16%	3	12%	-	-
Portugal	6	10%	0	0%	-	-
Austria	20	87%	2	13%	-	-
Denmark	10	40%	-	-	-	-
Sweden	12	71%	-	-	-	-
Poland	57	13%	-	-	-	-
Total	**291**	**10%**	**131**	**61%**	**74**	**23%**

35

Dismissals	2021		2020		2019	
	Workforce dismissals	%	Workforce dismissals	%	Workforce dismissals	%
Gender distribution						
Women	2	67%	12	17%	8	19%
Men	1	33%	57	83%	34	81%
Total	**3**	**0.1%**	**69**	**3%**	**42**	**3%**
Age distribution						
Under 30	1	33%	1	1%	0	0
30 to 45	1	33%	13	19%	4	10%
46 to 55	1	33%	5	7%	8	19%
Over 55	0	0%	50	72%	30	71%
Total	**3**	**0.1%**	**69**	**3%**	**42**	**3%**
Professional classification						
Top Management	0	0%	0	0%	0	0%
Directors	0	0%	1	1%	1	2%
Senior Management/ Managers	0	0%	2	3%	1	2%
Coordinators/ Other professionals	3	100%	66	96%	40	95%
Total	**3**	**0.1%**	**69**	**3%**	**42**	**3%**

[35] In 2021, the number of hires in Italy was higher than the number of resignations

405-2 Ratio of basic salary and remuneration of women to men Gender Gap[36]

	2021	2020	2019
Spain	3%	2%	4%
Italy	20%	16%	17%
France	13%	22%	26%
Switzerland	18%	17%	14%
Netherlands	32%	26%	17%
UK	39%	35%	53%
Ireland	42%	35%	-
Portugal	6%	9%	-
Austria	43%	-	-
Denmark	(5)%	-	-
Sweden	38%	-	-
Poland	4%	-	-
Total	**9.0%**	**12.7%**	**7.9%**

	2021	2020	2019
Salary evolution	(7.7)%	(2.6)%	3.8%

[36] The pay gap is calculated taking into account the following formula: ((Median Base salary + Other incentives male)- (Median Base salary + Other incentives female))/ (Median Base salary + Other incentives male). The average overall gender pay gap in 2021 is 14.26%.

Average remunerations and their evolution disaggregated by sex, age and professional classification or equal value (Euros):

			2021				2020				2019			
			Top management	Directors	Senior Management/ Managers	Coordinators/ Other professionals	Top management	Directors	Senior Management/ Managers	Coordinators/ Other professionals	Top management	Directors	Senior Management/ Managers	Coordinators/ Other professionals
Under 30 years old	Men	Base salary	-	-	44,240	34,315	-	60,000	53,810	35,973	-	60,000	50,000	35,994
		Base salary + Other incentives	-	-	51,240	36,837	-	750,000	56,501	38,827	-	69,000	60,000	38,885
	Women	Base salary	-	-	32,860	34,195	-	-	33,000	36,211	-	24,000	-	37,697
		Base salary + Other incentives	-	-	39,432	37,299	-	-	37,330	39,023	-	25,078	-	40,928
30-45 years old	Men	Base salary	*	135,043	75,250	42,764	500,000	131,272	73,330	43,732	370,000	109,099	69,533	41,697
		Base salary + Other incentives	*	182,860	88,576	47,002	800,000	172,965	87,375	47,993	592,000	138,481	82,035	45,670
	Women	Base salary	*	133,455	76,261	42,357	*	138,440	73,032	43,626	-	108,333	66,278	41,282
		Base salary + Other incentives	*	176,419	90,523	46,343	*	173,273	84,856	47,838	-	134,500	79,407	45,547
46-55 years old	Men	Base salary	215,000	145,084	72,002	46,250	180,000	152,967	80,659	49,004	310,000	135,166	74,546	48,817
		Base salary + Other incentives	322,500	190,615	84,945	50,384	252,000	204,177	96,828	53,443	486,333	174,682	90,316	53,004
	Women	Base salary	-	129,574	77,761	44,820	-	140,667	73,045	46,060	-	111,973	78,584	46,734
		Base salary + Other incentives	-	166,289	90,349	49,652	-	182,850	86,223	50,651	-	143,227	94,936	51,375
More than 55 years old	Men	Base salary	391,667	157,672	76,336	54,011	427,500	158,163	79,287	59,670	356,667	132,844	98,617	54,189
		Base salary + Other incentives	700,000	208,302	87,519	59,455	703,375	205,877	94,784	65,351	575,167	173,827	114,535	59,013
	Women	Base salary	-	173,000	*	47,616	-	155,150	-	44,780	-	161,933	59,486	37,397
		Base salary + Other incentives	-	235,700	*	52,566	-	208,585	-	47,968	-	205,012	68,409	39,650

*Due to confidentiality issues, the average remuneration data is not reported for these categories.

202-1 Ratios of standard entry level wage by gender compared to local

		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	**2021**	1.33	1.05	1.13	1.14	1.13	1.1	1.81	1.69	Not applicable	Not applicable	Not applicable	1.14	1.28
	2020	1.35	1.52	1.08	1.16	1.15	1	1.37	1.43	Not applicable	-	-	-	1.26
	2019	1.49	1.64	1.07	1.3	1.1	1.32	-	-	-	-	-	-	1.32

GRI 404-1 Hours of training per year disaggregated by sex and professional classification

	2021		2020*		2019	
	Women	Men	Women	Men	Women	Men
Top management	78	354	1	282	-	44
Directors	1,319	1,051	1,448	2,091	313	949
Senior Management/ Managers	2,078	3,065	3,825	4,161	1,148	4,032
Coordinators/ Other professionals	9,152	27,293	16,597	30,699	9,742	38,090
Total	**12,627**	**31,762**	**21,871**	**37,233**	**11,202**	**43,115**

Total amount of training hours per country

	2021	2020	2019
Spain	32,340	46,337	46,374
Italy	6,310	7,455	5,826
France	186	712	1,007
Switzerland	319	794	798
Netherlands	400	931	81
UK	2,502	1,375	231
Ireland	124	339	-
Portugal	582	1,161	-
Austria	286	-	-
Denmark	317	-	-
Sweden	195	-	-
Poland	828	-	-
Total	**44,389**	**59,104**	**54,318**

Average of training hours

	2021	2020	2019
Gender distribution			
Women	14.7	37.3	28.4
Men	15.8	26.6	36.3
Professional classification			
Top Management	47.9	31.4	5.5
Directors	23.9	46.6	19.1
Senior Management/ Managers	17.1	34.0	42.8
Coordinators/ Other professionals	14.8	28.4	34.5
Country distribution			
Spain	25.1	38.6	38.4
Italy	25.0	43.6	38.6
France	0.7	5.4	10.3
Switzerland	6.4	16.5	22.8
Netherlands	3.7	12.8	1.1
UK	8.2	5.2	17.8
Ireland	3.4	13.5	-
Portugal	9.5	21.1	-
Austria	12.4	-	-
Denmark	12.7	-	-
Sweden	11.5	-	-
Poland	1.8	-	-
Total average	**15.4**	**29.8**	**34.3**

GRI 403-9 Work-related injuries and GRI 403-10 Work-related ill health

	2021			2020		2019	
Spain	**Women**	**Men**	**Total**	**Women**	**Men**	**Women**	**Men**
Accident frequency rate (FR)	0	2.13	1.59	0	4.41	2.17	1.26
Accident severity rate (SR)	0	0.069	0.05	0	0.14	0.067	0.001
Incidence of labour accidents	0	0	0	0	7	1	2
Incidence of occupational diseases	0	0	0	0	0	0	0
Italy							
Accident frequency rate (FR)	0	0	0	9.44	10.74	0	0
Accident severity rate (SR)	0.73	0	0.26	2.24	0.07	0	0
Incidence of labour accidents	0	0	0	1	2	0	0
Incidence of occupational diseases	0	0	0	0	0	0	0
France							
Accident frequency rate (FR)	4.98	0	2.12	0	0	0	0
Accident severity rate (SR)	0,015	0	0.006	0	0	0	0
Incidence of labour accidents	0	0	0	0	0	0	0
Incidence of occupational diseases	0	0	0	0	0	0	0
Switzerland							
Accident frequency rate (FR)	0	0	0	0	0	0	0
Accident severity rate (SR)	0	0	0	0	0	0	0
Incidence of labour accidents	0	0	0	0	0	0	0
Incidence of occupational diseases	0	0	0	0	0	0	0
Netherlands							
Accident frequency rate (FR)	0	0	0	0	0	0	0
Accident severity rate (SR)	0	0	0	0	0	0	0
Incidence of labour accidents	0	0	0	0	0	0	0
Incidence of occupational diseases	0	0	0	0	0	0	0
UK							
Accident frequency rate (FR)	0	0	0	0	0	0	0
Accident severity rate (SR)	0	0	0	0	0	0	0
Incidence of labour accidents	0	0	0	0	0	0	0
Incidence of occupational diseases	0	0	0	0	0	0	0
Ireland							
Accident frequency rate (FR)	0	0	0	0	0	-	-
Accident severity rate (SR)	0	0	0	0	0	-	-
Incidence of labour accidents	0	0	0	0	0	-	-
Incidence of occupational diseases	0	0	0	0	0	-	-
Portugal							
Accident frequency rate (FR)	0	0	0	0	0	-	-
Accident severity rate (SR)	0	0	0	0	0	-	-
Incidence of labour accidents	0	0	0	0	0	-	-
Incidence of occupational diseases	0	0	0	0	0	-	-
Austria							
Accident frequency rate (FR)	0	0	0	-	-	-	-
Accident severity rate (SR)	0	0	0	-	-	-	-
Incidence of labour accidents	0	0	0	-	-	-	-
Incidence of occupational diseases	0	0	0	-	-	-	-
Denmark							
Accident frequency rate (FR)	0	0	0	-	-	-	-
Accident severity rate (SR)	0	0	0	-	-	-	-
Incidence of labour accidents	0	0	0	-	-	-	-
Incidence of occupational diseases	0	0	0	-	-	-	-
Sweden							

	2021			2020		2019	
Accident frequency rate (FR)	0	0	0	-	-	-	-
Accident severity rate (SR)	0	0	0	-	-	-	-
Incidence of labour accidents	0	0	0	-	-	-	-
Incidence of occupational diseases	0	0	0	-	-	-	-
Poland							
Accident frequency rate (FR)	0	0	0	-	-	-	-
Accident severity rate (SR)	0	0	0	-	-	-	-
Incidence of labour accidents	0	0	0	-	-	-	-
Incidence of occupational diseases	0	0	0	-	-	-	-
Total							
Accident frequency rate (FR)	6E-09	1E-12	9E-13				
Accident severity rate (SR)	7.98E-08	3.21E-08	4.64E-11				
Incidence of labour accidents	0	0	0				
Incidence of occupational diseases	0	0	0				

Hours of absenteeism

	2021	2020	2019
Spain	65,160	79,223	59,093
Italy	3,472	4,680	4,832
France	4,375	3,836	1,092
Switzerland	2,618	705	634
Netherlands	5,802	7,977	2,946
UK	9,671	5,377	0
Ireland	272	0	-
Portugal	4,128	432	-
Austria	120	-	-
Denmark	97	-	-
Sweden	0	-	-
Poland	8,081	-	-
Total	**103,795**	**102,230**	**68,596**

Accident frequency rate (FR) = (Nº accidents with leave / Nº worked hours) x 10^6

Accident severity rate (SR) = (Nº lost days due accidents with leave / Nº worked hours) x 10^3

Worked hours: Number of theoretical hours

Lost days: Number of days lost due to clinical absenteeism (due to accident)

GRI 302-1 Energy consumption within the organization

Gasoline consumption by country [KWh]

	2021	2020 restated (base year)*
Spain	67,274	28,797
Italy	0	0
France	0	0
Switzerland	0	0
Netherlands	0	0
UK	0	0
Ireland	0	0
Portugal	0	0
Austria	0	0
Denmark	0	0
Sweden	0	0
Poland	329,643	333,124
Total	**396,917**	**361,921**

Natural gas consumption by country [KWh]

	2021	2020 restated (base year)*
Spain	0	0
Italy	0	0
France	0	0
Switzerland	0	0
Netherlands	146	571
UK	0	0
Ireland	0	0
Portugal	0	0
Austria	0	0
Denmark	0	0
Sweden	0	0
Poland	0	0
Total	**146**	**571**

*Data has been recalculated as a baseline in 2020 according to the GHG Protocol. For this reason, data is reported in countries not included in the FY20 perimeter or that have undergone perimeter expansions with respect to what was previously reported, which is why the data reported in the 2020 Annual Report has been modified.

Diesel consumption by country [KWh]

	2021	2020 restated (base year)*
Spain	2,075,695	2,332,675
Italy	0	0
France	0	0
Switzerland	0	0
Netherlands	21,297	3,066
UK	0	0
Ireland	0	0
Portugal	0	0
Austria	0	0
Denmark	0	0
Sweden	0	0
Poland	194,692	196,748
Total	**2,291,684**	**2,532,489**

GRI 302-2 Energy consumption outside of the organization

Electricity consumption by country [KWh]

	2021	2020 restated (base year)*
Spain + Corporate	328,487,579	301,551,604
Italy	612,372,583	555,233,631
France	0	0
Switzerland	21,692	21,855
Netherlands	32,968,039	34,989,500
UK	60,992,435	58,248,007
Ireland	378,239	576,404
Portugal	0	0
Austria	0	0
Denmark	40,652	42,681
Sweden	29,846,884	29,048,252
Poland	159,575,385	161,260,480
Total	**1,224,683,488**	**1,140,972,414**

*Data has been recalculated as a baseline in 2020 according to the GHG Protocol. For this reason, data is reported in countries not included in the FY20 perimeter or that have undergone perimeter expansions with respect to what was previously reported, which is why the data reported in the 2020 Annual Report has been modified.

GRI 305-1, 305-2 y 305-3 GHG emissions (tCO_2 eq.)

Emissions Cellnex Spain & Corporate (t CO2eq)	2021	2020 restated (base year)*
Scope 1	1,867	1,970
Scope 2	35,713	81,223
Scope 3	53,491	60,314
Total	**91,071**	**143,507**

Emissions Cellnex Italy (t CO2eq)	2021	2020 restated (base year)*
Scope 1	1,127	1,067
Scope 2	110,444	174,900
Scope 3	66,196	57,663
Total	**177,767**	**233,630**

Emissions Cellnex France (t CO2eq)	2021	2020 restated (base year)*
Scope 1	73	57
Scope 2	0	0
Scope 3	20,305	17,382
Total	**20,379**	**17,439**

Emissions Cellnex Switzerland (t CO2eq)	2021	2020 restated (base year)*
Scope 1	0	0
Scope 2	0	0
Scope 3	6,801	5,140
Total	**6,801**	**5,140**

Emissions Cellnex Netherlands (t CO2eq)	2021	2020 restated (base year)*
Scope 1	49	278
Scope 2	2,762	5,430
Scope 3	12,511	19,190
Total	**15,322**	**24,898**

Emissions Cellnex UK (t CO2eq)	2021	2020 restated (base year)*
Scope 1	0	0
Scope 2	0	0
Scope 3	48,187	47,993
Total	**48,187**	**47,993**

Emissions Cellnex Ireland (t CO2eq)	2021	2020 restated (base year)*
Scope 1	0	0
Scope 2	0	0
Scope 3	10,282	9,641
Total	**10,282**	**9,641**

Emissions Cellnex Portugal (t CO2eq)	2021	2020 restated (base year)*
Scope 1	0	0
Scope 2	0	0
Scope 3	33,264	28,455
Total	**33,264**	**28,455**

Emissions Cellnex Austria (t CO2eq)	2021	2020 restated (base year)*
Scope 1	110	116
Scope 2	0	0
Scope 3	2,877	3,039
Total	**2,987**	**3,155**

Emissions Cellnex Denmark (t CO2eq)	2021	2020 restated (base year)*
Scope 1	5	5
Scope 2	15	16
Scope 3	25,224	26,482
Total	**25,244**	**26,503**

Emissions Cellnex Sweden (t CO2eq)	2021	2020 restated (base year)*
Scope 1	0	0
Scope 2	0	0
Scope 3	826	801
Total	**826**	**801**

Emissions Cellnex Poland (t CO2eq)	2021	2020 restated (base year)*
Scope 1	263	263
Scope 2	179,786	181,684
Scope 3	69,466	59,312

Total	**249,515**	**241,259**

Country distribution	2021	2020 restated (base year)*
Corporation + Spain	91,071	143,507
Italy	177,767	233,630
France	20,379	17,439
Switzerland	6,801	5,140
Netherlands	15,322	24,898
UK	48,187	47,993
Ireland	10,282	9,641
Portugal	33,264	28,455
Austria	2,987	3,155
Denmark	25,244	26,503
Sweden	826	801
Poland	249,515	241,259
Total	**681,646**	**782,421**

Scope distribution	2021	2020 restated (base year)*
Scope 1	3,494	3,756
Scope 2	328,720	443,253
Scope 3	349,431	335,413
Total	**681,646**	**782,421**

*The 2020 carbon footprint data has been recalculated according to the GHG Protocol, as there have been relevant structural and methodological changes in 2021 that affect the base year. For this reason, data is reported in countries not included in the FY20 perimeter or that have undergone perimeter expansions with respect to what was previously reported, for this reason the data reported in the 2020 Annual Report has been modified.

GRI 303-5 Water consumption

Water consumption by country [m^3]

	2021			2020		
	Water (supply network)	Water (rainwater)	Total	Water (supply network)	Water (rainwater)	Total
Spain	8,765	854	9,619	9,216	926	10,142
Italy	751	0	751	0	0	0
France	495	0	495	0	0	0
Switzerland	19,889	0	19,889	0	0	0
Netherlands	1,566	0	1,566	3,024	0	3,024
UK	0	0	0	0	0	0
Ireland	0	0	0	0	0	0
Portugal	0	0	0	0	0	0
Austria	0	0	0	0	0	0
Denmark	0	0	0	-	-	-
Sweden	0	0	0	-	-	-
Poland	0	0	0	-	-	-
Total	**31,466**	**854**	**32,320**	**12,240**	**926**	**13,166**

GRI 204-1 Proportion of spending on local suppliers

	2021			2020		
	Number of suppliers	Number of local suppliers	% of local suppliers	Number of suppliers	Number of local suppliers	% of local suppliers
Spain	1,734	1,544	89%	1,638	1,468	90%
Italy	433	410	95%	483	455	94%
France	605	545	90%	279	263	94%
Switzerland	180	165	92%	90	82	91%
Netherlands	317	282	89%	187	169	90%
UK	300	283	94%	189	160	85%
Ireland	183	148	81%	37	36	97%
Portugal	146	127	87%	108	99	92%
Austria	42	11	26%	-	-	-
Denmark	64	62	97%	-	-	-
Sweden	127	125	98%	-	-	-
Poland	204	199	98%	-	-	-
Total	**3,898**	**3,504**	**90%**	**3,011**	**2,732**	**91%**

Annex 7. EU Taxonomy

Turnover

				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 '(transition al activity)'**
A. TAXONOMY-ELEGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
TBD		-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
(A.1) Turnover of environmentally sustainable activities (Taxonomy-aligned)		-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Proceso de datos, hosting y actividades relacionadas	8.1	12,854,743	0.51%																	
Actividades de programación y emisión de radio y televisión	8.3	47,708,445	1.88%																	
Instalación, mantenimiento y reparación de instrumentos y dispositivos para medir, regular y controlar la eficiencia energética de los edificios	7.5	32,378	0.00%																	
(A.2) Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		**60,595,566**	**2.39%**																	
Total (A.1 + A.2)		**60,595,566**	**2.39%**																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
(B) Turnover of Taxonomy-non-eligible activities		**2,475,472,474**	**97.61%**																	
TOTAL A+B		**2,536,068,040[1]**	**100%**																	

- Within activity 8.1, the income from Datacenters is fully included. It is considered as a transition activity in Annex I of Climate Change Mitigation.
- Activity 8.3 includes MCPN and 84% of IoT, both considered as facilitating activities for adaptation to climate change as established in Annex II on Adaptation to Climate Change.
- Within activity 7.5, 1% of IoT is included. It is considered as a facilitating activity according to Annex I of Climate Change Mitigation.

The most relevant revenue item for the group, Telecommunications Infrastructure Services (TIS), which represents approximately 70% of the group's revenue, could not be included in the eligibility calculations given that within the environmentally sustainable economic activities presented by the regulation, there is still no activity consistent with that carried out by Cellnex. TIS activity is based on the operational efficiency of telecommunications towers by sharing them among various 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 income linked to eligible economic activities higher than that provided in the indicator. Based on Annex II of the Climate Delegated Act (Climate Change Adaptation Activities), certain economic activities of the company fit with activities listed in the aforementioned annex. Broadcast and Internet Media activities, exceeding €200 million in revenue, could not be accounted for as they are classified as “adapted” activities under adaptation activity 8.3, Radio and television programming and broadcast activities. At a methodological level, "adapted" activities are not considered sustainable, greatly affecting Cellnex's revenue KPI. The percentage of eligibility would increase to 11.01% if the activities of Broadcast and Internet Media, considered as adapted, were counted.

[1] The total revenues used for the calculation is €2,536,068,040, which differs from the data in note 20.a of the Consolidated Financial Statements since it includes €3,269,000 of advances to customers.

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 the climate objectives (mitigation of climate change and adaptation to climate change) and, therefore, includes the most relevant activities for the reduction of greenhouse gas emissions and for the improvement of climate resilience. . This includes the sectors with the highest contribution to CO2 emissions (energy, manufacturing, transport, buildings), as well as the activities that allow 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), not included. The eligibility figures communicate only the percentage of the business linked to activities for which the commission has established sustainability criteria. This percentage does not determine the sustainability of the business, but rather the degree of coverage of the business under the activities proposed in the Taxonomy.

The number of economic activities in the ICT sector represented in the Climate Delegated Act only reaches 4 (6 due to repetitions) out of more than 200, some of them being either too general or specific 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 these to be accounted for in the Taxonomy indicators.

CAPEX

				SUBSTANTIAL CONTRIBUTION CRITERIA (%)						DNSH CRITERIA ('Does Not Significantly Harm')										
Economic activities (1)	**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)																				
TBD		-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
(A.1) CapEx of environmentally sustainable activities (Taxonomy-aligned)		-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Renovation of existing buildings	7.2	13.444.418,61	0,81%																	
Installation, maintenance and repair of instruments and devices to measure, regulate and control the energy efficiency of buildings	7.5	6.302.290,26	0,38%																	
Installation, maintenance and repair of renewable energy technologies	7.6	48.507,98	0,00%																	
Data processing, hosting and related activities	8.1	3.076.808,79	0,19%																	
Radio and television programming and broadcasting activities	8.3	1.610.429,86	0,10%																	
(A.2) CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		**24.482.455,50**	**1,48%**																	
Total (A.1 + A.2)		**24.482.455,50**	**1,48%**																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
(B) Turnover of Taxonomy-non-eligible activities		**1,631,560,402**	**98,52%**																	
TOTAL A+B		**1.656.042.857**	**100,00%**																	

1.631.560.402 98,52%

- Activity 7.2 includes the entire New Offices item since in 2021 it only includes investments and expenses to renovate, modify, improve and adapt buildings.
- Activity 7.5 includes 1% of the Efficiency Capex (Energy) item focused on the installation of photovoltaic solar panels.
- Activity 7.6 includes 99% of the Efficiency Capex (Energy) item focused on improvements in energy efficiency of DTT FM and others.
- Within activity 8.1, the investments related to Datacenters are fully included.
- Within activity 8.3, investments in Radiocommunications (MCPN) and certain investments in IoT are fully included.

The CapEx items considered in the calculation represent (i) those investments in eligible economic activities based on the Taxonomy – especially Datacenters, IoT and Building Renovation - and (ii) activities mentioned in category (c) of 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 included in point (ii) are especially investments in renewable energy equipment and energy efficiency improvements. As is the case with the income section, Cellnex cannot account for investments associated with "adapted" economic activities. These investments are only accounted for if they are investments to adapt the activity(ies) to climate risks based on a specific investment plan. This is the case of investments linked to Broadcast and Internet Media. Similarly, the investment items in activities linked to the operational and energy efficiency of telecommunications towers, such as TIS, could not be accounted for either, since the activities are not considered eligible.

Cellnex has recently published a Financing Plan linked to sustainability (Sustainability-linked Financing Framework), which has obtained a second-party opinion from specialists, stating that it meets international financial sustainability criteria. The framework or plan has the objective of issuing sustainable bonds or obtaining sustainable loans, while meeting 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.

OPEX

				SUBSTANTIAL CONTRIBUTION CRITERIA (%)						DNSH CRITERIA ('Does Not Significantly Harm')										
Economic activities (1)	**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)																				
TBD		-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
(A.1) OpEx of environmentally sustainable activities (Taxonomy-aligned)		-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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)		**24,482,455.50**	**1.48%**																	
Total (A.1 + A.2)		**24,482,455.50**	**1.48%**																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
(B) Turnover of Taxonomy-non-eligible activities		**615,356,947**	**100%**																	
TOTAL A+B		**615,356,947**	**100%**																	

The company considers that the OPEX margin for the calculation of the Taxonomy is not material, mainly and in accordance with the accounting regulations of IFRS16, the most significant item (rental costs) is reflected in the financial interests and in the amortization of the financial statements. of the company. Therefore, it makes the company have a very high operating leverage and margin.

Annex 8. Sustainable Finance

Indicator	Description	Base year (2020)[1] Value (Unit)	Status 2021 Value (Unit)	Performance vs Base Year (%)	Target 2025 Value (Unit)	Target 2030 Value (Unit)
KPI 1a[2]	Reduction in Scope 1, 2 and 3 from fuel and energy-related activities GHG emissions	528.817,65 tCO_2e	435.093,59 tCO_2e	(17.7)%	(45)%	(70)%
KPI 1b	Reduction of absolute Scope 3 GHG emissions from purchased goods and services, and from capital goods	73.313,38 tCO_2e	67.747,57 tCO_2e	(7.6)%	(21)%	-
KPI 2	Annual sourcing of renewable electricity	2%	40.5%	1925%	100%	-
KPI 3[1]	Percentage of women in directors and senior management/manager roles[3]	23.6%	23.8%	0.85%	30%	-

[1] Data recalculated according to SBT and GHG Protocol methodology applied to FY21 perimeter. Further information in section 7.3. of this document.

[2] KPIs included in the Revolving Credit Facility

[3] 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 its subsidiaries

Independent Auditor's report on the Consolidated Management Report for the year ended 31 December 2021

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

Deloitte, S.L.
Av. Diagonal, 654
08034 Barcelona
España

Tel: +34 93 280 40 40
www.deloitte.es

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 Consolidated Management Report (hereinafter, CMR) of Cellnex Telecom, S.A. and Subsidiaries ("Cellnex" or "the Group") included in the Integrated Annual Report (hereinafter, IAR) for the year ended December 31, 2021.

The CMR includes information, additional to that required by current Spanish corporate legislation relating to non-financial reporting and by the Global Reporting Initiative Standards for sustainability reporting in their core option ("GRI standards"), that was not the subject matter of our verification. In this regard, our work was limited solely to the verification of the information identified in the Annex 3 Index of contents required by Law 11/2018, Annex 4 GRI Content Index, Annex 7 EU Taxonomy and Annex 8 Sustainable Finance of the CMR (hereinafter, the Annexes of the CMR).

Responsibilities of the Directors

The preparation and content of Cellnex Telecom's Consolidated Management Report is the responsibility of the Board of Directors of Cellnex. The non-financial information included in the Annexes of the CMR was prepared in accordance with the content specified in current Spanish corporate legislation, in accordance with GRI standards in their core option and with the standards established in the AA1000AP (2018) Assurance Standard issued by AccountAbility.

This responsibility of the Board of Directors also includes the design, implementation and maintenance of such internal control as is determined to be necessary to enable the Annexes of the CMR and the non-financial information 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 Annexes of the CMR is obtained.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC 1) and, accordingly, maintains a comprehensive system of quality control including documented 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 information about 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 review in accordance with the requirements established in the International Standard on Assurance Engagements 3000 Revised in force, 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 published by the Spanish Institute of Certified Public Accountants on attestation engagements on regarding non-financial information statements. Also, we have applied AccountAbility's AA1000 Assurance Standard (AA1000AS) to provide moderate assurance on the application of the principles established in standard AA1000AP (2018) and on the sustainability performance indicators (type 2 moderate assurance).

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 in requesting information from management and the various units of Cellnex that participated in the preparation of the Annexes of the CMR, which includes the non-financial information, reviewing the processes used to compile and validate the information presented on them 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 verification.

- Analysis of the scope, relevance and completeness of the contents included in the Annexes of the CMR based on the materiality analysis performed by Cellnex and described in the Strategic Vision section of chapter 1 of the CMR, also 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 Annexes of the CMR.

- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters described in the Strategic Vision section of chapter 1 of the CMR.

- Verification, by means of sample-based review tests, of the information relating to the contents identified in Appendices to the CMR, and the appropriate compilation thereof based on the data furnished by Cellnex's information sources.

- 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 investments, establishes the obligation to disclose information on the manner and to what extent the activities of the business are associated with economic activities considered environmentally sustainable in relation to the objectives of climate change mitigation and climate change adaptation for the first time for year 2021 provided that the Consolidated Management Report is published after 1 January 2022. Consequently, the Consolidated Management Report does not include comparative information. Additionally, certain information has been incorporated for which Cellnex Directors have chosen to apply the criteria that, in their opinion, best allow compliance with the new obligation and that are defined in Annex 3 Index of contents required by Law 11/2018 and Annex 7 EU Taxonomy of the Consolidated Management Report. Our conclusion has not been modified in relation to this issue.

Conclusion

Based on the procedures performed and the evidence obtained no matter has come to our attention that causes us to believe that:

a) The non-financial information included in the Annexes of Cellnex's Consolidated Management Report included in the Integrated Annual Report for the year ended December 31, 2021 was not prepared, in all material respects, in accordance with to the contents set out in current corporate legislation and following the criteria of the GRI standards in their core version.

b) Cellnex did not apply in the preparation of the Consolidated Management Report the principles of inclusivity, materiality, responsiveness and impact as described in chapter 7 Bases for the Preparation of the Report in accordance with AA1000AP (2018), namely:

- Inclusivity: Cellnex has developed a stakeholder participation process, enabling stakeholders to be considered in the development of a responsible approach.

- Materiality: the materiality determination process is geared towards identifying and understanding the issues that are material or significant for Cellnex and its stakeholders.

- Responsiveness: Cellnex responds, through specific actions and commitments, to the material issues identified.

- Impact: Cellnex analyses and monitors the risks and impacts that its activities may cause. Evidence of its measurement are provided in the contents of the Consolidated Management Report.

Additional information

Pursuant to the provisions of the AA1000AS standard, 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 financial year 2021, Cellnex incorporated the Austria, Denmark, Poland and Sweden business units into the reporting and verification process and strengthened some business units: France (Hivory I), Denmark (On Tower), Netherlands (Cignal), Austria (On Tower) and Ireland (On Tower).

For the purposes of this report, the 2020 materiality analysis have remained in force. This materiality analysis served as the basis for the ESG Plan 2021-2025, ensuring the inclusion of the particularities, concerns, and expectations of the new subsidiaries, as well as the needs and expectations of Stakeholders, aligning its perimeter to that of the Group.

Responsiveness

During 2021, Cellnex continued its international expansion. Thus, at the end of the year, the purchase of a new business in Netherland was closed, which will be considered in the 2022 Consolidated Management Report.

In view of the rapid expansion of the Cellnex Group, we recommend that Cellnex continue to strengthen the internal non-financial information control mechanisms and promote greater standardization and integration in the management of each of the areas that make up the reporting of non-financial information, to minimize any risk in this area.

Impact

Cellnex monitors the information related to social, economic and environmental risks and impacts and continues to improve it through the integrated management systems and the risk management system. In this sense, Cellnex must continue to work on monitoring of all business units on a recurring basis and with special emphasis on the impacts generated by the development of its activity.

Use and distribution

This report has been prepared in response to the requirement established in the commercial regulations in force in Spain, so it may not be suitable for other purposes and jurisdictions.

DELOITTE, S.L.

AA1000
Licensed Assurance Provider
000-14

Xavier Angrill Vallés
24 February 2022

Annex 10. Annual Report on the Remuneration of Directors of Cellnex Telecom 2021

Index

*Nominations, Remunerations and Sustainability Committee

Letter from the Chair of the NRSC

Dear Stakeholder,

On behalf of the Cellnex Board of Directors, I am honoured to present to you our Annual Report on the Remuneration of Directors of Cellnex Telecom 2021, which includes our proposed new Remunerations Policy, which remains subject to approval at the upcoming 2022 Annual General Meeting (AGM), and how it would be applied in 2022. The report also includes our 2021 Annual Remunerations Report, which describes the implementation of our current policy during the previous fiscal year

The Committee which I chair is also responsible for all aspects related to the areas of Nominations and Sustainability.

Within the area of Remunerations, these are the following responsibilities:

- To determine, on behalf of the Board of Directors, the remuneration policy of the Chair of the Board, the non-executive directors, the CEO and the senior management of the Company
- To define the remuneration packages for these individuals, including any compensation that is related to the potential termination
- To operate in accordance with the principles of good corporate governance, and
- To issue an Annual Report on the Remuneration of Directors.

The CEO's remuneration is fully aligned with the level of achievement of the value creation for shareholders

I am convinced that the new Remunerations Policy will lead to a significant improvement towards your demands, since it includes some of the concepts that you have requested, notably an increased alignment between the remuneration of executives and value creation:

- The remuneration of the CEO is fully aligned with the creation of value for shareholders, since:
    i. his Fixed Remuneration is not increased,
    ii. the Variable Remuneration and Long-Term Incentive are increased, only in the case of exceptional performance, and
    iii. relevant changes are introduced in the Annual Variable Remuneration and Long-Term Incentive Plan to reflect new KPIs related to ESG
- The prominence and commitment to sustainability is evident in the increased importance given to more specific metrics which apply both in the short and long-term

- The importance of the good governance recommendations is evident in the new proposal, exceeding the demands of the investment community and regulator in this area by 80%

In addition, this year, we have undertaken an engagement process with our investors and proxy advisors with the assistance of an external consultant. We are increasingly interested in hearing from our stakeholders and we have included many of their suggestions in our proposal, taking into account the . detailed analysis with Proxy Advisors and Proxy Solicitors, as well as with some of you, who have kindly participated by offering your feedback for the definition of the Remunerations Policy.

I am well aware that this Policy is challenging for the CEO and management team all in accordance with our ambitious business targets. But I am convinced that it is a necessary step in order to align the Company performance with the interests of our shareholders.

In addition, this year, we have undertaken an engagement process with our investors and proxy advisors with the assistance of an external consultant. We are increasingly interested in hearing from our stakeholders and we have included many of their suggestions in our proposal. All of these initiatives have been adopted after a detailed analysis with Proxy Advisors and Proxy Solicitors, as well as with some of you, who have kindly participated by offering your feedback for the definition of the Remunerations Policy.

I am well aware that this Policy is a challenge for our CEO and management team. But I am convinced that it is a necessary step in order to align the Company with the interests of our shareholders.

In 2021, the overall achievement level of the CEO's Annual Variable Remuneration was [98.11% of the objective] and the 2019-2021 LTIP that the CEO will receive in the month following the AGM which will approve the 2021 annual accounts, being the before tax payout 1,920,157 euros (which represent 1.167 times his Fixed Remuneration).

The Committee has met on 15 occasions during 2021, demonstrating its high level of commitment.

The Committee has assumed all of its responsibilities during 2021 and has met on a total of fifteen occasions, demonstrating its discipline and commitment to consider carefully and address the issues which fall under its responsibility. This includes the creation of an action plan to evaluate the Board of Directors, the appointment of an independent Chair of the Board of Directors, to the process undertaken to create a matrix of competences to identify the needs of the Board, the review of the Succession Plan, the approval of a new strategic ESG plan for 2021-2025, as well as the ESG training for Board of directors and the review of the internal Company regulations.

The Committee believes that the new Policy, detailed in the following sections, will serve to generate progress and commitment amongst our employees.

And once again, please allow me to thank all of our stakeholders for the level and quality of the support provided this fiscal year.

Marieta del Rivero

Chair of the Nominations, Remunerations and Sustainability Committee (NRSC)

Summary of remuneration in 2022

The CEO's remuneration for 2022 includes **metrics reflecting the creation of value for shareholders and further reinforcing long-term sustainability**

General principles of the remuneration of the CEO in 2022

The total remuneration of the CEO in 2022 is made up of three elements as summarised below:

Fixed Elements: No increase as compared to year 2021

Fixed Remuneration (FR)	1,300,000 euros
Pension Plan	25% of FR
Payment in kind	Benefits related to private medical insurance and Company car

Annual Variable Remuneration: Only increases in case of overperformance: (from 150% to 180%)

Minimum: 0%
Target: 100%

Maximum: 180% → (150%* 1.2 linked to Leadership Model)

- 35% Adjusted EBITDA
- 30% Organic growth
- 20% ESG Indicators (focused on the E: reduced carbon footprint, and the S: % women in management positions)
- 15% Inorganic growth

Calculation formula: FR * Achievement level (%) * 1.2

Long-Term Incentive Plan 2022-2024: Only increases in case of overperformance (Booster)

- 30% Evolution of share price
- 30% Relative evolution of share price compared to comparable companies
- 20% Recurring Levered Free Cash Flow (RLFCF) per share
- 20% ESG (focusing on the E: % of green energy consumption and on the S: reduction of the gender pay gap, among other things)

Calculation formula: LTIP= FR 2024 * (5,5/3) * Achievement level (%) * Booster

The standard multiplier of the CEO (5.5 / 3 years=183%) remains unchanged as compared to the previous year, while the new Booster (new multiplying factor) will only apply if the revaluation of the share is exceptional in absolute and relative values.

- Minimum multiplier 1.2 (>10% TSR= 70 euros/share and second relative position)
- Maximum multiplier 5 (30% TSR = 114.4 euros/share and first relative position)
- Payment modality: 40% granted in shares / 60% in stock options

Others

Shareholding:	Equivalent to a minimun of 2 years of Fixed Remuneration

This model contributes to the Company's business strategy and long-term sustainability

The objective of the structure of the remuneration package of the CEO is to align it with the performance and value creation for the Company. The NRSC is therefore confident that the proposed remuneration structure will play an important role in supporting the delivery of the Company's strategy and ensuring it meets its sustainability goals, as set out in the Company's Strategic Plan.

As a result, the proposed remuneration of the CEO for 2022 It is in line with best international practices and has been benchmarked against the relevant peer group.

2022 Remunerations Policy in detail

The Remunerations Policy of the Directors of Cellnex in force at the time of drafting of this report (the "Report" or "Annual Remuneration Report"), was approved by the shareholders at the AGM held on 29 March 2021. The policy was supported by88.15% of [voting] shareholders and was expected to be valid throughout fiscal years 2021, 2022 and 2023. This policy may be accessed through the Cellnex website[1].

However, the Board of Directors has decided to submit a new Remunerations Policy of the Directors for approval by the AGM to be held in April 2022. Although the new Remunerations Policy builds on the current Policy, it introduces certain new aspects which are detailed in this Report.

The design of the Remunerations Policy is coherent with the Company's strategy and is oriented to ensure that the long-term results are achieved.

The design of the Remunerations Policy is aligned with the Company's strategy and is oriented to ensure the achievement of the long-term results.

In Cellnex the only Executive Director is the CEO and his total remuneration consists of distinct remuneration elements, as detailed below:

Therefore:

- There is a appropriate balance between the fixed and variable components of the remuneration.
- The variable component of the CEO's remuneration is structured so that none is paid in the event the minimum target achievement is not met.

[1] https://www.cellnextelecom.com/content/uploads/2021/04/B.AOB_.3.-Politica-de-remuneraciones-2021-2023-V.3.pdf

The established metrics, for both annual variable remuneration and long-term variable remuneration, reflect the Company's strategic priorities at all times and the guidance offered to its investors.

- The established metrics, for both Annual Variable Remuneration as well as Long-Term Incentive, are linked to the achievement of a combination of financial and non-financial objectives, which reflect the Company's strategic priorities, as well as the guidance communicated to investors. Specifically, the non-financial objectives may be linked to sustainability metrics in any of the three vectors: environmental, social and governance.

- There is no guaranteed minimum level of the variable remuneration component.

The Cellnex Nominations, Remunerations and Sustainability Committee works with expert advisors to understand, benchmark and monitor competitive market practices.

It also has the objective of including relevant market practices to ensure that the Remunerations Policy supports the attraction and retention of highly qualified leaders, rewards for short and long-term results and the creation of value for our investors.

This process includes an analysis with Industry comparable companies and a benchmark analysis.

During fiscal year 2021, and as of the drafting of this report, the Nominations, Remunerations and Sustainability Committee has been advised by prestigious entities

Throughout fiscal year 2021, and as of the date of this Report, the Nominations, Remunerations and Sustainability Committee has taken advice from prestigious recognised entities, who have offered their knowledge on this area, including i) Willis Towers Watson (WTW) and ii) Georgeson (proxy solicitor). Similarly, feedback has been provided by the proxy advisors (ISS and Glass Lewis) and from a representative sample of investors.

Section 3.3 of this Report presents the principles and criteria upon which the 2022 Remunerations Policy is based, as well as the external advisors who have collaborated on its design, and the peer group companies used for comparative purposes.

3.1 Remuneration of the Cellnex CEO in 2022

As of the date of this Report, the CEO is the only executive of the Company.

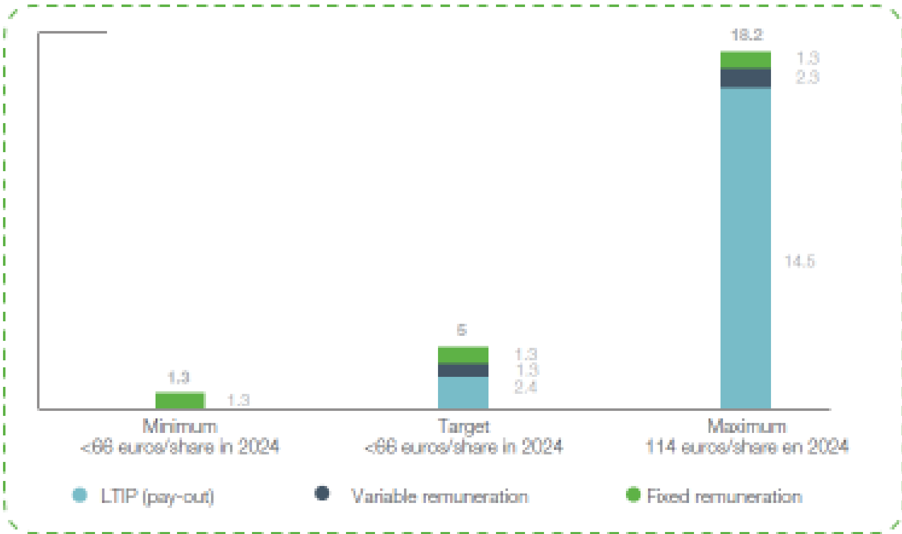
3.1.1 Percentage of remuneration linked to risk

The remuneration mix reflects the reasonable assumption of risks combined with the achievement of defined short and long-term objectives, linked to the creation of sustainable value.

Regarding the remuneration mix, the Remunerations Policy of the Directors of Cellnex provides a reasonable balance between the distinct fixed and variable elements (annual and long-term) of the remuneration which reflects a reasonable assumption of risk combined with the achievement of defined short and long-term objectives, linked to the creation of sustainable value.

Therefore, during the period in which the new Remunerations Policy proposal (since its approval by the AGM and until-2025) is in force, the weight of the remuneration at "risk" for the CEO stands at 74% of the total remuneration, in a scenario of standard (target) achievement. The weight of the remuneration at risk can reach up to 93%, in a maximum achievement scenario, that is, in a scenario of over-achievement of the objectives at both an annual and long-term level.

The graph below presents the 2022 total remuneration for the CEO, as well as the remuneration mix for a scenario of minimum, target and maximum achievement, according to the new Remunerations Policy of the Directors (subject to approval at the 2022 AGM). This policy, based on the "pay for performance" principle, will encourage Cellnex to create value as in prior periods (2017-2021).



	2017	2018	2019	2020	2021
Income (million euros)	792	901	1,035	1,608	2,536
Total Assets (million euros)	4,445	5,133	13,043	24,070	41,797
Market capitalisation (million euros)	4,946	5,187	14,785	23,907	34,768
TSR	56%	4%	93%	34%	13%

The Committee agreed to maintain the Fixed Remuneration of its CEO and, therefore, his salary remained unchanged in 2022.

3.1.2 Details on the remuneration elements of the CEO in 2022

The CEO's remuneration package consists mainly of certain Fixed Elements (Fixed Remuneration, contribution to the pension plan and certain remuneration in kind), an Annual Variable Remuneration and certain Long-Term Incentive Plans.
Below, please find a summary of the different remuneration elements making up the CEO's total remuneration for 2022:

Fixed elements:

Fixed Remuneration (FR)

Purpose: To offer compensation considering the level of responsibility, experience, professional competences and market practices in companies with similar activity, size and complexity compared to Cellnex..

Amount (€)	Detail
1,300,000 euros in 2022.	100% in cash.
The Committee agreed not to increase the Fixed Remuneration; therefore, his remuneration will remain unchanged during 2022.	To be paid on a monthly basis.

Willis Towers Watson has advised the Company in the benchmark against a group of comparable companies and analysed the trends and best remuneration practices of the market.

Regarding the Fixed Remuneration, it should be noted that the amount may be revised during the validity period of the Remunerations Policy of the Directors under certain circumstances such as (but not limited to) the excellent evolution of the Company's business parameters, changes in the business, competences or responsibilities of the CEO and excellent Company performance.

Under these circumstances, the Board, after the favourable recommendation of the NRSC, may decide to apply an increase. The maximum increase during the validity period of the Remunerations Policy of the Directors is 30%. Any such increase will be explained in the corresponding Annual Report on the Remuneration of Directors, along with the underlying rationale.

Likewise, the CEO will receive compensation for his appointment and dedication to the Board of Directors.

Pension Plan

Purpose: To provide competitive post-retirement benefits.

Amount (€)	Detail
25% of the FR	The pension plan is aligned with the defined contribution contracts and is instrumented through a collective insurance policy.

Annual Pension plan contribution is positioned between median and 75 percentile of the Industry peer group as per WTW benchmark.

The contingencies covering the Pension Plan are: a) Survival at 65 years of age or the legal retirement age; b) Death; c) Overall permanent disability for the regular, absolute profession for all types of work and major disability; d) Long-Term unemployment: In these circumstances, he will be entitled to receive the total amount of the provision established in his favour in the Defined Contribution Pension Plan when, after ceasing in his duties, do not receive any remuneration, throughout an entire calendar year, as defined in the Personal Income Tax regulations..

In the case of removal of the Company's CEO prior to the occurrence of any of the contingencies foreseen in the pension plan, the CEO will have the rights related to the contributions made up to such date[2].

Payment in Kind

Purpose: To provide competitive benefits.

Amount (€)	Detail
32.000 €*	This includes, among others, the payment of life and accident insurance premiums and healthcare policies, of which the executive director and members of his family may be beneficiaries .

* Estimated amount. In 2022, the same elements comprising the payment in kind from 2021 are maintained.

[2] Except in the following cases: a) In the case in which, at any time during the twelve (12) months following termination of his contract –due to causes other than the contingencies and without having received the survivor's benefits–, he breaches the non-compete obligation regulated in his contract; b) In the case of the termination of his contract due to a violation of good contractual faith; c) in the case of termination of his contract due to abuse of trust during the performance of his duties.

Regarding the variable elements for 2022, these consist of: i) Annual Variable Remuneration (AVR), and ii) Long-Term Incentive Plans (LTIP).

Variable Elements

Annual Variable Remuneration (AVR)

Purpose: To promote the CEO's commitment to the Company, motivate his performance and compensate for the achievement of specific objectives during each fiscal year.

Amount (€)	Detail	Disign
Minimum: 0%	Adjusted EBITDA (35%)	100% in cash in fiscal year 2022[3]
Target: 100% of the FR (1,300,000 euros)	Evolution of the number of sites managed (30%)	Subject to malus and clawback provisions (12 months)
Maximum: 180% (150% * 1.2) of the FR (2,340,000 euros)	ESG indicators (20%)	Discretion of the Board in the case of exceptional circumstances
(See additional details on the level of achievement, below)	Inorganic growth (15%)	

The Annual Variable Remuneration designed for 2022 demonstrates Cellnex's commitment to rigorously and objectively create and comply with the remuneration objectives. Upon review of the market practices, the Committee reached the conclusion that the Company's performance with regard to these objectives is challenging, revealing that the Company had created rigorous objectives for its Incentive Plans.

To quantify the Company's performance, metrics that were directly linked to those used to measure the Company's financial performance (such as the EBITDA, adjusted according to accounting standard IFRS16) were proposed, as well as other key metrics related to the execution of the Cellnex strategy, such as organic and inorganic growth and the progress of ESG initiatives.

[3] All or some of the Annual Variable Remuneration may be substituted by a company contribution to improve the pension plan or by Cellnex shares.

The metrics reflect the creation of value for the shareholders, promoting alignment and team work

These metrics reflect the shareholders' value creation, ensuring that the Company's financial and operative performance and the progress of the ESG strategies are shared objectives of the management team and the market, promoting alignment and team work.

These objectives are approved by the Board of Directors, upon proposal by the Nominations, Remunerations and Sustainability Committee, at the end of each preceding fiscal year.
As shown in the chart above, the Board of Directors, in its meeting held on 16 December 2021, established a target amount of the Annual Variable Remuneration of the CEO for fiscal year 2022. That is, the amount corresponding to a standard level of target achievement, equivalent to 100% of the Fixed Remuneration (1,300,000 euros) for his executive functions, in accordance with the new Remunerations Policy of the Directors of Cellnex and following the regular practices of the Spanish market for similar positions.

On the other hand, it is worth mentioning that 85% of the pre-established objectives is the minimum level of achievement required for receiving Annual Variable Remuneration. Below such threshold no Annual Variable Remuneration will vest.

In the case of over achievement of the pre-established objectives (115% achievement), it is possible to reach 150% of the Fixed Remuneration (1,950,000 euros) and in the case of exceptional performance (if applying an additional discretional multiplier of 1.2 per individual contribution linked to the Cellnex Leadership Model), a maximum of 180% of the Fixed Remuneration may be reached, implying 2,340,000 euros for his executive functions.

This multiplier factor was proposed by the Nominations, Remunerations and Sustainability Committee and was approved by the Board of Directors. As in 2021, in 2022 the following aspects will be evaluated based on the Cellnex Leadership Model:

Aspects considered in the Cellnex Leadership Model that are subject to evaluation

1.	**Empowerment**	Enabling individuals to be more independent and courageous, assuming more risks in the area of their responsibilities
2.	**Promotion of Commitment**	Promote the sense of belonging, connecting to individuals having the goals of the organisation and appreciating their contribution to the same
3.	**Creativity**	Developing ideas to resolve key issues and offer added value to their work
4.	**Transformation**	Includes key factors and tendencies of the business and cultural transformation and adapting to the same
5.	**Results-oriented**	Establishing ambitious objectives, identifying opportunities, anticipating challenges and mitigating risks, thereby achieving excellent results
6.	**Client-oriented**	Understanding and responding to the needs of clients with speed, efficiency and quality, exceeding their expectations
7.	**Search for Excellence**	Proposing solutions in a proactive manner, anticipating and continually improving the client service and seeking excellence
8.	**Team alignment**	Cooperating and demonstrating team spirit, seeking new ways to work and promoting cohesion to achieve common objectives.
9.	**Inclusive environment**	Creating a positive and inclusive environment in which everyone is comfortable and integrated to offer the best of themselves and others
10.	**Appreciation and recognition**	Recognising the contribution of all to the common objectives, promoting their wellbeing to improve performance
11.	**Networking**	Work, collaborate and cooperate effectively

The level of achievement of the Annual Variable Remuneration is approved by the Company's Board of Directors, upon proposal of the Nominations, Remunerations and Sustainability Committee, based on the assessment of the level of achievement of the established objectives, once the annual accounts of the specific fiscal year have been closed and audited.

In order to ensure that the Annual Variable Remuneration has an effective relationship with the professional performance of the CEO, when it comes to determining the level of achievement of the quantitative objectives, the economic positive or negatives effects resulting from the extraordinary events which may impact the assessment results.

Long-Term Incentive Plans

Purpose: To motivate and retain, through a remuneration policy that links and integrates the CEO with the Company's Strategic Plan, guaranteeing a sustainable business, aligning the objectives of the directors with those of the shareholders, thereby maintaining external competitiveness to allow the acquisition and retention of talent.

Existing agreements with clients allow Cellnex to generate relatively predictive long-term growth. Therefore, the management decisions with the greatest impact over the long-term in the Company are generally related to issues such as capital allocation and capital structure, inorganic growth, long-term contract negotiation with the main clients, level of indebtedness, growth opportunities, expansion in new markets and strategic alliances. These decisions may have a short-term impact but they generate long-term value.

Therefore, Cellnex is convinced that it is useful to link a major part of the remuneration scheme to long-term objectives.

Offering significant levels of remuneration in the form of shares encourages the management team to focus on the

In addition, offering significant levels of remuneration in shares helps to ensure that the management team is focused on long-term sustainable business and results achievement, reinforcing value creation for all shareholders and the Company as a whole (through our ESG objectives included in the Master Plan for 2021-2025).

Below is a summary of the main aspects linked to the Long-Term Incentive Plan (LTIP -2022-2024) of the CEO. In addition to LTIP 2022-2024, the 2020-2022 and 2021-2023 LTIPs remain in force (for more details, see Annex 3).

2022-2024 Long-Term Incentive Plan

As mentioned in Section 2 of this Report, the design of the 2022-2024 LTIP consist of various novelties that will allow Cellnex to continue to align itself with the best international standards, including:

The new 2022-2024 LTIP: it is aligned with the Pay for performance principles; it promotes "at risk" remuneration; it includes various metrics for value creation and ESG; and it Increases the percentage of remuneration that is received in shares

- The new Plan includes a combination of metrics that are focused on value creation and ESG aspects, as compared to the use of a single metric (share price) as in previous plans.
- The remuneration mix promotes "at-risk" remuneration, with 74% of it being variable (6% greater than the average of its comparable companies in the market), as per WTW benchmark.
- Being fully aligned with the Pay for performance principles, in which exceptional remuneration is offered (through the application of a new multiplier - Booster) in the case of exceptional results.
- The percentage of remuneration to be received in shares is increased to: i) 40% granted in shares and ii) 60% in stock options

The chart presented below summarises the main metrics and weights established for the 2022-2024 LTIP:

Area	Metric	Weight	Minimum level of achievement: 85%	Target achievement level: 100%	Maximum achievement level: 115%****
ESG	ESG progress based on the specific Objectives of the ESG Master Plan 2021-2025	8%	82% sourcing of renewable electricity*	90% sourcing of renewable electricity*	100% sourcing of renewable electricity*
		12%	1. Overall employee engagement score of 77%** 2. Reduction of gender pay gap by < 5%** 3. 45% of appointments of Directors at HQ being foreign	1. Overall employee engagement score of 80%** 2. Reduction of gender pay gap by 5%** 3. 50% of appointments of Directors at HQ being foreign	1. Overall employee engagement score of 90%** 2. Reduction of gender pay gap by 15%** 3. 60% of appointments of Directors at HQ being foreign
RLFCF per share	Constant perimeter as of December 2021	20%	2.2euros / share	2.6euros / share***	3.0euros / share***
TSR	Assessment of the share price, calculated between the initial price at the beginning of the period and the average price over the last quarter of 2024, weighted by volume (vwap)	30%	N/A*****	8% TSR****** (65.62 euros/share in 2024)	10% TSR (69.3 euros/share in 2024)
Position as compared to market comparable companies	American Tower, Crown Castle, SBA Communications, Helios Towers, Vantage Tower, Inwit, Rai Way, MSCI World Index	30%	#4	#3	#1 or #2

*Energy targets refer to the energy directly managed by Cellnex (Scope 2). Data calculated according to SBT and GHG Protocol methodology applied to FY21 perimeter.
**Considering the current perimeter as of the close of December 2021 and without considering future increases in perimeter due to inorganic growth operations.
***This ratio is consistent and is aligned with the middle-term guidance established by a RLFCF of 2.0eurosBn – 2.2eurosBn for 2025.
**** In the case of achievement with 115% of the target, an achievement level of 150% will be applied.
*****Below the target achievement level, 0% achievement.

******Initial price: 52.09 euros per share and invoicing 8% of the TSR during a three-year period, equivalent to 65.62 euros per share.

1. ESG

ESG metrics are aligned with the 2021-2025 ESG Master Plan. The Board of Directors will assess the level of results achieved based on a preliminary evaluation carried out by the Nominations, Remunerations and Sustainability Committee in accordance with the information provided by the ESG Committee. Data on the results achieved will be taken from the Integrated Annual Report and, if necessary, will be complemented with specific reports on the issue.

The objectives reflect the Company's commitment to improve its positive impact on the value chain, promoting green energy consumption

In terms of the environment, these objectives are reflected in the Company's commitment to improve its positive impact on the value chain, increasing the consumption of green energy and, in the social environment, assuring a high engagement by all individuals in the team, ensuring equity in remuneration and promoting cultural and international diversity at all levels of the organisation, three key priorities aligned with the priorities of the Company's Equality, Diversity and Inclusion Plan.

2- RLFCF per share

The RLFCF by share is the measure of performance that is the most closely adjusted to shareholder interests since it is used by management and investors as a key indicator of the Company's

The RLFCF per share is the measure of performance that is the most closely adjusted to the interests of shareholders during a multi-annual period, since it is used by the management and investors as a key indicator of the Company's financial results.

In the case of achievement of 115% of the target, an achievement level of 150% will be applied.

The RLFCF per share of Cellnex is calculated dividing the RLFCF of the period by the number of Cellnex shares issued on a specific date, considering approximately 708 million shares (including c.27 million new shares to be issued following the approval of the Annual General Meeting held in March 2021 or its renewal thereof and delivered to CK Hutchison Holdings Limited within the context of the last UK transaction, assuming that this transaction is closed according to market terms). The use of the RLFCF per share metric encourages management to reserve the use of its own Company funds as a financing mechanism only for those opportunities in which it is strategically justified and profitable over the long-term for existing shareholders.

The objective of 2.6 euros per share, as indicated in the chart above, considers the perimeter existing at the end of 2021. In 2024, it will be necessary to adjust the perimeter to estimate the RLFCF per share in comparable terms. This adjustment will be validated by an external auditor following an "agreed upon procedures" assessment, since the Company intends to undertake more inorganic growth projects.

3. TSR in absolute terms

Performance will be determined by the increase in share price, calculated based on the average price of the three months prior to the date of concession, weighted by volume ("vwap") (52.09 euros per share, initial price of the period) and estimating a profitability of 8% annually, in a period of three years, thereby obtaining the target price at the end of the period (65.62 euros per share).

4. TSR over a relative base

The TSR should also be measured in relative terms, in regard to a group of market comparable companies including the following seven companies and a global index:

American Tower	Vantage Towers
SBA Communications	Inwit
Crown Castle	Rai Way
Helios Towers	Índice MSCI World

The TSR achieved by the comparable companies and by Cellnex will be ordered in descending order, from the company (or index) having the best TSR result to the company with the poorest result, taking the following circumstances into account:

- In the case in which the relative position of Cellnex is situated amongst the first two positions, the maximum level of achievement will be obtained, situated at 115%.
- If Cellnex manages to position itself in third position, this position will be considered to be a Target achievement and therefore, achievement of 100% will be attained.
- However, in the case in which the Cellnex position is situated in fourth position, achievement will be 85%.
- Finally, in the case in which the Cellnex position is situated between the fifth and subsequent positions, the target will not be achieved and, therefore, the incentive accrual will be 0%.
- Once the previous four metrics have been evaluated, the weighted figure will become the achievement level (%).

The new Long-Term Incentives Plan includes a booster (multiplier) factor which, when relevant, may be applied in addition to the regular multiplier of the CEO

It should be noted that in this new Plan, the application of a booster factor has been proposed. In the case of its application, it will be in addition to the regular multiplier of the CEO (183% = 5.5 / 3 years) which remains equal as compared to the previous year.

This booster will only apply when there is extraordinary performance on the two TSR variables, both absolute and relative. In other words:

- TSR >10%
- Relative position of Cellnex in the group of comparable companies mentioned above, is in one of the first two positions.

The booster will be applied according to the following table:

Adjustment factor

	Relative position	
TSR	1st place	2nd place
10% TSR = 69,3 €/share	1.5	1.2
15% TSR = 79,2 €/share	1.9	1,5
20% TSR = 90,0 €/share	2.6	2
25% TSR = 101,7 €/share	3.6	2,9
30% TSR = 114,4 €/share	5.0	4

Interpolation

As observed in the table above, the minimum multiplier is 1.2 and will be applied when the TSR is greater than 10% (equivalent to a share price that is equal or greater than 70 euros) and Cellnex is situated in the second relative position. The maximum multiplier is 5 and will be applied when the TSR is greater than 30% (equivalent to a share price that is greater than 114.4 euros) and Cellnex is situated in the first relative position.

In the case of applying the booster, the payment will be made as described above: 40% granted shares; 60% stock options.

The Company considers that the multiplier (booster) will only be applied under exceptional conditions of performance and value creation for the shareholders

Annex 1 of this Report includes details on the main differences existing between the Remuneration Policy approved in the 2021 AGM (covering 2021-2023) and the Remuneration Policy that will be submitted for approval at the 2022 AGM(which will be in force as from its approval in the AGM and until 2025).

The Company believes that the application of this booster will only be carried out under certain conditions of exceptional performance and value creation for the shareholders, taking into account that the objectives assigned to the same are extremely challenging (both in terms of level of behaviour of the share in absolute terms as well as relative terms, demanding simultaneous achievement of both) and that, at the beginning of 2022, the Cellnex shares were listed at significantly lower levels as compared to the close of fiscal year 2021.

The calculation formula for the payment of the 2022 - 2024 LTIP will be as follows:

Fixed remuneration$_{2024}$ * 5.5/3 * Achievement level (%) * Booster

3.1.3 Malus and Clawback provisions

Cellnex has established the following provisions for the variable remuneration. They will be in force during 2022:

- **Regarding the Annual Variable Remuneration:** If, during a period of 12 months, circumstances arise that justify a new assessment or revision of the level of achievement of the objectives by the Board of Directors, after the favourable recommendation of the NRSC, the Company may suspend payment of the amounts pending payment to the CEO, for any variable item, and, when relevant, it may reclaim any unduly paid amounts as a result of the new valuation performed.

- **Regarding the Long-Term Incentive Plan:** If, during a period of three years following the payment of the incentive, (i) Cellnex was obliged to reformulate the accounts that were used to calculate the same, due to extraordinary events; or (ii) the Board of Directors of Cellnex is made aware of any negative behaviour of the CEO, Cellnex may recalculate the incentive that was paid, and when relevant, demand a refunding of the excess received based on the new calculation, or its entirety, in the case in which the determined behaviour was considered very serious by the Board of Directors or in any way influenced the metrics used to calculate the incentive.

Below, three examples of the total pay-out of the LTIP are presented, based on the performance achieved for each of the metrics:

EXAMPLE 1	EXAMPLE 2	EXAMPLE 3
Mixed Performance (does not apply the multiplier)	Poor performance (does not apply the multiplier)	Higher performance on both metrics (applies the maximum enhancement)
ESG minimum objective reached: 85% score* 20% weight	ESG objective reached: 100% score* 20% weight	ESG objective reached: 115% score* 20% weight
RLFCF per share 100% objective: 100% score* 20% weight	RLFCF per share 85% objective: 85% score* 20% weight	RLFCF per share > 115% objective: 150% score* 20% weight
TSR at 8% = 100% score* 30% weight	TSR at 3% = not granted (30% weight)	TSR at 30% = 115% score * 30% weight
Relative position in 2nd place = 115% score * 30% weight	Relative position in the 7th position = not granted (30% weight)	Relative position in the 1st position = 115% score * 30% weight
Multiplier base: 1.83 (5.5/3)	Multiplier base: 1.83 (5.5/3)	Multiplier base: 1.83 (5.5/3)
Payment= (85%*20% + 100%*20% + 100%*30% + 115%*30%)* 1.83*€1.3Mn = 0.95 * 1.83 * €1.3Mn = €2.41Mn	**Payment= (100%*20% + 85%*20% + 0% + 0%)*1.83*€1.3Mn = 0.37 * 1.83* €1.3Mn = €880k**	**Payment = (115%*20% + 150%*20% + 115%*30% + 115%*30%)*5.0 *1.83*€1.3Mn = 5.95 * 1.83* €1.3Mn = €14.51Mn**
In this case, the CEO will receive 40% of €2.41 Mn in granted shares at a price of 52.09 euros, implying approximately 18,500 shares and 60% of €2.41 Mn in stock options at an option price of 13.53 euros, implying approximately 107,100 stock options	*In this case, the CEO will receive 40% of €0.88 Mn in shares at a price of 52.09 euros, implying approximately 6,800 shares and 60% of €0.88 Mn in stock options at a price per share of 13.53 euros, implying approximately 39,000 stock option*	*In this case, the CEO will receive 40% of €14.51 Mn in shares at a price of 52.09 euros, implying approximately 111,400 shares and 60% of €14.51 Mn in stock options at a price per option of 13.53 euros, implying approximately 643,600 stock options*

3.1.4 Shareholding policy

The CEO is obliged to permanently hold Cellnex shares for an amount equalling two times his annual Fixed Remuneration. The valuation of the shares held on the date of approval of the Remunerations Policy of the Directors, will be carried out periodically.

The 2022-2025 Remunerations Policy eliminates the possibility of extraordinary remunerations, given that the booster will serve as a tool to compensate for any exceptional performance

3.1.5 Extraordinary remunerations

In order to continue to improve the level of alignment with international best practices, the Board of Directors, after the favourable recommendation of the Nominations, Remunerations and Sustainability Committee, within the framework of the new Remunerations Policy of the Directors (upon approval at the AGM of 2022) has decided to eliminate the section related to extraordinary remunerations. Any extraordinary performance will be rewarded with the booster explained in Section 3.1.2 above.

3.1.6 New Executive Directors

In exceptional cases, for potential appointments of new Executive Directors and to facilitate the hiring of external candidates, the Nominations, Remunerations and Sustainability Committee may propose that the Board of Directors establish a special incentive to compensate for the loss of incentives that were not accrued by the former company due to the termination there and acceptance of the Cellnex offer. Preferably, this special incentive will be paid in Company shares.

3.1.7 Condiciones Contract conditions, including compensation for termination and non-compete

The main characteristics of the commercial contract between the Company and the CEO are as follows:

Characteristics	Details
Duration	Defined, since execution of the contract until 31 December 2024.
Prior notice	3 months. If the CEO breaches this obligation he will be obliged to pay the Fixed Remuneration corresponding to this period.
Payment for contract termination and non-compete	• If the CEO resigns during the contract duration, he will receive 2 times his Fixed Remuneration. This amount includes compensation for a non-compete undertaking of 2 years. • If the Company terminates the contract prior to its expiration date, or, if, following the expiration date of the contract, the Company or CEO decides not to renew it, the latter will receive two times his Fixed Remuneration and Annual Variable Remuneration. This amount includes compensation for a non-compete undertaking of 2 years. • If, following the expiration date of the contract, it is not renewed and the CEO is offered a non-executive or external advisor position with the Company, the CEO will receive 2 times his annual Fixed Remuneration and Annual Variable Remuneration. This amount includes compensation for a non-compete undertaking of 2 years.
Exclusivity	• The contract includes the obligation to provide service to the Company in an exclusive manner, and with full dedication, with the CEO not being permitted to provide services on his own behalf, directly or indirectly, to third parties outside of the Group, except when the express consent of the Company has been granted.
Confidentiality	• In accordance with the Spanish Companies Law[4] and the Regulation of the Company's Board of Directors, the CEO should maintain secrecy regarding the information, data, reports or background information to which he has had access during the carrying out of his position, including when he has ceased to work for it, except in cases permitted or required by the law.

- The previously mentioned compensation is compatible with the contingencies covered by the Pension Plan

[4] Ley de Sociedades de Capital

3.1.8 Other supplementary remuneration

No other supplementary remuneration is offered for services provided to the Company, other than those already detailed in the previous sections.

3.2 Remuneration of Directors in their condition as such for fiscal year 2022

According to the new Remunerations Policy of the Directors of Cellnex (subject to approval at the upcoming 2022 AGM), the total maximum annual remuneration to be paid to the set of directors for their membership in the Board and/or committees may not exceed 2.5 million euros during the period of validity of the policy (since its approval by the 2022 AGM and until 2025).

In order to ensure alignment of the directors' remuneration, the Nominations, Remunerations and Sustainability Committee, based upon an analysis carried out by Willis Towers Watson, has considered two groups of market comparable companies: 1) companies belonging to the Ibex-35 and 2) European companies that are comparable companies on an Industry level, listed on other markets (FTSE 100, DAX 40 and the MIB 40).

Tras el análisis de comparables se concluyó que la remuneración de los consejeros se encontraba un 30% por debajo de la media en referencia.

Therefore, as compared to the sample of selected comparable companies, the remuneration of the directors is found to be 30% below average of the comparable market reference. In 2022, based on the level of efficiency and responsibility demonstrated, and justified by the value creation and high level of commitment revealed, an attempt was made to reduce this gap with respect to our comparable companies, situating the average director remuneration closer to the average value of said benchmark.

On 16 December 2021, the Board of Directors approved the following remuneration for the members of the Board of Directors:

Position	2022 Amount	2021 Amount	YoY (2022/2021)
Chair of the Board	325,000 euros	260,000 euros	+25%
Chair of Committees	225,000 euros	180,000 euros	+25%
Committee Members	175,000 euros	150,000 euros	+16.7%
Board Members	125,000 euros	115,000 euros	+8.7%

Remuneration of the directors in their position as such consists fully of fixed components, not receiving daily allowance payments.

Notwithstanding this, travel expenses and stays that are incurred from attendance to the Board of Directors and/or committee meetings will be paid for by the Company.

No remuneration will be provided by way of participation in profits or premiums or remuneration systems or plans that include variable remuneration. Likewise, there are no beneficiaries of long-term savings systems.

Similarly, the granting of credits, advance payments, guarantees created for the Company in favour of members of the Board are not anticipated.

The Company has contracted civil liability insurance for its directors in accordance with market conditions.:

3.3 Additional aspects of the Remunerations Policy for 2022

3.3.1 Principles and criteria

The principles and criteria of the Remunerations Policy of the Directors are periodically reviewed, within the framework of their competencies, by the Nominations, Remunerations and Sustainability Committee and the Board of Directors, in order to ensure the alignment of the Remunerations Policy of the Directors with the best practices and market trends.

The following main principles were sustained by the Remunerations Policy of the Directors for 2022 (subject to the approval of the Annual General Board of 2022), and have been unaltered with respect to the Policy approved at the 2021 AGM

From a qualitative point of view, the policy subject to approval maintains the fundamentals of the policy approved in fiscal year 2021, clearly establishing the principles by which the Cellnex remuneration model is governed and the practices to be avoided.

The remuneration model for Cellnex Directors, in accordance with the new Remunerations Policy of the Directors which, upon approval by the AGM will be in effect in fiscal year 2022, as well as for fiscal years 2023, 2024 and 2025, has been detailed in Sections 3.1 (Remuneration of the Cellnex CEO in 2022) and 3.2 (Remuneration of the Directors in their position as such in 2022), of this Report.

3.3.2 External advisors collaborating in the design of the Policy for fiscal year 2022

Throughout fiscal year 2021, and until the date of this Report, the Nominations, Remunerations and Sustainability Committee has been advised by recognised entities with extensive knowledge in the area of remuneration, such as Willis Towers Watson and Georgeson who carried out the following activities:

Willis Towers Watson

- Advising in the defining of the sample of companies (comparable companies) / indexes to carry out a comparative analysis of remuneration (as explained in the following section: 3.3.3)
- Comparative analysis of Fixed Remuneration and Long-Term Incentive Plan for the CEO position as well as the other senior management positions with regard to the previously mentioned comparable companies sample.

Georgeson

- Carrying out a remuneration GAP Analysis and designing an Action Plan to continue aligning Cellnex remuneration scheme with market expectations. In section 7.3 of this Report are detailed main measures adopted by the Nominations, Remunerations and Sustainability Committee.

- Support in the engagement meetings held with main investors and proxy advisors (as explained in section 7.3 of this Report).

For fiscal year 2021, a market remunerations benchmark was performed, permitting the comparison of remuneration practices of the same for the CEO, directors in their position as such and senior management of Cellnex

3.3.3 Comparable companies used for the design of the 2022 Remunerations Policy

To ensure the attraction, retention and commitment of the best professionals and to achieve the Company's long-term objectives, the Nominations, Remunerations and Sustainability Committee will periodically assess the market information with respect to remuneration levels, mix and practices.

For fiscal year 2021, a market remunerations benchmark was carried out by Willis Towers Watson, covering the remuneration practices for the executive directors, directors in their position as such, and senior management of Cellnex. The results of this benchmark allowed Cellnex to position its remuneration for the fiscal year 2021, being the reference for the 2022 Remunerations Policy proposal, which will allow Cellnex to improve its positioning versus its comparable companies.

For the CEO's remuneration, the NRSC has considered two peer groups: peers at a sectorial level and European peers of high growth

As for the remuneration of the executive directors, the Nominations, Remunerations and Sustainability Committee has taken into account two groups of comparable companies in order to identify the positioning of Cellnex: Industry comparable companies and High growth European comparable companies. These two groups are considered the most relevant by Cellnex given that they allow a positioning of Cellnex with respect to companies in the same activity sector, same life cycle, and similar growth phases. Please find in the chart below, the rationale behind the selection of each group:

		1st Group of Peers: Sectorial	2nd Group of Peers: European companies with high growth
Selection Criteria	Definition	Companies of the same sector and comparable in size. It considers the approach of the proxy advisors to define the groups of comparable market peers.	European companies in the same growth phase (TSR annualised over the last 5 years by over 20%) and comparable in size. These group peers are relevant in order to continue to attract and retain the best talent.
	Industry	Same Industry considered in the "Integrated communication Services" of MSCI. In addition, the peer companies selected by ISS and those companies included in the benchmark performed in 2020.	Multi-sector
	Phase of the business life (in terms of growth)	Not applicable	Companies with a TSR annualized over the last 5 years of between 20% and 60%.
	KPI	Comparable companies in terms of market capitalisation (between 33% and 300% with regard to the Cellnex position).	
	Geographic sample and complexity	Present in more than 6 -7 countries and / or having a business complexity comparable to Cellnex.	
	Availability of remuneration data	Companies that participate in the surveys on executive compensation carried out by Willis Towers Watson.	
	Adjustments	Some companies have been included in the sample, even when, according to size, they should not be included in the sample, given their relevance, upon being considered competition in terms of talent.	

Based on the previously described criteria, the Committee has performed a comparative study with 16 companies considered comparable companies according to Group 1, and with 14 companies considered comparable companies according to Group 2, as shown in the table below.

Group 1: Industry comparable companies		Group 2: High growth European comparable companies	
1. American Tower	9. Telia	1. Anglo American	9. Rentokil Initial
2. Deutsche Telekom	10. KPN	2. Fluidra	10. Worldline
3. Crown Castle	11. Inwit*	3. Asm International	11. Sandvik
4. Vodafone	12. Tele2	4. Kering	12. Halma
5. Swisscom	13. Proximus	5. Gn Store Nord	13. Atlas Copco
6. Orange	14. Telenet	6. Adidas	14. Experian
7. Telefónica	15. Helios Towers	7. London Stock Exchange Group	
8. Vantage Towers	16. Rai Way*	8. Koninklijke DSM	

* (Inwit y RaiWay) Information available at a CEO level.

As for the remuneration of the directors in their position as such, the Nominations, Retribution and Sustainability Committee also considered two peer groups: 1) companies that belong to the Ibex-35 and 2) comparable companies on an Industry level. These companies are presented below.

Group 1: IBEX-35*

1. Acciona	12. Endesa	23. Merlin Properties
2. Acerinox	13. Ferrovial	24. Naturgy
3. ACS	14. Fluidra	25. Pharma mar
4. Almirall	15. Grifols	26. Red Eléctrica
5. Amadeus	16. IAG	27. Repsol
6. Banco Sabadell	17. Iberdrola	28. Santander
7. Bankinter	18. Inditex	29. Siemens Gamesa
8. BBVA	19. Indra	30. Solaria
9. Caixabank	20. Inmobiliaria Colonial	31. Telefónica
10. CIE Automotive	21. Mapfre	32. Viscofan
11. Enagás	22. Meliá Hotels	

Group 2: Industry comparable companies

1. American Tower	1. Rai Way
2. Crown Castle	2. Swisscom
3. Deutsche Telekom	3. Tele2
4. Helios Towers	4. Telefónica
5. Inwit	5. Telenet
6. KPN	6. Telia
7. Orange	7. Vantage Towers
8. Proximus	8. Vodafone

* Three companies were excluded from the Ibex-35 sample: Cellnex, Arcerlormittal, given that the Board is not located in Spain and AENA, given its limited remuneration, due to regulatory issues, skewing the statistics.

The total target remuneration of the CEO is situated between the median and the 75th percentile at a sectorial level, and between the 75th and 90th percentile, with regard to European companies of high growth

The comparative report reflects the following positioning of Cellnex in 2021 as compared to its comparable companies, in terms of remuneration:

Regarding the Executive Directors (CEO):

- The Fixed Remuneration is between the 75th and 90th percentile, both at an Industry level as well as with regards to High growth European companies.
- The Annual Variable Remuneration as a percentage of the Fixed Remuneration is at median, both at an Industry level and with regard to High growth European companies.
- The Long-Term Incentive Plan (annualised) as a percentage of the Fixed Remuneration is between the median and the 75th percentile (at an Industry level) and between the 75th and 90th percentile with regard to the sample of High growth European companies.
- The total target remuneration of the CEO (including costs related to pensions) is between the median and the 75th percentile at an Industry level, and between the 75th and 90th percentile with regard to High growth European companies.

Regarding the Directors in their position as such:

- The level of Cellnex's remuneration for membership and attendance to the Board is at the median of the Ibex-35, and between the median and 75th percentile at an Industry level.
- The salary level of the Non-Executive Chair of Cellnex is below the 25th percentile of the Ibex-35, and between the median and the 75th percentile at an Industry level.
- The total annual remuneration of all of the members of the Board of Directors and the average remuneration for Cellnex board member is between the 25th percentile and the median of the Ibex-35, and between the median and the 75th percentile at an Industry level.
- The maximum limit of annual remuneration of the Cellnex board (2.5 million euros) is between the 25th percentile and the median of the Ibex-35.

Remunerations Policy

The Board of Directors and the Nominations, Remunerations and Sustainability Committee has applied the 2021-2023 Remunerations Policy, in accordance with the principles included in the same. This Policy was approved at the AGM last 29 March 2021, receiving support of 88.15% of voting shareholders, and it may be accessed at the following link[5].

4.1 Company performance in 2021 and sustainable performance

In 2021 it has been characterised by coherent and sustainable organic growth, solid financial results and double digit growth.

The long-term vision of Cellnex is to promote its position as a neutral European leader of telecommunications infrastructure, offering innovative services and integral network solutions to operators of mobile networks and audio-visual dissemination media. Through long-term alliances with its clients and its role as a trusted partner, fruit of its operational excellence in the provision of added value services, the Company has been able to acquire infrastructures, with the objective of continuing with the European market development strategy for telecommunications infrastructures.

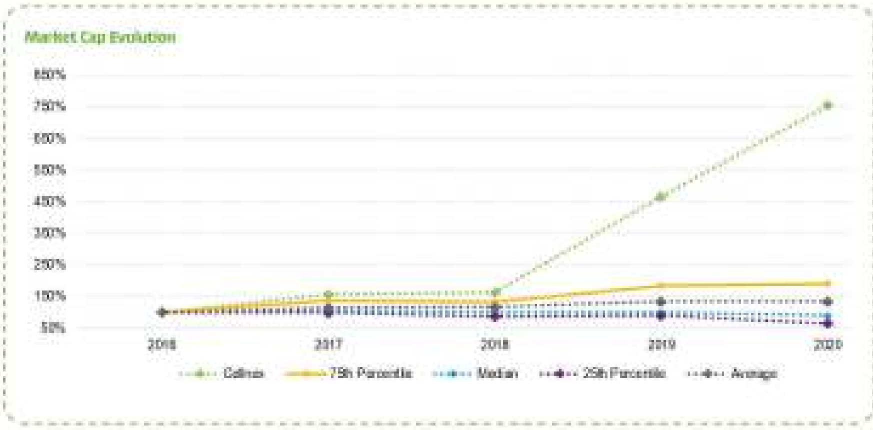
In 2021, it has been characterised by a unique combination of high-quality defensive and structural growth with a limited exposure to the COVID-19 pandemic, which has been possible through the organic, coherent and sustainable growth. It has reported solid financial results and double-digit growth.

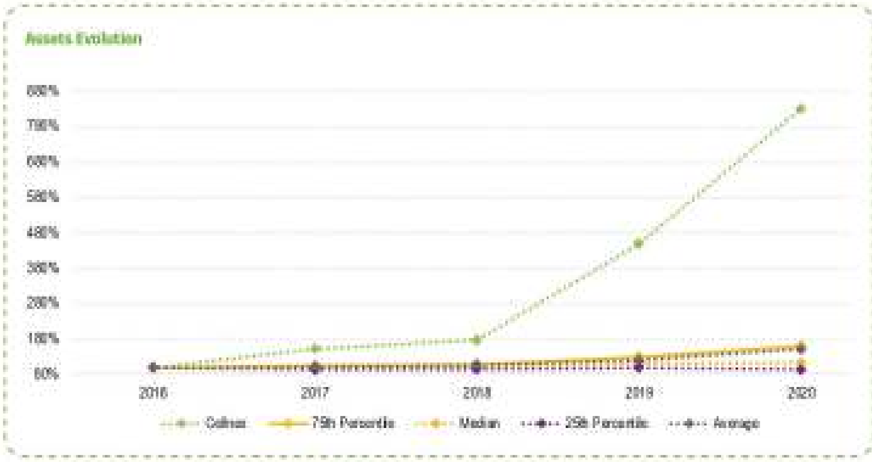
Below, some of the most relevant results obtained by Cellnex over the past five years are presented:

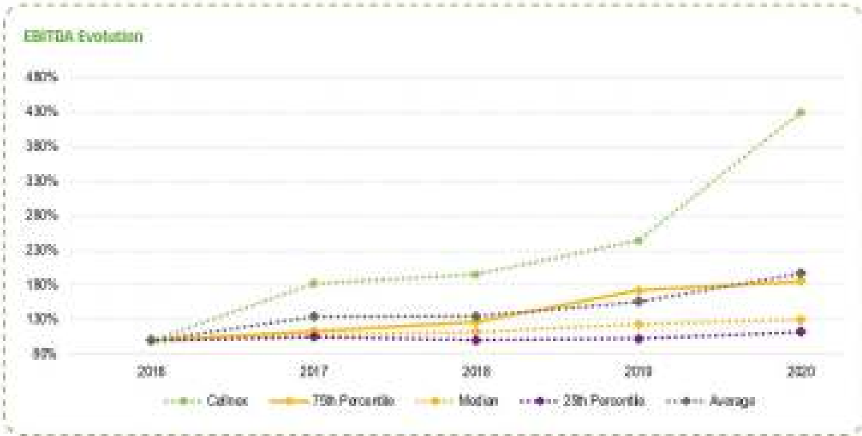
	2017	2018	2019	2020	2021
Income (million euros)	792	901	1,035	1,608	2,536
Total Assets (million euros)	4,445	5,133	13,043	24,07	41,797
Commercial capitalisation (million euros)	4,946	5,187	14,785	23,907	34,768
TSR	56%	4%	93%	34%	13%

Likewise, the graphs below reveal a comparison between the Cellnex evolution during the 2016 - 2020 period, and that of its market comparable companies, from a perspective of commercial capitalisation, assets and EBITDA. The data reveal the Company's excellent progress, with a very positive trend during this period, much above that of the market and its comparable companies.

[5] https://www.cellnextelecom.com/content/uploads/2021/04/B.AOB_.3.-Politica-de-remuneraciones-2021-2023-V.3.pdf


Market Cap Evolution
850%
750%
650%
550%
450%
350%
250%
150%
50%
2016
2017
2018
2019
2020
Cellnex
75th Percentile
Median
25th Percentile
Average


Assets Evolution
800%
700%
600%
500%
400%
300%
200%
100%
0%
2016
2017
2018
2019
2020
Cellnex
75th Percentile
Median
25th Percentile
Average


EBITDA Evolution
480%
430%
380%
330%
280%
230%
180%
130%
80%
2016
2017
2018
2019
2020
Cellnex
75th Percentile
Median
25th Percentile
Average

Cellnex's market capitalisation increased by 655% during the 2016-2020 period, while the average of its peers decreased by 6.46%

From the graphs above, various relevant data are revealed:

- Cellnex's commercial capitalisation has increased by 655% during the 2016-2020 period, whereas the average of its comparable companies has decreased by 6.46%.
- The increases recorded in terms of assets and EBITDA have been significantly higher during this period in the case of Cellnex, as compared to its comparable companies.
    - The Cellnex assets demonstrated growth of 731.3% whereas the assets of its comparable companies had an average growth of 22.5%.
    - The increase in EBITDA was of 307.6% for Cellnex, while in the case of its comparable companies, the average growth increased by 32.4%.

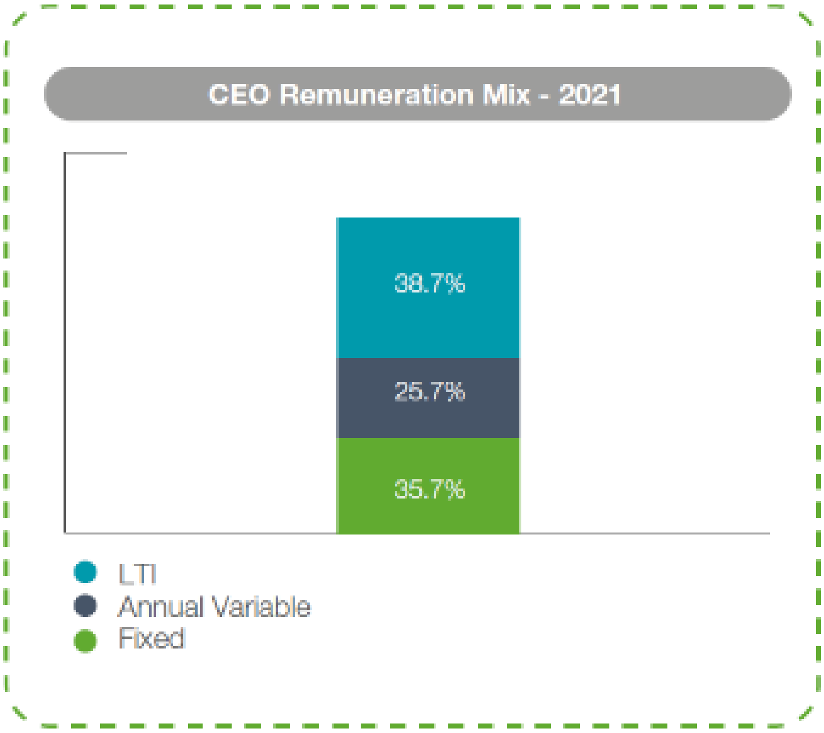
4.2 CEO remuneration accrued in 2021

In 2021, remuneration linked to risk has made up 64.3% of the CEO's total remuneration

The remuneration mix of the CEO reflects a balance between the fixed and variable components and is aligned with the corporate strategy, objectives, values and long-term interests of Cellnex.

The graph below illustrates the weight of the distinct elements accrued in 2021. Thus, the fixed elements[6] made up 35.7% of the total remuneration, while the remuneration linked to risk (variable remuneration) made up 64.3% of the total remuneration.

[6] The fixed elements are made up of: i) annual Fixed Remuneration assigned to the CEO for his executive work; ii) remuneration in his position as board member; iii) pension plan; iv) and other less costly remuneration areas including: car, gasoline, insurance premium.



In the sections below, the accrued remuneration is detailed, both fixed as well as variable, for the CEO throughout 2021.

4.2.1 Fixed Remuneration accrued in 2021

The Board of Directors determines the Fixed Remuneration of the CEO, proposed by the Nominations, Remunerations and Sustainability Committee and it is paid in cash on a monthly basis. In order to provide a suitable and competitive remuneration with regard to the market, the Committee takes the following factors into account:

- Specific characteristics of the position, level of responsibility and of involvement required of the executive directors.
- Individual competencies and experience.
- Evolution of the contribution of the position and the individual.
- Overall remuneration conditions for employees.
- Market data in companies of similar size and complexity as Cellnex.

The amount may be reviewed during the validity period of the Remunerations Policy should certain circumstances arise, such as (but not limited to) the excellent evolution of the Company's business parameters, changes in the business, competencies or responsibilities of the executive director and exceptional Company performance. The maximum increase permitted throughout the validity period of the Remunerations Policy of the Directors is 30%.


Fixed remuneration: executives
Compensate based on level of responsibility of the position in the organisation, professional experience and national and international market practices of peer companies.
2021 Amount 1,300,000 €
Fixed remuneration: Directors
Payment based on the functions and responsibilities of the CEO, in his position as member of the Board of Directors.
2021 Amount 115,000 €
Payment in kind
The CEO is a beneficiary of a health insurance plan that also covers its family, for life and accident insurance and car renting.
2021 Amount 31,972 €
Pension plan
The annual contribution to the CEO's insurance during fiscal year 2021 is the equivalent to 25% of his fixed annual remuneration for the senior management functions.
2021 Amount 325,000 €
Total remuneration 2021: Fixed elements: 1,771,972 euros

The CEO's fixed remuneration in 2021 increased to 1,300,000 euros, implying an increase of 30% as compared to the fixed remuneration accrued in 2020

According to the Remunerations Policy of the Directors approved in the previous AGM of 29 March 2021, the Fixed Remuneration of the CEO in 2021 was set at 1,300,000 euros, implying an increase of 30% as compared to the Fixed Remuneration accrued in 2020 (1,000,000 euros).

It should be noted that the Company published the details referring to the causes of said increase in the following reports, which may be accessed via the following links:

- Report of the Board (and of the Nominations, Remunerations and Sustainability Committee) on the Remunerations Policy of the Directors of 2020, created within the framework of the past Annual General Meeting.

- Annual Remuneration Report of the Directors corresponding to fiscal year 2020.

4.2.2 Variable remuneration accrued in 2021

The variable remuneration of the CEO consists of an Annual Variable Remuneration (AVR) and a Long-Term Incentive Plan (LTIP), which are subject to performance metrics. In the selection of the performance metrics for both variable remuneration schemes, the Nominations, Remunerations and Sustainability Committee takes into account the strategic objectives of Cellnex. The performance metrics are established in accordance with the operational plan of the Group and are reviewed on an annual basis. Upon selecting the objectives, the Committee takes into account the economic conditions and performance expectations during the relevant period.

In the selection of performance measures for both variable remuneration schemes, the NRSC has taken into account Cellnex's strategic objectives

Annual Variable Remuneration (AVR) accrued in 2021

Below, the principles and functioning of the Annual Variable Remuneration are summarised, and appear in greater detail in the Remunerations Policy approved in the 2021 AGM, and as applicable for the remuneration accrued in fiscal year 2021:[7]

[7] https://www.cellnextelecom.com/content/uploads/2021/04/B.AOB_.3.-Politica-de-remuneraciones-2021-2023-V.3.pdf

Amount	Functioning
• Target achievement equals 85% of AVR. • Maximum: 150% of the Fixed Remuneration. It will be attained in the case of significant over-achievement of the pre-established objectives.	• The Board of Directors, after the favourable recommendation of the NRSC, is responsible for establishing the objectives at the end of each preceding fiscal year and assessing the achievement with the same, once the annual accounts for the year in question have been closed and audited. • The Board of Directors, after the favourable recommendation of the NRSC, has the power to adjust the level of payment of the Annual Variable Remuneration in order to ensure that the outcome is fair and balanced, in light of the overall Company results and shareholder experience. • Each metric will have an associated scale of achievement set at the end of each preceding fiscal year, with a minimum level below which the incentive will not be paid, and a maximum level. • The Board of Directors, after the favourable recommendation of the NRSC, may decide to apply the assessment of certain parameters such as upwards (limited to 1.5) or downwards (limited to 0.75) modifiers. The determination of the modifier may be based, among others (but not limited to), the axes of the Cellnex Leadership Model.

The Board of Directors, after the favourable recommendation of the Nominations, Remunerations and Sustainability Committee, agreed to determine the Annual Variable Remuneration corresponding to fiscal year 2021 based on five metrics that are presented in detail in the table below. Likewise, the table includes the assigned weights, the values of objective targets and the level of achievement attained.

Metrics	Details	Weight	Level of achievement			Level of achievement attained	Payment level of the incentive by metric
			Minimum (70% of AVR)	Target (85% of AVR)	Maximum (100% of AVR)		
Organic Growth (Evolution of the number of sites managed)	75% Pops (Points of presence) 25% Nodes	20%	PoPs: Budget for 2021 - 3% Nodes: Budget for 2021 - 3%	Budget for 2021	PoPs: Budget for 2021 + 5% Nodes: Budget for 2021 + 5%	94.64%	18.93%
Inorganic growth	Number of inorganic growth projects carried out in coherence with the financial discipline of Cellnex and the Company's firepower	15%	1	2	3	100%	15%
Market Diversification (Product portfolio deployment)	1. 50% Number of offers signed in Europe (Min: 50, Std.: 70, Max: 100) 2. 50% Sales Budget (Min: Budget 21-10%, Std.: Budget 21, Max: Budget 21+15%)	15%	70%	85%	100%	96.75%	14.51%
Recurring Levered Free Cash Flow (RLFCF)	EBITDA less maintenance CAPEX less change in working capital less interest paid less income tax paid	35%	Budget of 2021 – 3%	Budget of 2021	Budget of 2021 + 5%	99.06%	34.67%
ESG Indicators	Assess and follow up on the efforts made by the Group in the area of ESG, based on a combination of the overall score obtained in a selection of ESG indices in which Cellnex Telecom participates (DJSI; Sustainalytics and FTSE4Good).	15%	Improvement of 3%	Improvement of 5%	Improvement of over 7%	100%	15%
						Final Achievement:	**98.11%**

Given the level of achievement attained on the distinct metrics, it has been determined that the final weighted achievement of these metrics is 98.11%

Given the level of achievement attained on the distinct metrics, it has been determined that the final weighted achievement of these metrics is 98.11%.

For fiscal year 2021, the scale of achievement of each objective is situated between 0% and 100%, with the possible application of a corrective factor of between 75% and 150% based on the personal contribution of the CEO. In order to apply the referred factor, the Board of Directors, after the favourable recommendation of the NRSC, has assessed the following aspects based on the Cellnex Leadership Model, granting the following achievement percentages:

Aspects considered in the Cellnex Leadership Model that have been subject to assessment		Level of achievement
1. Empowerment	Teaches individuals to be more independent and courageous, assuming more risks in their area of responsibilities	
2. Impulse for Commitment	Promote a sense of belonging, connecting to individuals having the purpose of the organisation and appreciating their contribution to the same	
3. Creativity	Developing relative ideas to resolve key challenges and provide added value to their work	
4. Transformation	Includes the key factors and trends of the business and cultural transformation and adapting to them	
5. Results orientation	Establishing ambitious objectives, identifying opportunities, anticipating challenges and mitigating risks, thereby achieving excellent results	
6. Client orientation	Understanding and responding to the needs of clients with speed, efficiency and quality, exceeding their expectations	
7. Search for Excellence	Proposing solutions in a proactive manner, anticipating and continually improving client service and seeking excellence	
8. Team alignment	Cooperating and demonstrating team spirit, seeking new ways to work and promoting cohesion to achieve common objectives.	
9. Inclusive environment	Creating a positive and inclusive environment in which everyone is comfortable and integrated to get the best out of all	
10. Appreciation and recognition	Recognising the contribution of all to the common objectives, promoting their wellbeing to improve their performance	
11. Networking	Work, collaborate and cooperate effectively	
	Final Result	**100%**

After evaluating the set of objectives presented above, the Nominations, Remunerations and Sustainability Committee has considered that the CEO has an overall achievement for fiscal year 2021 of 98.11% (98.11% *100%).

Therefore, the Board of Directors, after the favourable recommendation of the Nominations, Remunerations and Sustainability Committee, has approved the Annual Variable Remuneration for a total of 1,275,430 euros (98.11% of the annual Fixed Remuneration for his executive functions).

It is worth mentioning that the level of achievement attained in each of the metrics and the consequent final Annual Variable Remuneration payout to the CEO has been reviewed and confirmed by the Internal Auditor.

This remuneration may be collected once the Annual Accounts of the fiscal year 2021 have been drawn up.

Long-Term Incentive Plan (LTIP) 2019-2021

Below, the principles and functioning of the Long-Term Incentive Plan 2019-2021 are summarised, presented in greater detail in the Remunerations Policy approved in the 2021 2021 AGM[8], and which is applicable for the remuneration accrued in fiscal year 2021:

Amount	Functioning
Multiplier 116.7% (annualised) of the Fixed Remuneration.	• The incentives will be structured in annual concessions (ROLLING LTIPs). The measurement period for the objectives for each concession will be, a minimum of three years. • At the beginning of the effective period of this Plan, 30% will be delivered in granted shares and 70% in stock options (share appreciation rights). • For the portion that is delivered in shares, Cellnex will pay for the tax withholdings applied to the CEO. Minimum permanent shareholding requirement: One year of FR. Once said obligation has been satisfied, it is possible to opt to receive the LTI in contributions to a pension plan or equivalent product, or in cash. • The period for the exercising of the stock options will be two years as of the moment of their delivery, which will take place following the AGM approving the annual accounts of 2021. • Upon determining the level of achievement with the quantitative objectives the economic, positive or negative effects derived from extraordinary events that may cause distortions in the assessment results may be eliminated. • The Nominations, Remunerations and Sustainability Committee may propose to the Board of Directors that adjustments be made to the elements, criteria, thresholds and limits of the multi-annual remuneration variable, in the case of exceptional circumstances.

[8] https://www.cellnextelecom.com/content/uploads/2021/04/B.AOB_.3.-Politica-de-remuneraciones-2021-2023-V.3.pdf

30% of the long-term remuneration was initially made through the **delivery of granted shares** and the remaining **70%, in stock appreciation rights**.

During fiscal year 2021, the **2019-2021 LTIP was finalised.**

The 2019-2021 LTIP consisted of a multi-annual bonus of three years, based on a single valuation metric: share price revaluation. Therefore, the amount to be received will be determined by the level of achievement with said metric. A total of 30% of this remuneration was initially paid through the delivery of granted shares and the remaining 70% in stock options.

The level of achievement with the Plan has been calculated based on the average price adjusted by capital increases of the three months prior to 8 November 2018, date when the Board approved this plan, weighted by volume ("vwap") (16.69 euros / share, initial price of the period) and estimated a profitability of 8% annually for a period of three years, thereby obtaining the target price at the end of the period (21.02 euros / share). The aforementioned prices have been adjusted from 21.93 euros/share and 27.62 euros/share initially established in the Plan due to the impact of the four capital increases done in the period between 2019 and 2021, following Bloomberg adjustments.

The share price weighted by volume over the last three months as of 8 November 2021 is 55.99euros. Therefore, the revaluation of the share has been 237% during the measured period. Hence, the Nominations, Remunerations and Sustainability

The incentive to be received by the CEO in the month following the AGM that will approve the 2021 Annual Accounts will total 455,000 euros in shares, the price of which is established at 21.02 euros and 1,061,667 euros in stock options, the price of which is established at 4.33 euros, with the subscription price of the stock options being 16.69 euros. Cellnex will only pay the withholdings tax applicable to the CEO for the portion of shares delivered.

If the CEO complies with the permanent shareholding obligation equivalent to a year's Fixed Remuneration, he may opt to receive part of the share appreciation rights in a contribution to his Defined Contribution Pension Plan or in cash.

These levels of achievement have been validated by an external auditor.

4.2.3 CEO Contract conditions

In 2021, the contract conditions of the CEO have not varied with respect to 2020. The Board of Directors, in its meeting held on 16 December 2021, agreed to modify, as of 2022, the clauses related to payments for contract termination and non-compete undertaking, in order to continue aligning with corporate governance best practices. Such modifications are indicated in Annex I of this Report.

4.3 Evolution of the CEO's remuneration during the past 5 years.

The table shown below reveals the evolution of various remuneration elements accrued by the CEO during the past five years.

CEO	2021	2020	2019	2018*	2017*
Fixed Remuneration	1,300,000	1,000,000	1,000,000	700,000	700,000
Fixed Board remuneration	115,000	111,250	100,000	120,417**	85,000
Social Welfare Plan	325,000	250,000	250,000	175,000	175,000
Others (PCF, vehicle, gasoline, insurance premium, etc.)	31,972	27,582	27,582	9,319	9,319
Total Fixed Elements	**1,767,582**	**1,388,832**	**1,377,582**	**1,004,736**	**969,319**
Annual Variable Remuneration	**1,275,430**	**1,335,000**	**1,195,000**	**627,375**	**420,000**
Extraordinary Remuneration			**1,000,000**		
Long-Term Incentive	**1,920,157**	**1,650,000**	**1,416,667**	**991,667**	**1.920.157**
Total	**4,967,559**	**4,373,832**	**4,989,249**	**2,623,777**	**1,389,319**

*Note: As of 2019, the criteria by which the information on the LTIP was reported changed, from accounting criteria (provision) to the consolidation criteria (reporting the amount corresponding to the LTIP that matured during said year).

**In 2018, the CEO assumed the functions of Chairman for a period of six months.

4.4 CEO pay ratio

The total remuneration accrued by the CEO of Cellnex in 2021 reached a total of 4,968 thousand euros, while the average remuneration of the rest of the non-executive directors totalled 159.1 thousand euros. As for the relative ratio of the average remuneration of the staff, it should be noted that Cellnex has a total of 2877 employees, whose average remuneration is 60,300 euros.

Therefore, the ration existing between the CEO's total remuneration and the mean remuneration of the staff is 79 times

Therefore, the ration existing between the total remuneration of the CEO and the average remuneration of the staff is 79 times.

In the Statistical Annex presented at the end of this Report, a graph is included which details the evolution of the remuneration of the CEO over the past five years, as well as the evolution of the rest of the non-executive directors, the consolidated Company results and the evolution of the average remuneration of the staff (non-directors) for the same five-year period.

4.5 Remuneration of the directors in their position as such accrued in 2021

The maximum total annual remuneration to be paid to the Board of Directors in their position as such and as established by the Remunerations Policy of the Directors applicable to fiscal year 2021, has a limit of 2,200,000 euros. The distinct concepts and amounts paid in 2021 reach a total of 1,706,000 euros for this concept and its payment is detailed below:

- Chair of the Board 260,000 euros / year (amount similar to that of 2020)
- Chair of a Committee 180,000 euros / year (amount similar to that of 2020)

- Committee member 150,000 euros / year (amount similar to that of 2020)
- Director 115,000 euros / year (amount similar to that of 2020)

The remuneration model of Cellnex corresponding to fiscal year 2021 will be applicable for all directors that have been part of the Company's Board of Directors throughout fiscal year 2021. Therefore, it should be noted that in July of 2021, Ms Kate Holgate was appointed by co-optation, substituting Mr Mamoun Jamai, who resigned from his position in 2020.

The chart below presents a list of directors for which the Cellnex remuneration model will be applicable in 2021:

Name	Position in the Board	Clasification	Accrual period (2021)	Retribution (thousands of euros)	
				2021	2020
Tobías Martínez Gimeno	CEO	Executive	From 1/1/2021 to 31/12/2021	115	111
Bertrand Boudewijn Kan	Chair and ARMC member	Independent	From 1/1/2021 to 31/12/2021	260	172
Giampaolo Zambeletti	Lead Independent Director	Independent	From 1/1/2021 to 31/12/2021	154	172
Pierre Blayau	NRSC Member	Independent	From 1/1/2021 to 31/12/2021	150	145
Anne Bouverot	ARMC Member	Independent	From 1/1/2021 to 31/12/2021	150	145
Marieta del Rivero Bermejo	Chair of the NRSC[9]	Independent	From 1/1/2021 to 31/12/2021	176	145
María Luisa Guijarro Piñal	NRSC Member	Independent	From 1/1/2021 to 31/12/2021	150	145
Peter Shore	Chairman of the ARMC[10]	Independent	From 1/1/2021 to 31/12/2021	176	145
Christian Coco	ARMC Member	Proprietary	From 1/1/2021 to 31/12/2021	150	113
Alexandra Reich	NRSC Member	Proprietary	From 1/1/2021 to 31/12/2021	150	—
Kate Holgate	ARMC Member	Independent	From 28/7/2021 to 31/12/2021	75	—

The only remunerations received by the directors in their position as such given that they belong to the Board of Directors of Cellnex during fiscal year 2021, with the exception of the Remuneration of the CEO for the exercising of his executive functions, are those mentioned above.

Application of other remuneration elements or clauses during 2021

It should be noted that during fiscal year 2021:

- It has been unnecessary to reduce or reclaim any amount related to the variable component of the CEO's remuneration.
- There have been no termination of the CEO contract, therefore no termination payments have been accrued.

[9] Since 25 February 2021
[10] Since 25 February 2021

- The Company has not granted any advance payment, credit or guarantee to any Cellnex director, in line with the Remunerations Policy of the Directors of the Company.

- There is no supplementary remuneration accrued in favour of the directors as compensation for the services provided that are distinct from those inherent in his/her position, or additional remunerative items other than those explained in the previous sections.

Alignment of the remuneration

The Remunerations Policy of the Directors of Cellnex reflects a reasonable assumption of risks combined with the achievement of defined short and long-term objectives, linked to the creation of sustainable value. Similarly, it offers a reasonable balance between the distinct fixed and variable elements (annual and long-term), considering the Company's strategy and its middle and long-term results. Therefore, the characteristics of the Remunerations Policy of the Directors of Cellnex include the following elements:

The CEO's variable remuneration system is fully flexible and allows the CEO to receive no amount for this concept if the minimum compliance thresholds are not met.

- Long-Term Incentive Plans: The Company uses multi-annual incentives, having a minimum duration of three years, and with the objective of associating and integrating the managers of the Group and, especially, the CEO, with the Company's Strategic Plan which is aligned with the guidelines presented to the market. The remuneration of these plans is granted in the form of shares or stock options, based on value creation, to guarantee that the managers' interests are in line with those of the shareholders. Similarly, the Long-Term Incentive Plans have an approximate weight of 80% of the CEO's total remuneration, in a scenario of over-achievement of objectives (maximum limit).

- Shareholding: To reinforce the CEO's commitment with the Company's long-term interests and the shareholders' interests, he should maintain a minimum amount of Company shares, equivalent to the amount that is, at least, twice the amount of his Fixed Remuneration.

- The variable remuneration system of the CEO is fully flexible and allows the CEO to receive no amount for this concept, if the minimum achievement thresholds are not reached.

Similarly, the following characteristics of the Cellnex Remunerations Policy ensure a reduced exposure to excessive risks:

Variable remuneration of the CEO and senior management	• With regard to the objectives and metrics: • Periodic review by the Nominations, Remunerations and Sustainability Committee to ensure that the objectives and metrics are sufficiently demanding, measurable and quantifiable. In the case of Annual Variable Remuneration, the definition of the weights, targets and levels of achievement are approved by the Board of Directors after the recommendation of the NRSC at the end of each preceding fiscal year, taking into account other factors such as the economic environment, strategic plan, historical analysis, Company budget and expectations or consensus of investors and analysts. • Assessment of the level of achievement of the metrics upon finalising the measurement period. Both for the establishment of the objectives as well as for the assessment of their achievement, the NRSC also considers any associated risk. Positive or negative economic effects resulting from extraordinary events are expected to be eliminated. This includes events that may introduce distortions in the assessment results. The NRSC will evaluate the level of achievement of the established objectives and, taking into account the weights of each established metric, will determine the amount to be paid, which must be subsequently approved by the Board of Directors. • The assessment of the annual objectives and the long-term objectives and the confirmation of variable remuneration are carried out based on audited financial statements.
With regard to the payment of Annual Variable Remuneration:	• The payment is made following the formulation of the annual accounts. Because the payment of the CEO's Annual Variable Remuneration corresponds to the fiscal year when the accrual takes place, it is not carried out immediately, but rather, only after the formulation of annual accounts, thereby allowing the Company to analyse the achievement with objectives in a sufficient timeframe. • Establishment of "malus and clawback" provisions. If, during a period of 12 months, circumstances arise that justify a new assessment or revision of the level of achievement of the objectives by the Board of Directors, after the favourable recommendation of the NRSC, the Company may suspend payment of the amounts pending to be paid to the CEO, for any variable item, and, when relevant, it may reclaim any unduly paid amounts as a result of the new valuation performed.

With regard to the payment of the Long-Term Incentive Plan (LTIP):	• The payment will be made after the Annual General Meeting is held. Payment of the Long-Term Incentive of the CEO, as in the case of the Annual Variable Remuneration, will not be made immediately. In this case, it will be made following the approval of the Annual Accounts corresponding to the last fiscal year of the LTIP in question, by the Annual General Meeting. • Establishment of “malus and clawback” provisions.If, during a period of three years following the collection of the incentive, (i) Cellnex was obliged to reformulate the accounts that were used to calculate the same, due to extraordinary events; or (ii) the Board of Directors of Cellnex is made aware of any negative behaviour on behalf of the CEO, Cellnex may recalculate the incentive that was paid, and when relevant, demand a refunding of the excess received based on the new calculation, or its entirety, in the case in which the determined behaviour was considered very serious by the Board of Directors or in any way influenced the metrics used to calculate the incentive.

As for the measures used by the Company with respect to professionals with material repercussions in the profile of entity risks, and with regard to the measures taken to avoid conflicts of interest, a succession plan was created to ensure the continuity of the most relevant positions of Cellnex, thereby avoiding any potential vacancies in the Company's key positions.

Finally, Cellnex has diverse internal regulations designed to regulate potential conflicts of interest, which are mentioned below:

- Article 27 of the Regulations of the Board of Directors defines the cases of conflicts of interest and establishes the rules governing these situations.
- Article 29 of the Regulations of the Board regulates the use of non-public information with private purposes.
- Article 30 of the Regulations of the Board include specific aspects that the Board should notify to the Company.
- Articles 32 and 33 of the Regulations of the Board establish the regulations in the case of “transactions with directors and significant shareholders”. Included in the powers that have been attributed to the Audit and Risk Management Committee, is that of informing of transactions with related individuals.
- Chapter VIII of the Internal Regulations of Behaviour regulates the action criteria of the Cellnex employees in situations of personal and Company conflicts..

Agreements to be approved by our 2022 Annual General Meeting

The Board of Directors, in its meeting held on 16 December 2021, approved the following remuneration aspects for fiscal year 2022:

Agreements of the Board of Directors with regard to the remuneration of the CEO

Fixed remuneration 2022	• The Board of Directors, after the favourable recommendation of the Nominations, Remunerations and Sustainability Committee, in the session held on 16 December 2021, approved the Fixed Remuneration of the CEO for his executive functions for fiscal year 2022 for an annual amount of 1.3 million euros, maintaining this without change with regard to the Fixed Remuneration received during 2021. This remuneration will be paid monthly in cash.

Annual Variable Remuneration 2022

- The Board of Directors, after the favourable recommendation of the Nominations, Remunerations and Sustainability Committee, in the session held on 16 December 2021, established:

  – The target amount of the Annual Variable Remuneration of the CEO for fiscal year 2022, that is, the amount corresponding to a standard level of achievement of objectives, at an amount equivalent to 100% of the Fixed Remuneration (1.3 million euros), in accordance with the Remunerations Policy of the Directors of Cellnex and following the regular practices of the Spanish market for positions of similar responsibility.

  – The maximum amount of the Annual Variable Remuneration of the CEO, occurs in the case of over-achievement of the pre-established objectives. This maximum amount is established at 180% of the Fixed Remuneration (2,340,000 euros).

  – The metrics and weights for the Annual Variable Remuneration of the CEO, linked to the achievement of certain economic-financial and operative annual objectives of the Cellnex group, are detailed below:

Objective*	Weight	Minimum level of achievement: 85% of 2022 Budget	Target level of achievement: 100% of 2022 Budget	Maximum level of achievement: 115% of 2022 Budget
Organic growth; PoPs**	30%	-5%	Budget	+5%
Growth of inorganic projects in coherence with the financial discipline of Cellnex and the Company's firepower	15%	2	3	4
Adjusted EBITDA	35%	-5%	Budget	+5%
ESG***	10%	Reduction 20% of scope 1 and 2 GHG emissions and scope 3 GHG emissions from fuel and energy-related activities****	Reduction 22% of scope 1 and 2 GHG emissions and scope 3 GHG emissions from fuel and energy-related activities****	Reduction 26% of scope 1 and 2 GHG emissions and scope 3 GHG emissions from fuel and energy-related activities****
	10%	24% women in management positions	26% women in management positions	28% women in management positions

* All indicators are aligned with the ESG Master Plan 2021-2025
**Concept of equivalent PoPs
*** Taking into account the current perimeter at the close of December 2021 and without considering future increases in perimeter for inorganic growth operations
**** As compared to base year 2020, at a constant perimeter verified by a certified external entity

LTIP

- The Board of Directors, after the favourable recommendation of the Nominations, Remunerations and Sustainability Committee, in a session held on 16 December 2021, approved the 2022-2024 LTIP, with the characteristics mentioned in section 3 of this document.

Extraordinary remuneration

- The Board of Directors, after the favourable recommendation of the Nominations, Remunerations and Sustainability Committee, in a session held on 16 December 2021, approved the Booster explained in Section 3.1.2 applicable in case of extraordinary performance which will be the way to remunerate extraordinary results. Therefore, there is no longer the possibility of receiving an extraordinary payment.

Annual contribution to insurance	• The annual contribution to insurance of the CEO is equivalent to 25% of his annual Fixed Remuneration for his executive functions. The annual contribution for 2022 totals 325,000 euros.
Payment for contract termination and non-compete	• The Board of Directors, after the favourable recommendation of the Nominations, Remunerations and Sustainability Committee, in a session held on 16 December 2021, approved the following conditions of compensation and payment for the non-compete undertaking applicable to fiscal year 2022: • If the CEO resigns during the duration of the contract, he/she will receive 2 times his annual Fixed Remuneration. This amount includes compensation for the non-compete undertaking of 2 years. • If the Company terminates the contract before its expiration date, or if, after contract expiration, the Company or CEO decides not to renew the contract, the CEO will receive 2 times his Fixed Remuneration and Annual Variable Remuneration. This amount includes a non-compete undertaking of 2 years. • If, after contract expiration, it is not renewed, and the CEO is offered a position as non-executive director or external Company advisor, he/she will receive 2 times his Fixed Remuneration and Annual Variable Remuneration. This amount includes a non-compete undertaking of 2 years

The NRSC in 2021

7.1 Composition and profile of Committee members

The Nominations, Remunerations and Sustainability Committee is 75% female and is presided over by a woman.

As of 31 December 2021, the Nominations, Remunerations and Sustainability Committee of Cellnex consists of 4 members, none of whom are executive directors, 3 of whom are Independent Directors (75%) and one of whom is Proprietary Director (25%). The Committee is chaired by a woman, Ms. Marieta del Rivero, who is an Independent Director.

During 2021, changes have taken place in the composition of the Nominations, Remunerations and Sustainability Committee, with the most relevant one being that on 25 February 2021 Ms. Marieta del Rivero assumed the position of Chair, substituting Mr. Giampaolo Zambeletti, who left the committee in December of 2021.

Please find below information on the members of this Committee as of the close of fiscal year 2021, including, but not limited to, their technical profile and high degree of commitment and dedication, given that all of the members attended the 15 meetings held over 2021.

Marieta del Rivero Bermejo

Independent Director

Chair of the NRSC

Seniority 5 years

Level of attendance at the NRSC – 2021 meetings: 15/15 = 100%

Technical profile / Experience

- **Country of origin:** Spain
- **Current positions:** independent director of Gestamp Automoción and member of its Sustainability Committee. Non-executive Chairperson of Onivia. Member of the Advisory Board of the Mutual Society of Lawyers, Trustee of the Tecnalia Foundation and Board member of the Spanish Association of Directors. Co-Chair of Women Corporate Director Spain.
- **Previous positions held:** She has served as global marketing director of Telefónica, deputy managing director to the digital commercial managing director of Telefónica, CEO of Nokia Iberia, senior advisor of Ericsson, partner at Seeliger & Conde and Chairperson of the International Women´s Forum Spain.
- **Other information:** She was named one of 'The 500 Most Influential Women in Spain' in 2018, 2019 and 2020 according to 'El Mundo'; one of 'The Top 100 Women Leaders 2018' by Mujeres & Cía, and she was recognised 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' and is member of the management board of the Spanish Directors Association (AED),
- **Academic training:** She has a BA in Business Administration from the University Autónoma of Madrid (UAM). In 2019, she attended the 'Workshop on Global Leadership' led by the Harvard Kennedy School. AMP (Advanced Management Program) by the IESE, EP (Executive Program) by Singularity University and Executive coach, certified by the ECC.

Pierre Blayau

Independent Director

Member of the NRSC

Seniority	7 years
Level of attendance at the NRSC – 2021 meetings:	15/15 = 100%
Technical profile / Experience	– **Country of origin:** France – **Current positions:** President of the CCR (Caisse Centrale de Reassurance), member of the strategic committee of SECP (del Grupo Canal +), Censor of FIMALAC, Senior Advisor of Bain & Company and Chairman of Harbour Conseils. – **Previous positions held:** 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 member of the Board of Directors of FNAC, Independent Director of Crédit Lyonnais and President of the Board of Directors of Areva. – **Academic training:** He is a Public Finance Inspector of the French Ministry of Finance and graduated from the École National d'Administration de París and the École Normale Supérieure de Saint-Cloud.

María Luisa Guijarro Piñal

Independient Director

Member of the NRSC

Seniority	4 years
Level of attendance at the NRSC – 2021 meetings:	15/15 = 100%
Technical profile / Experience	– **Country of origin:** Spain – **Current positions held:** dominical director of EQT in Adamo Telecom Iberia, S.A. and Adamo Telecom, S.L. – **Previous positions held:** Global Marketing and Sponsorship Manager, CEO of Terra España, Director of Marketing and Business Development in Spain and, in her final years at the company, member of the Executive Committee in Spain as head of Strategy and Quality. – **Academic training:** She has a degree in Economics from the Universidad Autónoma de Madrid

Alexandra Reich

Dominical Director

Member of the NRSC

Seniority	1 year
Level of attendance at the NRSC – 2021 meetings:	15/15 = 100%
Technical profile / Experience	– **Country of origin:** Austria – **Current positions held:** member of the Board of Directors of the Dutch company Delta Fiber. – **Previous positions:** 20 years of experience in the telecommunications industry, after beginning her career in investment banking. She was senior advisor at Telenor as well as Chairperson of the Boards of Telenor in Thailand – DTAC (from 2018 to 2020). She was CEO of Telenor Hungary between 2016 and 2018 as well as Chairperson of the Boards of Telenor Serbia and Telenor Bulgaria. She has also held distinct 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. – **Academic training:** She has a degree in Business Administration and a Master's degree in Business Management and Administration from the Vienna University of Economics and Business Administration.

* The number of years of seniority has been rounded to the nearest whole number, in some cases, varying a few months (more or less).

7.2 Main activities carried out by the Nominations, Remunerations and Sustainability Committee in 2021

The Nominations, Remunerations and Sustainability Committee played a very active role in overseeing Cellnex's remuneration aspects. As evidence of this, the committee met on 15 occasions during 2021. Below is a summary of the main activities carried out in the area of remuneration, subject to discussion and supervision by this Committee.

Period	Main activities carried out by the NRSC in terms of remuneration
I Quarter 2021 **(5 meeting)** 08-01-2021 19-01-2021 11-02-2021 24-02-2021 18-03-2021	11-02-2021: – Proposal for the new 2021-2023 Remunerations Policy, to adjust it to the recommendations of the Good Governance Code, Company strategy and the group of comparable companies. The maximum total remuneration of the Directors was modified, as well as the Fixed Remuneration and multi-annual remuneration of the CEO. – Preparation of the Annual Report on the Remuneration of Directors in the format established by the Spanish Securities and Exchange Commission and examination of the first draft of such Report. – Assessment of the quantitative objectives of the MBO of the CEO for 2020. 24-02-2021: – Approval and submission to the Board of the evaluation of the achievement of the 2018-2020 LTIP. – Approval and submission to the Board of the contract model of the 2021-2023 LTIP. – Favourable recommendation to the Board of Directors on the Annual Report on the Remuneration of Directors, the MBO of the CEO, the Remunerations Policy of the Directors and the Report on the Remunerations Policy of the Directors.
II Quarter 2021 **(3 meetings)** 12-04-2021 03-05-2021 08-06-2021	During the 2nd quarter of 2021, no specific topics were discussed with regards to remuneration.

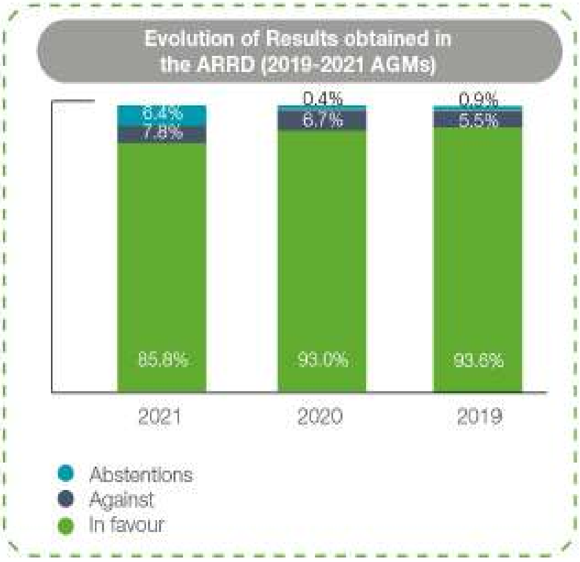
III Quarter 2021 **(3 meetings)** 15-07-2021 21-07-2021 08-09-2021	15-07-2021: – Presentation of the procedures to be followed for the review of the remuneration for the directors and senior management. The possibility of creating the Annual Report on the Remuneration of Directors in free format to improve transparency was also considered. 08-09-2021: – Review of the Remunerations Policy of the Directors, approved in 2021 by the Annual General Meeting, from the perspective of corporate governance. Review of the most recent market trends.
IV Quarter 2021 **(4 meetings)** 13-10-2021 09-11-2021 02-12-2021 15-12-2021	13-10-2021: – Review of the benchmark strategy and challenge Willis Towers Watson to work with a more extensive group of companies experiencing the same high growth moment as the Company, as well as companies that traditionally have been included in the group of comparable companies in this industry. – Qualitative analysis of the remuneration components of the CEO and decision to reinforce the analysis to carry out a set of meetings with investors and proxy advisors in order to test out the updates to be included in the CEO's remuneration and, specifically, in the 2022-2024 LTIP. 09-11-2021: – Review of the benchmarking for the remuneration of the non-executive directors. – Review of the benchmarking for the qualitative analysis of the remuneration of the CEO. – Qualitative proposal for the remuneration of senior management. 02-12-2021: – Approval of the proposal for remuneration of the CEO and 2022-2024 LTIP, applicable to the entire collective of beneficiaries, except for the breakdown of ESG objectives and the levels of low, average and high achievement for each of the metrics. – Approval of the proposal for remuneration of the senior management. 15-12-2021: – Approval of the breakdown of the ESG objectives and the levels of low, average and high achievement for each of the metrics. – Approval of the remuneration of the non-executive directors.

7.3 Evolution and impact of the results of the Annual General Meeting and measures adopted by the NRSC to reduce dissidence

Annual General Meetings held by Cellnex during 2019-2021, a decline was noted in the level of support received by the shareholders with regard to the Annual Report on the Remuneration of Directors, decreasing from 93.6% votes in favour in 2019, to 93.0% in 2020 and 85.8% in 2021

2021 AGM Results - Annual Report on the Remuneration of Directors

	Nº shares	% of Total votes
For	334,441,400	85,77%
Against	30,438,514	7,81%
Abstention	25,026,647	6,24%
Blanck	635	0,00%



One of the main functions of the Nominations, Remunerations and Sustainability Committee is to monitor the results of the AGMs in terms of support by the Company's investors in the areas of responsibility making up its scope of action.

For this, the Nominations, Remunerations and Sustainability Committee, in order to understand the reasons leading the shareholders to reduce their level of support and to offer a reasonable response to the same and to other stakeholders, adopted a series of actions in 2021 in order to improve alignment of its remuneration practices to market expectations and to reduce the level of dissidence at the upcoming AGM.

The actions adopted by the Company led by the NRSC are described below:

ACTIONS LED BY THE CELLNEX NOMINATIONS, REMUNERATIONS AND SUSTAINABILITY COMMITTEE TO IMPROVE THE COMPANY'S REMUNERATIONS MODEL

During the 4th quarter of 2021 and throughout 2022, the Company has held a total of 12 virtual meetings with the main institutional investors representing its shareholdings and its reference proxy advisors (ISS and Glass Lewis)

As observed in the graph above, during fiscal year 2021, Cellnex, led by the Nominations, Remunerations and Sustainability Committee, carried out the following measures:

	Measures / Activities	Objective
1	Development of a Gap Analysis with regard to remunerations	Identification of the degree of alignment of the Cellnex remunerations practices with the issues of greatest relevance and concern to the market (investors and proxy advisors), establishing a specific Action Plan that allows the Company to continue to progressively align itself with the market expectations. As explained below in more depth, as a consequence of the implementation of the Action Plan, the level of alignment in remuneration practices, has gone from 32% high alignment to **84% high alignment.**
2	Engagement meetings with main investors and proxy advisors	During the 4th quarter of 2021 and throughout 2022 (until the date of this Report), the Company has held a total of 12 virtual meetings with the main institutional investors (representing an aggregate total of approximately 49% of the Company's share capital), as well as with the main proxy advisors (ISS and Glass Lewis). The following corporate areas attended these meetings: • Board Secretariat • Investor Relations • Chief Financial Officer • Human Resources The Chair of the Nominations, Remunerations and Sustainability Committee, Ms. Marieta del Rivero also attended some of these meetings.
3	Market analysis	As has been the case for several years now, Cellnex received advisory services in the defining of the sample of companies considered to be comparable companies in order to carry out a benchmark of remuneration. This comparative analysis includes the following: • The identification of the components of the remuneration of the CEO (Fixed Remuneration, Annual Variable Remuneration and Long-Term Incentive Plan) as compared to the defined sample of comparable companies. • The identification of the remuneration of non-executive directors, in their position as such, as compared to the defined sample of comparable companies.
4	Creation of the Annual Remuneration Report in free format	Creation, for the first time, of the Annual Report on the Remuneration of Directors in free format, in order to increase the transparency towards the market in the area of remuneration.

The level of alignment of the Remunerations Policy of the Directors of Cellnex with the best market practices, has increased from 32% high alignment and 56% average alignment to 84% high alignment and 12% average alignment.

Based on the Gap Analysis and Action Plan defined in fiscal year 2021, below are some of the main measures adopted by the Nominations, Remunerations and Sustainability Committee:

With the adoption of all of these measures, the level of alignment of the remunerations of the Directors of Cellnex with the best market practices has gone from 32% high alignment and 56% average alignment to **84% high alignment** and 12% average alignment.

7.4 Description of Company procedures and bodies involved in the determination, approval and application of the Remunerations Policy.

In accordance with the Spanish Companies Law and the Company's internal regulations (corporate bylaws, Regulations of the Annual General Meeting and Regulations of the Board of Directors), Cellnex relies on the following bodies for the determination, approval and application of the Remunerations Policy:

Below we detail the procedures carried out by each of these bodies:

- **Annual General Meeting:** in accordance with the Spanish Companies Law and the Regulations of the Annual General Meeting, this body approves the Remunerations Policy of the Directors.

- **Board of Directors:** according to the Spanish Companies Law, corporate bylaws and the regulations of the Board of Directors, it has the following non-transferrable powers:

    - Decisions related to the remuneration of each of the directors in their position as such, taking into account the functions and responsibilities attributed to each director, inclusion in the distinct board committees and other objective circumstances that are deemed relevant; always within the scope of the statutory framework and the Remunerations Policy of the Directors as approved by the Annual General Meeting.

    - Approval of the CEO's contract which details, among other things, all of the aspects for which he/she may be paid for the performing of executive functions, as well as the terms and conditions of his/her contract with the Company, based upon applicable regulations at any times and the Remunerations Policy of the Directors approved by the Annual General Meeting. It should be mentioned that the Remunerations Policy of the Directors should include the following:

        - The total amount of the annual Fixed Remuneration and its variability during the period referred to in the policy,

        - The distinct parameters for the establishment of the variable components,

– The main terms and conditions of the CEO's contract (i.e., duration, compensation for early dismissal or termination of the contractual relationship, exclusivity agreements, post-contractual non-compete clauses, permanence or loyalty).

- **Nominations, Remunerations and Sustainability Committee:** assumes the main role in terms of the determination, application and review of the Remunerations Policy of the Directors. According to the competencies assigned in the Regulations of the Board of Directors, below we summarise the functions assigned to this committee with regard to the determination, application, review and transparency of the Remunerations Policy of the Directors:

    - Propose the following to the Board of Directors: The Remunerations Policy of the Directors and of the senior management (or those who may perform executive functions) as well as the individual remuneration and other basic conditions of their contracts.

    - To verify the compliance of the Remunerations Policy established by the Company.

    - To periodically review the Remunerations Policy applying to directors and the senior management, including the remuneration systems and their application, and to ensure that their individual remuneration is proportional to that paid to other directors and members of senior management of the Company.

    - To verify the information on the remuneration of Directors and senior management as found in the different Company documents, including the Annual Report on the Remuneration of Directors and to propose to the Board of Directors a consultative vote at the Annual General Meeting on said Report.

The Nominations, Remunerations and Sustainability Committee considers it essential to periodically review the Remunerations Policy of the Directors, according to the best practices of corporate governance as adopted by the institutional investors and the recommendations of the main proxy advisors.

During 2021, the NRSC has worked to develop an annual agenda of the topics to consider, in order to ensure that all of the objective topics of the year are covered.

Therefore, the Committee, in an attempt to continue to improve on a yearly basis, and as a result of the 2021 Action Plan approved as a result of the Board's evaluation in 2020, has been working in 2021 on the development of an annual agenda of topics to consider, in order to ensure that all of the relevant topics are covered throughout the year. Meetings are planned at 12 months.

- Audit and Risk Management Committee: To verify the economic and financial information serving as the basis of calculation of the level of achievement of the objectives (both short and long-term).

Annexes

Annex 1: Summary of main differences in remuneration in 2022 as compared to 2021 for the CEO

Align the CEO's Remuneration with Cellnex's expected performance and value creation		
Base Salary: No changes	2021	2022
Fixed Remuneration	**1,300,000 euros**	**No changes**
Other Benefits	**Benefits related to travel and private medical insurance**	**No changes**
Pension	**25% of the annual Fixed Remuneration**	**No changes**
Variable remuneration: greater achievement when performance is exceptional		
Annual Variable Remuneration	**Target: 100% Maximum: 150%**	**Target: 100% Maximum: 180%***
	• 35% Recurring Levered Free Cash Flow • 20% Organic growth • 15% Market diversification • 15% ESG indicators • 15% Inorganic growth	**• 35% Adjusted EBITDA • 30% Organic growth • 20% ESG indicators • 15% Inorganic growth**
Long Term Incentive Plan (LTIP)	2021-2023	2022-2024
PILP	**Applies in the case in which profitability during the 2021-2023 period is 8% annually for a period of three years. Initial Plan Price of 48.28 euros, final price of the plan 60.81 euros**	**PILP= RF 2024 * (5,5/3) * Nivel de logro (%) * Booster**
		• 30% Evolución precio por acción • 30% Evolución Relativa precio por acción • 20% Evolución Generación de flujo de caja por acción
	NA	**Booster: Only applies if the share revaluation is exceptional in absolute and relative terms. Minimum multiplier** 1.2 (10% TSR> 70€/share and second relative position) and maximum multiplier *** 5.0 (30% TSR >114.4 €/share and first relative position**
Percentage of payment in shares in the LTIP	**30% granted in shares 70% in options**	**40% granted in shares 60% in options**
Align the CEO's Remuneration with the Recommendations for Good Corporate Governance		
Others		
Severance and non-compete clauses	**2 years Fixed Remuneration + Annual Variable Remuneration and 1 year of Fixed Remuneration, for non-compete commitment**	**2 years Fixed Remuneration + Annual Variable Remuneration (including compensation for non-compete clause in this amount)**
Shareholding guidelines	**Equivalent to a minimum of 2 years of Fixed Remuneration**	**No changes**

* 180% = 150% * 1.2

**The minimum multiplier applies when the TSR >10%

*** The maximum multiplier applies when the TSR >30%

Annex 2: How did we create this Report?

The Annual Report on the Remuneration of Directors corresponding to fiscal year 2021 is Cellnex's first report created in free format. Using this new format, which is significantly distinct in structure and content from the reports created during prior fiscal years, Cellnex attempts to comply with the following four objectives:

One of the objectives of this Report is to respond to the demands of the institutional investors and proxy advisors

1. **Respond to the main demands** of institutional investors and proxy advisors: Cellnex has taken into account the expectations of these stakeholders, collected during the engagement process carried out by the Company in 2021.

2. Consider **best international practices** in terms of information transparency in the area of remuneration through information disclosure in a simple, clear, transparent and detailed manner, aligning the model with the Company's goals of long-term sustainability and value creation for its stakeholders.

3. Serve as a **source of information** for stakeholders wishing to know more about the Cellnex remuneration model.

4. Comply with the **regulation and recommendations** included in the Companies Act, regulations of the National Commission on the Securities Market[11] and the Good Governance Code of the listed companies.[11]

Likewise, it should be noted that, according to the principles included in the Technical Guide 1/2019 of the National Commission on the Securities Market on the functioning of the Nominations, Remunerations and Sustainability Committee, the Company has received independent external consulting in the area of remuneration.

Georgeson has carried out a GAP Analysis in this area, created in order to identify areas of improvement, and has assisted the Company in the creation of this Report, by improving the transparency and disclosure to investors of the Company's remuneration practices.

[11] Circular 3/2021, of 28 September, of the National Commission on the Securities Market, modifying Circular 4/2013, of 12 June, which establishes, among other things, models of the Annual Report on the Remuneration of the Directors of listed companies.

On the other hand, Willis Towers Watson has advised the Company in the selection process of the peer companies, carrying out a benchmark against these groups and analysing the trends and best remuneration practices of the market.

Annex 3: Long-Term Incentive Plans in force and prior to 2022-2024

Below, the Long-Term Incentive Plans from prior to 2022-2024 are detailed, which continue to be in effect.

Long-Term Incentive Plans, in force and prior to 2022-2024

2021-2023 LTIP:

The anticipated remuneration of the CEO, in the case in which, at the close of fiscal year 2022, the established Company objectives are reached, is 183% of the Fixed Remuneration.

A total of 30% of said remuneration is initially paid via delivery of granted shares and the remaining 70% in stock options, with an obligation to hold permanent shares equivalent to two years of the Fixed Remuneration.

The amount to be received will be determined by the level of achievement with the price of the share, calculated based on the average price of the three months prior to December of 2020, weighted by volume ("vwap") (48.28 euros / share, initial price of the period) and estimating a profitability of 8% annually, for a three-year period, thereby obtaining the objective price at the end of the period (60.81 euros / share).

The aforementioned prices have been adjusted from 52.12 euros/share and 65.66 euros/ share initially established in the Plan due to the impact of the capital increase done in 2021, following Bloomberg adjustments.

If the CEO already complied with this obligation (permanently holding shares equivalent to two years of the Fixed remuneration) he may opt to receive part of the rights to the revaluation of the shares in a contribution to his Defined Contribution Pension Plan (retirement insurance), or in cash.

The final incentive amount may be corrected by applying a factor (upwards or downwards) with the objective of collecting the contribution (or decrease) in value that is derived from a significantly higher (or lower) performance than that anticipated during the application period of this LTIP.

This correction factor (+- 30%) is made up of two components:

- 15% will be applied upon the discretion of the Board of Directors, taking into account the contribution of value to the stakeholders, including ESG factors.

- 15% will be applied using the RLFCF per share (Recurring Levered Free Cash Flow per share) parameter, its evolution in the period and its comparison between the real and anticipated value.
- In a scenario of maximum achievement of the objectives, the incentive will increase to 238% of the Fixed Remuneration. The Cellnex Board of Directors considers it important to define this correction factor in order to reinforce the alignment between the CEO's interests and those of the shareholders, and to allow the CEO (and other management) to collect part of the additional value that may have been generated for the shareholders.
- It should be noted that the maximum incentive may increase up to 238% of the Fixed Remuneration, but also, may decline by 141%, due to the application of this corrective factor; or it may even be 0, if there is no compliance with the accrual and liquidation conditions.

Summary of the 2021-2023 LTIP

	Objectives	Metric	Details
2021-2023 LTIP	Target: 183% de le RF. A correction factor may be applied (upwards or downwards) of 1.3 in the case of performance that is better (or worse) than anticipated.[12] Maximum (annualised): 238% of the RF Correction factor (+- 30%): – 15% Evolution RLFCF per share – 15% ESG This quantity reflects the value of the Long-Term Incentive as of the date of its granting. That is, the Target and Maximum limits established will not be applicable until payment of the LTIPs.	• Increased share price Details on each of these Plans are detailed below the chart.	30% granted shares; 70% stock options 3 years of measurement of the objectives Subject to malus and clawback provisions (36 months) Shareholding: equivalent to a minimum of 2 years of Fixed Remuneration.

[12] Therefore, the maximum can be increased up to 238 % (or decrease by 141%; or may even be 0 if it does not comply with the conditions of accrual and liquidation).

2020-2022 LTIP

The expectations for remuneration of the CEO, in the case in which, at the close of fiscal year 2022, the Company objectives are achieved, is 150% of his/her Fixed Remuneration. This percentage is equivalent to the maximum remuneration of the CEO for this area.

A total of 30% of this remuneration will be initially paid via the delivery of granted shares and the remaining 70% in stock options, with an obligation of permanently holding shares equivalent to two annual payments of Fixed Remuneration.

The amount to be received is determined by the level of achievement of the share price increase, calculated based on the average price of the three months prior to December of 2019, weighted by the volume ("vwap") (32.96 euros / share), (initial price of the period) and stimulating a profitability of 8% annually for a period of three years, thereby obtaining the objective price at the end of the period (41.52 euros / share).

The aforementioned prices have been adjusted from 38.17 euros/share and 48.08 euros/share initially established in the Plan due to the impact of the capital increases done in 2020 and 2021, following Bloomberg adjustments.

If the CEO already complies with the obligation of permanent shareholding equivalent to two years the Fixed Remuneration, he/she may opt to receive part of the appreciation rights in a contribution to his/her Defined Contribution Plan (retirement insurance), or in cash.

Summary of the 2020-2022 LTIP:

	Objetivos	Métrica	Detalle de la Política
PILP 2020-2022	Target: (annualised) 150% of the RF Maximum Maximum (annualised): 150% of the Fixed Remuneration	▪ Incremento precio de la acción	30% granted in shares; 70% stock options 3 years of objective measurement Subject to malus and clawback provisions (36 months) Shareholding: equivalent to a minimum of 2 years of Fixed Remuneration

As for the three Long-Term Incentive Plans that are in force as of the date of the creation of this Report, the following is noted:

- The final evaluation of the achievement of the objectives established in each of the ROLLING LTIP plans will be carried out by the Nominations, Retribution and Sustainability Committee once its period of validity and liquidation has concluded, following the holding of the Annual General Meeting to approve the annual accounts of the last fiscal year in which each plan is included.

- The Annual Report on the Remuneration of Directors corresponds to each year in which each of the Plans is liquidated, reflecting in detail the calculation formula and the amounts resulting from each of the same. It also informs on the amount accrued and paid in each fiscal year, and the financial instruments used for the liquidation of the remuneration in this area.

- The period for the exercising of the stock options will be two years from the moment they are delivered,, which will take place following the holding of the Annual General Meeting to approve the annual accounts of the last fiscal year of each Plan.

Annex 4: Statistics

ANNEX III. STATISTICS RELATING TO THE ANNUAL REPORT ON DIRECTOR REMUNERATION OF LISTED COMPANIES

ISSUER IDENTIFICATION DETAILS

YEAR END-DATE 2021

TAX ID (CIF)

Company name:
CELLNEX TELECOM

Registered office:

ANNEX. STATISTICS RELATING TO THE ANNUAL REPORT ON DIRECTOR REMUNERATION OF LISTED COMPANIES

B OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR LAST ENDED

B4 Report on the result of the consultative vote at the General Shareholders' Meeting on remuneration in the previous year, indicating the number of votes in favour, votes against, abstentions and blank ballots:

	Number	% of total
Votes cast	390,099,389	80.15%

	Number	% of votes cast
Votes against	30,438,514	7.81%
Votes in favour	33,441,400	85.77%
Blank ballots	635	0,00%
Abstentions	25,026,647	6.42%

C ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Period of accrual in year n
Tobías Martínez Gimeno		De 01/01/202 1 a 31/12/2021
Bertrand Boudewijn Kan		De 01/01/202 1 a 31/12/2021
Giampaolo Zambeletti		De 01/01/202 1 a 31/12/2021
Pierre Blayau		De 01/01/202 1 a 31/12/2021
Anne Bouverot		De 01/01/202 1 a 31/12/2021
Marieta del Rivero Bermejo		De 01/01/202 1 a 31/12/2021
María Luisa Guijarro Piñal		De 01/01/202 1 a 31/12/2021
Peter Shore		De 01/01/202 1 a 31/12/2021
Christian Coco		De 01/01/202 1 a 31/12/2021
Alexandra Reich		De 01/01/202 1 a 31/12/2021
Kate Holgate		De 28/07/202 1 a 31/12/2021

C.1 Complete the following tables regarding the individual remuneration of each director (including remuneration received for performing executive duties) accrued during the year.

a) Remuneration from the reporting company:

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total year n	Total year n-1
Tobías Martínez Gimeno	115			1.300	1.275	1.062			3.752	2.996

Bertrand Boudewijn Kan			260						260	172
Giampaolo Zambeletti			154						154	172
Pierre Blayau			150						150	145
Anne Bouverot			150						150	145
Marieta del Rivero Bermejo			176						176	145
María Luisa Guijarro Piñal			150						150	145
Peter Shore			176						176	145
Christian Coco			150						150	113
Alexandra Reich			150						150	0
Kate Holgate			75						75	0

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

Name	Name of plan	Financial instruments at start of year n		Financial instruments granted during year n		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of year n	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
Tobías Martinez Gimeno	ILP 2019-2021	16.474					21.647	21,02	858			
	ILP 2020-2022	6.449										7.468
	ILP 2021-2023			5.772								6.232

iii) Long-term savings schemes

	Remuneration from vesting of rights to savings schemes
Director 1	

Name	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Year n		Year n-1	
	Year n	Year n-1	Year n	Year n-1	Schemes with vested economic rights	Schemes with non-vested economic rights	Schemes with vested economic rights	Schemes with non-vested economic rights
Tobías Martínez Gimeno			325	250		1.475		1.150

iv) Details of other items

Name	Concept	Amount of remuneration
Tobías Martínez Gimeno	**Prima seguro de vida**	**11**
Tobías Martínez Gimeno	**Prima seguro médico**	**2**
Tobías Martínez Gimeno	**Vehículo**	**17**
Tobías Martínez Gimeno	**Gasolina**	**2**

b) Remuneration of directors of the listed company for seats on the boards of other subsidiary companies:

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total year n	Total year n-1
Director 1										
Director 2										

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

Name	Name of plan	Financial instruments at start of year n		Financial instruments granted during year n		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of year n	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
Director 1	Plan 1											
	Plan 2											

iii) Long-term savings schemes

	Remuneration from vesting of rights to savings schemes
Director 1	

Name	Contribution for the year by the company (thousands of euros)		Amount of accrued funds (thousands of euros)
	Savings schemes with vested economic rights	Savings schemes with non-vested economic rights	

					Year n		Year n-1	
	Year n	Year n-1	Year n	Year n-1	Schemes with vested economic rights	Schemes with non-vested economic rights	Schemes with vested economic rights	Schemes with non-vested economic rights
Director 1								

iv) Details of other items

Name	Concept	Amount of remuneration
Director 1		

c) Summary of remuneration (thousands of euros):

This summary must include the amounts corresponding to all the remuneration items included in this report that have accrued to each director, in thousands of euros.

	Remuneration accruing in the Company					Remuneration accruing in group companies					
Name	Total cash remuneration	Gross benefit of vested shares or financial instruments	Remuneration by way of savings systems	Other items of remuneration	Total in year n, company	Total cash remuneration	Gross benefit of vested shares or financial instruments	Remuneration by way of savings systems	Other items of remuneration	Total in year n. group	Total in year n, company + group
Tobías Martínez Gimeno	3.752	858	325	32	4.967						
Bertrand Boudewijn Kan	260				260						
Giampaolo Zambeletti	154				154						
Pierre Blayau	150				150						
Anne Bouverot	150				150						
Marieta del Rivero Bermejo	176				176						
María Luisa Guijarro Piñal	150				150						
Peter Shore	176				176						
Christian Coco	150				150						
Alexandra Reich	150				150						
Kate Holgate	75				75						
Total:	5.343	858	325	32	6.558						

C.2 Indicate the evolution in the last five years of the amount and percentage variation of the remuneration accrued by each of the directors of the listed company who have held this position during the year, the consolidated results of the company and the average remuneration on an equivalent basis with regard to full-time employees of the company and its subsidiaries that are not directors of the listed company.

	Total amounts accrued and % annual variation								
	Year n	% variation n/n-1	Year n-1	% variation n-1/n-2	Year n-2	% variation n-2/n-3	Year n-3	% variation n-3/n-4	Year n-4
Executive directors									
Tobias Martínez Gimeno	5,343	22.15%	4,374	-12.33%	4,989	90.13%	2,624	88.91%	1,389
Director's remuneration 2									
Director's remuneration n									
External directors									
Bertrand Boudewijn Kan	260	51.16%	172	14.67%	150	2.04%	147	13.08%	130
Giampaolo Zambeletti	154	-10.47%	172	14.67%	150	2.04%	147	8.89%	135
Pierre Blayau	150	3.45%	145	11.54%	130	1.56%	128	6.67%	120
Anne Bouverot	150	3.45%	145	11.54%	130	124.14%	58		
Marieta del Rivero Bermejo	176	21.38%	145	11.54%	130	1.56%	128	75.34%	73
María Luisa Guijarro Piñal	150	3.45%	145	11.54%	130	124.14%	58		
Peter Shore	176	21.38%	145	11.54%	130	1.56%	128	11.3%	115
Christian Coco	150	32.74%	113						
Alexandra Reich	150								
Kate Holgate	75								
Company results	-534	-164.36%	-202	-274.07%	-54	-50.0%	-36		20
Average employee remuneration	64	3.23%	62	6.90%	58	-4.92%	61	-11.59%	69

Observations

This annual remuneration report was approved by the Board of Directors of the company in its meeting of ___24/02/2022______.

Indicate whether any director voted against or abstained from approving this report.

Yes ☐ No X☐

Name or company name of any member of the Board of Directors not voting in favour of the approval of this report	Reasons (against, abstention, non attendance)	Explain the reasons

Annex 11. Annual Governance Report

Note: This document is a translation of a duly approved Spanish language document, and is provided for information purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish language document which this translation is intended to reflect, the text of the original Spanish language document shall prevail.

ANNEX I TEMPLATE

ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

ISSUER IDENTIFICATION DETAILS

YEAR ENDING 31/12/2021

CORPORATE TAX ID (CIF)
A-64907306

Company name:

CELLNEX TELECOM, S.A

Registered office:

C/ JUAN ESPLANDIÚ 11-13 - MADRID

A OWNERSHIP STRUCTURE

A.1 Complete the following table on share capital and attributed voting rights, including those corresponding to shares with a loyalty vote as at the close of the fiscal year, where appropriate:

Indicate whether the company's bylaws contain the provision of double loyalty voting:

Yes ☐ No X General Shareholders' Meeting approval date dd/mm/yyyy

Minimum period of uninterrupted ownership required by the statutes

Indicate whether the company has awarded loyalty votes:

Yes ☐ No X

Date of the last modification of the share capital	Share capital	Number of shares	Number of voting rights (not including additional loyalty-attributed votes)	Number of additional attributed voting rights corresponding to shares with loyalty vote	Total number of voting rights, including additional loyalty-attributed votes
23/04/2021	169,831,931.00	679,327,724	679,327,724		679,327,724

Number of shares registered in the special register pending the expiry of the loyalty period

Remarks

Indicate whether there are different classes of shares with different associated rights:

Yes ☐ No X

Class	Number of shares	Par value	Number of voting rights	Rights and obligations conferred

Remarks

A.2 Give details on company's significant direct and indirect shareholders at the year-end, including directors with a significant shareholding:

Name of shareholder	**% of voting rights** attributed to the shares (including loyalty votes)		**% of voting** rights through financial instruments		**% of total** voting rights	From the total number of voting rights attributed to the shares, indicate, where appropriate, the additional votes attributed corresponding to the shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
BLACKROCK INC.	0.00	5.03	0.09	0.09	5.21		
EDIZIONE, S.R.L.	0.00	8.53	0.00	0.00	8.53		
CRITERIA CAIXA, S.A.U.	4.77	0.00	0.00	0.00	4.77		
CANADA PENSION PLAN INVESTMENT BOARD	5.00	0.00	0.00	0.00	5.00		
WELLINGTON MANAGEMENT GROUP	0.00	4.28	0.00	0.00	4.28		
CAPITAL RESEARCH AND MANAGEMENT COMPANY	0.00	3.44	0.00	0.43	3.88		
FMR LLC	0.00	3.22	0.00	0.00	3.22		
GIC PRIVATE LIMITED	0.25	6.73	0.04	0.00	7.03		
HOHN. CHRISTOPHER ANTHONY	0.00	0.79	0.00	5.00	5.79		
LISSON GROVE INVESTMENT PRIVATE LIMITED	6.73	0.00	0.00	0.00	6.73		
NORGES BANK	3.00	0.00	0.00	0.00	3.00		
THE CHILDREN'S INVESTMENT MASTER FUND	0.00	0.00	5.00	0.00	5.00		
FUNDACION BANCARIA CAIXA D ESTALVIS I PENSIONS DE BARCELONA	0.00	4.77	0.00	0.00	4.77		

Remarks

Breakdown of the indirect holding:

Indirect shareholder	Direct shareholder	% voting rights attributed to the shares (including votes for loyalty)	% voting rights through financial instruments	% total voting rights	From the total number of voting rights attributed to the shares, indicate, where appropriate, the additional votes attributed corresponding to the shares with a loyalty vote	
					Direct	Indirect
BLACK ROCK INC.	VARIOUS FUNDS NOT REQUIRED TO REPORT INDIVIDUALLY	5.03	0.18	5.21		
EDIZIONE S.R.L.	CONNECT DUE S.R.L.	8.53	0.00	8.53		
WELLINGTON MANAGEMENT GROUP LLP	WELLINGTON GROUP HOLDINGS LLP	4.27	0.00	4.27		
CAPITAL RESEARCH AND MANAGEMENT COMPANY	VARIOUS FUNDS NOT REQUIRED TO REPORT INDIVIDUALLY	3.44	0.43	3.88		
FMR LLC	VARIOUS FUNDS NOT REQUIRED TO REPORT INDIVIDUALLY	3.22	0.00	3.22		
GIC PRIVATE LIMITED	LISSON GROVE INVESTMNENT PRIVATE LIMITED	6.73	0.00	6.73		
HONH. CHRISTOPHER ANTHONY	THE CHILDREN'S INVESTMENT MASTER FUND	0.00	5.00	5.00		
FUNDACION BANCARIA CAIXA D'ESTALVIS I PENSIONS DE BARCELONA	CRITERIA CAIXA, S.A.U.	4.77	0.00	4.77		

Remarks

Indicate the most significant changes in the shareholder structure during the year:

Most significant movements
CANADA PENSION PLAN INVESTMENT BOARD 26/01/2021 5% of capital attributable to shares has been exceeded FIDELITY MANAGEMENT & RESEARCH COMPANY LLC 29/01/2021 3% of aggregate capital (shares and financial instruments) has been exceeded

NORGES BANK 04/02/2021 The percentage of voting rights attributed to shares has been reduced below 3% of share capital

NORGES BANK 05/02/2021 It has decreased below 3% of aggregate capital (shares and financial instruments)

NORGES BANK 08/02/2021 3% of aggregate capital (shares and financial instruments) has been exceeded

FIDELITY MANAGEMENT & RESEARCH COMPANY LLC 08/02/2021 It has decreased below 3% of aggregate capital (shares and financial instruments)

NORGES BANK 12/02/2021 It has decreased below 3% of aggregate share capital (shares and financial instruments)

GQG PARTNERS LLC 25/02/2021 It has decreased below 3% of capital (attributable to shares)

NORGES BANK 02/03/2021 3% of aggregate capital (shares and financial instruments) has been exceeded

NORGES BANK 04/03/2021 It has decreased below 3% of aggregate capital (shares and financial instruments)

NORGES BANK 12/03/2021 3% of aggregate capital (shares and financial instruments) has been exceeded

CAPITAL RESEARCH AND MANAGEMENT COMPANY 31/03/2021 3% of aggregate capital (shares and financial instruments) has been exceeded

FMR LLC 01/04/2021 The percentage of voting rights attributed to shares has been reduced below 3% of share capital

CAPITAL RESEARCH AND MANAGEMENT COMPANY 07/04/2021 The percentage of voting rights attributed to shares has exceeded 3% of share capital

FMR LLC 12/04/2021 3% of aggregate capital (shares and financial instruments) has been exceeded

CAPITAL RESEARCH AND MANAGEMENT COMPANY 15/04/2021 5% of aggregate capital (shares and financial instruments) has been exceeded

ABU DHABI INVESTMENT AUTHORITY 22/04/2021 It has decreased below 5% of aggregate capital (shares and financial instruments)

THE CHILDREN'S INVESTMENT MASTER FUND 22/04/2021 1% of aggregate capital (shares and financial instruments) has been exceeded. Tax havens only.

ATLANTIA SPA 23/04/2021 Change in the number of the issuer's voting rights

EDIZONE S.R.L. 23/04/2021 It has decreased below 10% of aggregate capital (shares and financial instruments)

CAPITAL RESEARCH AND MANAGEMENT COMPANY 28/04/2021 It has decreased below 5% of aggregate capital (shares and financial instruments)

THE CHILDREN'S INVESTMENT MASTER FUND 04/05/2021 2% of aggregate capital (shares and financial instruments) has been exceeded. Tax havens only.

ABU DHABI INVESTMENT AUTHORITY 07/05/2021 It has decreased below 3% of aggregate capital (shares and financial instruments)

CHRISTOPHER ANTHONY HOHN 07/05/2021 3% of aggregate capital (shares and financial instruments) has been exceeded

CHRISTOPHER ANTHONY HOHN 11/05/2021 Change in SWAP maturity date

THE CHILDREN'S INVESTMENT MASTER FUND 11/05/2021 Change in SWAP maturity date

BLACKROCK INC. 18/06/2021 5% of aggregate capital (shares and financial instruments) has been exceeded

ATLANTIA S.P.A. 12/07/2021 Atlantia has not exercised its option to acquire the shares of Cellnex Telecom S.A.

BLACKROCK INC. 31/08/2021 It has decreased below 5% of aggregate capital (shares and financial instruments)

BLACKROCK INC. 08/10/2021 5% of aggregate capital (shares and financial instruments) has been exceeded

THE CHILDREN'S INVESTMENT MASTER FUND 11/10/2021 4% of aggregate capital (shares and financial instruments) has been exceeded. Tax havens only.

CHRISTOPHER ANTHONY HOHN 28/10/2021 5% of aggregate capital (shares and financial instruments) has been exceeded

CHRISTOPHER ANTHONY HOHN 15/12/2021 The percentage of voting rights through financial instruments has exceeded 5% of share capital

THE CHILDREN'S INVESTMENT MASTER FUND 15/12/2021 5% of aggregate capital (shares and financial instruments) has been exceeded BLACKROCK INC 17/12/2021 The percentage of voting rights attributed to shares has exceeded 5% of share capital

A.3 Give details of the participation at the close of the fiscal year of the members of the board of directors who are holders of voting rights attributed to shares of the company or through financial instruments, whatever the percentage, excluding the directors who have been identified in Section A2 above:

Name of director	**% of voting rights** attributed to the shares (including loyalty votes)		**% of voting rights** through financial instruments		**% of** total voting rights	**From the total % of voting** rights attributed to the shares, indicate, where **appropriate, the % of the** additional votes attributed corresponding to the shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MR. TOBIAS MARTINEZ GIMENO	0.02	0.00	0.00	0.00	0.02		
MR. BERTRAND KAN	0.00	0.00	0.00	0.00	0.00		
MR. PIERRE BLAYAU	0.00	0.00	0.00	0.00	0.00		
MS ANNE BOUVEROT	0.00	0.00	0.00	0.00	0.00		
MR. GIAMPAOLO ZAMBELETTI ROSSI	0.00	0.00	0.00	0.00	0.00		
Total	0.02	0.00	0.00	0.00	0.02		

Total percentage of voting rights held by the Board of Directors	0.02

Remarks

Breakdown of the indirect holding:

Name of director	Direct shareholder	**% voting** rights attributed to shares (including loyalty votes)	**% of voting** rights through financial instruments	**% of total** voting rights	From the total **% of voting** rights attributed to the shares, indicate, where appropriate, **the % of the** additional votes attributed corresponding to the shares with a loyalty vote
MR. PIERRE BLAYAU	HARBOUR CONSEILS	0.00	0.00	0.00	
MR. GIAMPAOLO ZAMBELETTI ROSSI	AREPO FIDUCIARIA	0.00	0.00	0.00	

Remarks

List the total percentage of voting rights represented on the board:

Total percentage of voting rights held by the Board of Directors	15.56

Remarks
In 2020, a director was appointed at the request of EDIZIONE, which holds an 8.53%.
In 2020, a director was also appointed at the request of GIC PRIVATE LIMITED, which holds a 7.03%.

A.4 If applicable, indicate any family, commercial, contractual or corporate relationships that exist among significant shareholders that they are known to the company, unless they are insignificant or arise in the ordinary course of business, with the exception of those reported in section A.6:

Name or company name of related party	Nature of relationship	Brief description

See section D.2

A.5 If applicable, indicate any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or its group, unless they are insignificant or arise in the ordinary course of business:

Name or company name of related party	Nature of relationship	Brief description

See section D.2

A.6 Describe the relationships, unless insignificant for both parties, that exist between significant shareholders or shareholders represented on the Board and directors, or their representatives in the case of directors that are legal persons.

Explain, if applicable, how the significant shareholders are represented. Specifically, indicate those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders, or who are linked to significant shareholders and/or companies in their group, specifying the nature of such relationships. In particular, mention the existence, identity and position of any directors of the listed company, or their representatives, who are in turn members or representatives of members of the Board of Directors of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders.

Name of the related director or representative	Name of the related significant shareholder	Name of the company pertaining to the significant shareholder group	Description of relationship/position
MR. CHRISTIAN COCO	CONNECT DUE S.P.A.	EDIZIONE, S.R.L.	CEO
MS. ALEXANDRA REICH	LISSON GROVE INVESTMENT PRIVATE LIMITED	GIC PRIVATE LIMITED	N.A.

Remarks
GIC Private Limited selected Ms. Alexandra Reich through an external candidate selection process for the role of proprietary director at Cellnex Telecom, S.A.

A.7 Indicate any shareholders' agreements of which the company has been notified in accordance with the provisions of articles 530 and 531 of the Spanish Companies Law. If so, describe them briefly and list the shareholders bound by the agreement:

Yes X No ☐

Parties to the shareholders' agreement	% of share capital affected	Brief description of the agreement	Expiry date of the agreement, if any
EDIZIONE, S.R.L., SINTONIA S.P.A, ATLANTIA, S.P.A., CONNECT DUE S.R.L.	5.98	Co-investment agreement dated 24 July 2018, novated by virtue of a non-extinctive modification novation agreement dated 9 July 2020, by virtue of which, among others, Sintonía (i) grants Atlantia the right to co-invest a stake representing 5.98% of the share capital until 12 July 2021, (ii) grants Atlantia a right to match on the options (not exercised) resulting from any issuance of future rights approved by Cellnex until 12 July 2025, and (iii) grants Atlantia the option to exercise the ROFO and the Right to Match for a maximum of 10% of the issued share capital of Cellnex until 12 July 2025, instead of for the entire indirect stake of Edizione's in Cellnex. The specific terms of the agreement are available on the CNMV's website and on Cellnex's website.	12 July 2025

The non-extinctive modification novation agreement of the co-investment agreement was published as Other Relevant Information on the CNMV's website on 17 July 2020 under Registration Number 3441.

Remarks

Indicate whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

Yes ☐ No X

Parties to the concerted action	% of share capital affected	Brief description of the concerted action	Expiry date of the concert, if any

Remarks

If any of the aforementioned agreements or concerted actions have been amended or terminated during the year, indicate this expressly:

A.8 **Indicate whether there is any individual or legal entity that exercises or may exercise control over the company in accordance with article 5 of the Securities Market Law. If so, identify them:**

Yes ☐ No X

Name or company name

Remarks

A.9 Complete the following table with details of the company's treasury shares:

At the close of the year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
1,202,351		0.18

Remarks

(*) Through:

Name of direct shareholder	Number of direct shares
No data	
Total:	

Remarks

Explain any significant changes during the year:

Explain significant changes

A.10 Provide a detailed description of the conditions and the period of authorisation granted by the general shareholders' meeting to the Board of Directors to issue, buy-back, or transfer treasury shares

The current mandate to the Board of Directors was granted by the Ordinary General Shareholders' Meeting held on 31 May 2018 for a term of 5 years. In its ninth resolution, the General Shareholders' Meeting authorised the Board of Directors to acquire shares of the Company by way of sale, exchange, donation, award or lieu of payment or by any other onerous title, up to the legal limit of 10% of the share capital. The price or counter value will oscillate between a minimum equivalent to its nominal value and a maximum equivalent to the higher of (i) 110% of the listed price of the Company's shares on the Continuous Market at the time of the acquisition or the closing price of the last trading session prior to the acquisition, if the acquisition is done outside the operating hours of the Continuous Market; and (ii) the result of increasing the maximum listed price of the three months prior to the time of the acquisition by 10%.

A.11 Estimated floating capital:

	%
Estimated Floating Capital	49.28

Remarks

A.12 Indicate whether there are any restrictions (as per the bylaws, legislation or any other type) on the transfer of securities and/or any restrictions on voting rights. In particular, indicate the existence of any type of restriction that may hinder a takeover of the company through the acquisition of its shares in the market, as well as such regimes of authorisation or prior notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

Yes ☐ No X

Description of the restrictions

A.13 Indicate whether the general shareholders' meeting has resolved to adopt measures to neutralise a takeover bid by virtue of the provisions of Law 6/2007.

Yes ☐ No X

If so, explain the measures approved and the terms under which such limitations would become ineffective :

Explain the measures approved and the terms under which such limitations would become ineffective

A.14 Indicate whether the company has issued securities that are not traded on a regulated EU market.

Yes ☐ No X

If so, indicate the different types of shares and for each type, the rights and obligations conferred.

Indicate the different classes of shares

B GENERAL SHAREHOLDERS' MEETING

B.1 Indicate whether there are any differences between the minimum quorum regime provided for in the Spanish Companies *Law for General Shareholders' Meetings* and the quorum set by the company, and if so give details.

Yes ☐ No X

	% quorum different to that set out in article 193 of the Spanish Companies Law for general matters	% quorum different to that set out in article 194 of the Spanish Companies Law for special matters
Quorum required at 1st call		
Quorum required at 2nd call		

Description of differences

B.2 Indicate whether there are any differences between the company's manner of adopting corporate resolutions and the regime provided for in the Spanish Companies Law and, if so, give details:

Yes ☐ No X

Describe how it is different from the regime provided in the Spanish Companies Law.

	Qualified majority different to that set out in article 201.2 of the Spanish Companies Law for matters governed by article 194.1 of the Spanish Companies Law	Other matters requiring a qualified majority
% established by the company to adopt resolutions		

Describe the differences

B.3 Indicate the rules for amending the company's Bylaws. In particular, indicate the majorities required to amend the Bylaws and any provisions in place to protect shareholders' rights in the event of amendments to the Bylaws.

The rules contained in the Spanish Companies Law for the amendment of the Bylaws shall apply.

B.4 Provide details of attendance at General Shareholders' Meetings held during the year to which this report refers, as well as the two previous years:

Date of General Shareholders' Meeting	Attendance				
	% physically present	% present by proxy	% remote voting		Total
			Electronic voting	Other	
09/05/2019	30.36	51.49	0.00	0.00	81.85
Of which, floating capital:	0.37	25.79	0.00	0.00	26.16
21/07/2020	24.28	50.05	0.00	0.00	74.33
Of which, Floating Capital:	24.23	49.85	0.00	0.00	74.08
29/03/2021	17.63	62.52	0.00	0.00	80.15
Of which, Floating Capital:	0.77	62.34	0.00	0.00	63.11

Remarks
From the list of attendees, the ultimate identification of shareholders cannot be guaranteed due to the existence of institutional investors.

B.5 Indicate whether any item on the agenda of the General Shareholders' Meetings during the year was not approved by the shareholders for any reason.

Yes ☐ No X

Items on the agenda not approved	% vote against (*)

(*) If the non-approval of the item was for a reason other than the votes against, this will be explained in the text part and "N/A" will be placed in the "% votes against" column.

B.6 Indicate whether the Bylaws contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or to vote remotely:

Yes X No ☐

Number of shares required to attend General Meetings	100
Number of shares required to vote remotely	100

Remarks

B.7 Indicate whether it has been established that certain decisions, other than those provided for in law that entail an acquisition, disposal, contribution to another company of essential assets or other similar corporate transactions must be submitted for the approval of the General Shareholders' Meeting.

Yes ☐ No X

Explain the decisions that must be submitted to the General Shareholders' Meeting, other than those provided for in law

B.8 Indicate the address and manner of access on the company's website to information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders through the company website.

The "Shareholders and Investors" section of the website www.cellnextelecom.com provides the information required by article 539.2 of the Spanish Companies Law and Circular 3/2015 of the National Securities Market Commission.

C STRUCTURE OF THE COMPANY'S ADMINISTRATION

C.1 Board of Directors

C.1.1 Maximum and minimum number of directors provided for in the Bylaws and the number set by the general meeting:

Maximum number of directors	13
Minimum number of directors	4
Number of directors set by the general meeting	11

Remarks

C.1.2 Complete the following table on Board members:

Name or company name of director	Representative	Category of director	Position on the board	Date of first appointment	Date of last appointment	Election procedure
MR. BERTRAND KAN		Independent	CHAIR	16/04/2015	31/05/2018	RESOLUTION OF GENERAL SHAREHOLDERS' MEETING
MR. TOBIAS MARTINEZ GIMENO		Executive	CHIEF EXECUTIVE OFFICER	17/11/2014	09/05/2019	RESOLUTION OF GENERAL SHAREHOLDERS' MEETING
MR. GIAMPAOLO ZAMBELETTI ROSSI		Independent	LEAD INDEPENDENT DIRECTOR	16/04/2015	31/05/2018	RESOLUTION OF GENERAL SHAREHOLDERS' MEETING

MR. PIERRE BLAYAU		Independent	DIRECTOR	16/04/2015	31/05/2018	RESOLUTION OF GENERAL SHAREHOLDERS' MEETING
MS ANNE BOUVEROT		Independent	DIRECTOR	31/05/2018	31/05/2018	RESOLUTION OF GENERAL SHAREHOLDERS' MEETING
MS. MARIETA DEL RIVERO BERMEJO		Independent	DIRECTOR	27/04/2017	21/07/2020	RESOLUTION OF GENERAL SHAREHOLDERS' MEETING
MS. MARIA LUISA GUIJARRO PIÑAL		Independent	DIRECTOR	31/05/2018	31/05/2018	RESOLUTION OF GENERAL SHAREHOLDERS' MEETING
MR. LEONARD PETER SHORE		Independent	DIRECTOR	16/04/2015	31/05/2018	RESOLUTION OF GENERAL SHAREHOLDERS' MEETING
MR. CHRISTIAN COCO		Proprietary	DIRECTOR	02/04/2020	21/07/2020	RESOLUTION OF GENERAL SHAREHOLDERS' MEETING
MS. ALEXANDRA REICH		Proprietary	DIRECTOR	16/12/2020	29/03/2021	RESOLUTION OF GENERAL SHAREHOLDERS' MEETING
MS. KATE HOLGATE		Independent	DIRECTOR	28/07/2021	28/07/2021	CO-OPTION

Total number of directors	11

Indicate any cessations, whether through resignation or by resolution of the general meeting, that have taken place in the Board of Directors during the reporting period:

Name of director	Category of the director at the time of cessation	Date of last appointment	Date of cessation	Specialised committees of which he/she was a member	Indicate whether the director left before the end of his or her term of office
MR. FRANCO BERNABÈ	Proprietary	21/07/2020	04/01/2021	N.A.	YES

Reason for cessation when this occurs before the end of the term of office and other observations; information on whether the director has sent a letter to the remaining members of the board and, in the case of cessation of non-executive directors, explanation or opinion of the director dismissed by the general meeting
Mr. Franco Bernabé, proprietary director of ConnecT Due S.r.l., tendered his resignation as director and Chair of the Board of Directors, for personal reasons, on 4 January 2021. Mr. Bernabè sent his resignation letter to the Secretary, who forwarded it to the rest of the Board members. The new Chair of the Board of Directors is currently the independent director Mr. Bertrand Kan.

C.1.3 Complete the following tables on the members of the Board and their categories:

EXECUTIVE DIRECTORS

Name of the director	Position in company's organisational structure	Profile
MR. TOBIAS MARTINEZ GIMENO	CHIEF EXECUTIVE OFFICER	Tobias Martinez 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).

Total number of executive directors	1
Percentage of Board	9.09

Remarks

EXTERNAL PROPRIETARY DIRECTORS

Name or company name of director	Name or company name of the significant shareholder represented by the director or that has proposed his/her appointment	Profile
MR. CHRISTIAN COCO	CONNECT DUE S.R.L.	Christian Coco is Investment Director at Edizione Srl. He is also a director of the companies of Edizione Group, Benetton Srl and CEO of ConnecT Due, as well as non-executive Chairman of Benetton Group Srl. 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).
MS. ALEXANDRA REICH	LISSON GROVE INVESTMENT PRIVATE LIMITED	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 and of Ikano (Ikea) Sea. 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 Chair 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.

Total number of proprietary directors	2
Percentage of Board	18.18

Remarks

EXTERNAL INDEPENDENT DIRECTORS

Name of the director	Profile
MR. BERTRAND KAN	He 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 a member of the Advisory Council of Wadhwani Asset Management and 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.
MR. GIAMPAOLO ZAMBELETTI ROSSI	He has spent much of his professional career in the chemicals/pharmaceuticals and telecoms sectors. He was previously Founder and Managing Director of Zambeletti España, President and CEO of Zambeletti Group, President of Italgas SpA, President, Managing Director of Ellem Industria Farmaceutica SpA and Vice-President of Unidad Editorial, S.A. He served as Vice President of the pharma labs association, Farmindustria. In 2001 he has been appointed Group Senior Vice President International Affairs of Telecom Italia.

	He has furthermore been a member of the Board of Directors of Telecom Italia International (Netherlands), Auna, S.A. (Spain), Avea (Turkey), Oger Telecom (Dubai), Ojer Telekomunikasyon (Turkey) and Telekom Austria. Giampaolo Zambeletti holds a degree in Chemistry from the Università degli Studi di Pavia and received the Isabel la Católica Award from King Felipe VI in 2015.
MR. PIERRE BLAYAU	Pierre Blayau is currently Censor of FIMALAC, Senior Advisor of Bain & Company, Chair of Harbour Conseils and Bord member of Newrest. He was previously CEO 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, an independent director of Crédit Lyonnais, and Chair of the Board of Directors of Areva and 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.
MS ANNE BOUVEROT	Anne Bouverot is currently Chairperson of the Board of Technicolor, as well as Senior Advisor of TowerBrook Capital Partners and Board member of Ledger. She is also Chairperson of Foundation 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.
MS. MARIETA DEL RIVERO BERMEJO	Marieta del Rivero is an independent director of Cellnex Telecom and Gestamp Automoción and member of its Sustainability Committee. Non-Executive Chair of Onivia. She is a member of the Advisory Board of *Mutualidad de la Abogacía*. Trustee of the Tecnalia Foundation and member of *Junta de la Asociación Española de Directivos* and Co-Chair of Women Corporate. She has been global Marketing Director of Telefónica, Deputy General Manager to the general digital commercial director of Telefónica, CEO of Nokia Iberia, Senior Advisor at Ericsson,

	partner at Seeliger y Conde and Chairperson of International Women's Forum Spain. She was one of "The 500 Most Influential Women in Spain" in 2018, 2019 and 2020 according to "El Mundo"; one of "The Top 100 Women Leaders 2018" by Mujeres & Cía, and was recognised as the "Best Manager 2017" by the Spanish Association of Women Entrepreneurs. 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 she is executive coach certified by ECC. Marieta del Rivero holds a degree in Business Administration from the *Universidad Autónoma de Madrid (UAM)*.
MS. MARIA LUISA GUIJARRO PIÑAL	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 proprietary director on behalf of EQT in Adamo Telecom Iberia, S.A. and Adamo Telecom, S.L. She has a degree in Economics from the Universidad Autónoma de Madrid.
MR. LEONARD PETER SHORE	Leonard Peter Shore has extensive experience in the telecommunications and tech sector. He held the position of Chair of Unwired in Australia (2003) and of Arqiva in the UK from 2007-2014. He has also been Chair of Uecomm, Lonely Planet Publications, the Hostworks Group and Airwave. Shore was Group Managing Director at Telstra in Australia, CEO of MyPrice (Aust/NZ) and Managing Director of Media/Communications/Partners. He has served as a Director of Objectif Telecomunications Limited, Foxtel, SMS Management and Technology and OnAustralia. He was furthermore a member of the Advisory Board of Siemens Australia. He also served as member of the 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.
MS. KATE HOLGATE	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 is currently Co-Head of Global New Business at the international communications and public affairs consultancy Brunswick Group. 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, which she joined in 2000. 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.

Total number of independent directors	8
Percentage of Board	72.72

Remarks

Indicate whether any director classified as independent receives from the company or any company in its group any amount or benefit other than remuneration as a director, or has or has had a business relationship with the company or any company in its group during the last year, either in his or her own name or as a significant shareholder, director or senior manager of a company that has or has had such a relationship.

If so, include a reasoned statement from the Board explaining why it believes that the aforementioned director can perform his or her duties as an independent director.

Name of the director	Description of the relationship	Reasoned statement
No data		

OTHER EXTERNAL DIRECTORS

Identify the other external directors, indicate the reasons why they cannot be considered either proprietary or independent, and detail their links with the company, its management or its shareholders:

Name of the director	Reasons	Company, manager or shareholder to which or to whom the director is related	Profile
No data			

Total number of other external directors	N.A.
Percentage of Board	N.A.

Remarks

Indicate any changes that have occurred during the period in each director's category:

Name or company name of director	Date of change	Previous category	Current category
No data			

Remarks

C.1.4 Complete the following table with information regarding the number of female directors at the close of the past four years, as well as the category of these female directors:

	Number of female directors				% of total directors for each category			
	Year n	Year n-1	Year n-2	Year n-3	Year n 2021	Year n-1 2020	Year n-2 2019	Year n-3 2018
Executive					0.00	0.00	0.00	0.00
Proprietary	1	1	1	1	50.00	33.33	25.00	25.00
Independent	4	3	3	3	50.00	42.86	42.80	42.80
Other external					0.00	0.00	0.00	0.00
Total:	5	4	4	4	45.45	36.36	33.33	33.33

Remarks

C.1.5 Indicate whether the company has diversity policies in relation to its Board of Directors regarding issues such as age, gender, disability or professional training and experience. Small and medium-sized entities, in accordance with the definition set out in the Spanish Auditing Law, will have to report at least the policy that they have implemented in relation to gender diversity.

Yes X No ☐ Partial policies ☐

If so, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results over the year. Also indicate the specific measures adopted by the Board of Directors and the Nominations and Remunerations Committee to achieve a balanced and diverse presence of directors.

If the company does not apply a diversity policy, explain the reasons why it does not.

Description of policies, objectives, measures and how they have been applied, and results achieved
On 19 February 2021 the Board of Directors of Cellnex, following the proposal of the Nominations, Remunerations and Sustainability Committee, approved the new Policy on the composition of the Board of Directors, which aims, among other things, to achieve an

appropriate composition for the Board in line with the recommendations of the of Good Governance Code for Listed Companies of the National Securities Market Commission, revised in June 2020.

The Policy on the composition of the Board of Directors states that in the selection of its members, aspects such as the Company's shareholder structure, the diversity of knowledge, professional experience, origin, nationality, age and gender of its members, their ability to devote the time necessary to perform their duties, their possible specialisation in specific matters of special relevance (financial, non-financial, legal, telecommunications, etc.), the absence of conflicts of interest (real or potential), neutrality, independence in their actions and their personal commitment to defend the corporate interest must be taken into account.

The aforementioned Policy on the composition of the Board of Directors of Cellnex Telecom, S.A. is transcribed below:

1.- Scope of Application.

This policy applies to the selection of board members of the Company.

2.- Selection process.

In accordance with the provisions of the Spanish Companies Law, the proposal for the appointment or re-election of members of the Board of Directors corresponds to the Nominations, Remunerations and Sustainability Committee in the case of independent directors and to the Board of Directors in all other cases. The aforementioned proposal for appointment or re-election must be accompanied by an explanatory report from the Board detailing the competency, experience and merits of the candidate proposed. Furthermore, the proposal for the appointment or re-election of any non-independent director must be preceded by a report from the Nominations, Remunerations and Sustainability Committee.

The appropriate composition of the Board shall be based on a prior analysis of the needs of the Company, to be carried out by the Board of Directors with the advice and report from the Nominations, Remunerations and Sustainability Committee. The aim is to integrate different professional and management experiences and competences, and the promotion of the diversity of knowledge, experiences, age and gender, considering the weight of the different activities carried out by Cellnex and taking into account those areas or sectors that need to be strengthened.

Any director may request the Nominations, Remunerations and Sustainability Committee to consider, if it deems it appropriate, potential candidates to fill directors vacancies.

3.- Conditions to be met by candidates.

The candidates for director of the Company must be honourable and ideal persons of recognised solvency, with the competence, experience, qualification, training, availability and commitment required for their position.

They must be trustworthy professionals whose conduct and professional career is aligned with the principles set out in the Cellnex Code of Ethics and with the mission, vision and values of the Cellnex Group.

In the analysis of candidatures, the Nominations, Remunerations and Sustainability Committee, taking into account the needs of the Board of Directors, will assess the following elements:

a) The candidate's technical and professional skills, promoting the diversity of knowledge, experiences, age and gender, taking into account also the context in which Cellnex operates.

b) The commitment necessary to carry out the position, also evaluating the positions already held by the candidates in other companies.

c) The potential existence of conflicts of interest.

d) To guarantee the principles of neutrality and independence of action of the candidates.

e) The significance of any commercial, financial or professional relationships existing or recently maintained, directly or indirectly, by the candidates with the Company or other Group companies.

f) And any procedures that may undermine the responsibility or reputation of the candidates.

4.- Impediments to be candidate for director.

Persons who are involved in any of the causes of incompatibility, incapacity or prohibition to hold their position as set out in the legal system or in the Company's internal regulations may not be considered as candidates for directors.

5.- Assistance from external consultants.

For the selection of candidates for director of the Company, the Nominations, Remunerations and Sustainability Committee may hire the services of external consultants specialized in the search and selection of candidates in order to strengthen the efficiency and effectiveness of the procedures for their identification.

In the analysis of the applications, the consultant must assess the requirements set out in section 3 of this Policy.

6.- Special reference to gender diversity.

In all cases, in the candidate selection process any type of implicit bias that may imply any kind of discrimination shall be avoided.

This Policy on the composition of the Board of Directors shall promote the balanced presence of women and men. Likewise, it must ensure that, in the shortest possible time and at the latest by the end of 2022, the least-represented gender shall be at least forty percent of the total number of members of the Board of Directors.

7.- Verification of compliance with this policy.

On an annual basis, the Nominations, Remunerations and Sustainability Committee shall verify compliance with this Policy on the composition of the Board of Directors and will report its conclusions to the Board of Directors.

The NRSC has reviewed compliance with this Policy and has taken measures detailed in section C.1.6.

C.1.6 Describe the measures, if any, agreed by the Nominations Committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the required professional profile among potential candidates, in order to achieve a balance between men and women. Also indicate whether these measures include encouraging the company to have a significant number of female senior executives:

Explanation of measures
In addition to the Policy on the composition of the Board of Directors referred to in the previous section, the Board of Directors of Cellnex, following the recommendation of the Nominations, Remunerations and Sustainability Committee, on 19 February 2021

amended its Equity, Diversity and Inclusion Policy, with respect to the promotion of women in senior management.

Also on 19 February 2021, the Board of Directors amended the Board of Directors Regulations, following the recommendation of the Nominations, Remunerations and Sustainability Committee, to incorporate into the internal regulations that as soon as possible and in the shortest possible time and at the latest by the end of 2022, the least-represented gender shall be at least forty percent of the total number of members of the Board of Directors. The 2021 financial year ends with a percentage of women on the Board of Directors of 45.45%, a figure that exceeds the recommendations to this effect of the National Securities Market Commission in the Good Governance Code revised in June 2020.

On the other hand, the management team regularly presents to the Nominations, Remunerations and Sustainability Committee an update of the Equity, Diversity and Inclusion Plan for 2021, and of the Cellnex ESG Master Plan, which has a pillar that connects with diversity.

When, despite the measures that, where appropriate, have been adopted, there is little or no number of female directors or female senior managers, explain the reasons that justify it:

Explanation of reasons
N.A.

C.1.7 Explain the conclusions of the Nominations Committee on verifying compliance with the policy that aims to promote an appropriate composition of the Board of Directors.

The appointments made in recent years have always been in accordance with the criteria stated in the Policy on the composition of the Board of Directors, formerly Policy on the composition and selection of the Board of Directors. In addition, the Company more than complies with the recommendations of the Good Governance Code for listed companies regarding diversity on the Board, with a representation of 45.45% female directors at the end of 2021, the recommendation of the Good Governance Code for listed companies of June 2020 being that by the end of 2022 there should be a representation of female directors of at least 40%. Finally, during 2021, the Nominations, Remunerations and Sustainability Committee launched the preparation of the Board's competence matrix in order to analyse the strengths and areas of reinforcement.

C.1.8 If applicable, explain the reasons why proprietary directors have been appointed at the request of shareholders with less than 3% of the share capital:

Name or company name of shareholder	Reason
No data	

Indicate whether the Board has declined any formal requests for presence on the Board from shareholders whose shareholding is equal to or greater than that of others at whose request proprietary directors have been appointed. If so, explain why the requests have not been attended:

Yes ☐ No X

Name of shareholder	Explanation

C.1.9 Indicate the powers, if any, delegated by the Board of Directors, including those relating to the option of issuing or re-purchasing shares, to directors or board committees:

Name of the director	Brief description
TOBIAS MARTINEZ GIMENO	Chief Executive Officer, who has all the powers of representation, management and disposition, except those that cannot be delegated by law or by the Bylaws.

C.1.10 Identify any members of the Board who are also directors, representatives of directors or managers in other companies that form part of the listed company's group:

Name of the director	Name of the group company	Position	Does the director have executive powers?
MR. TOBIAS MARTINEZ GIMENO	CELLNEX FINANCE COMPANY, S.A.U.	Sole administrator	YES

Remarks

C.1.11 List any directors, or representatives of directors legal persons of your company who are members of the Board of Directors or representatives of directors legal persons of other companies, whether or not they are listed companies:

Name of director	Name of the listed company or not listed company	Position
MR. BERTRAND KAN	UWC NETHERLANS	CHAIR
MR. PIERRE BLAYAU	HARBOUR CONSEILS	CHAIR
MR. PIERRE BLAYAU	NEWREST	DIRECTOR
MS. ANNE BOUVEROT	TECHNICOLOR	CHAIR
MS. ANNE BOUVEROT	LEDGER	DIRECTOR
MS. MARIETA DEL RIVERO BERMEJO	GESTAMP AUTOMOCION	DIRECTOR
MS. MARIETA DEL RIVERO BERMEJO	ONIVIA	CHAIR
MS. MARIA LUISA GUIJARRO PIÑAL	ADAMO TELECOM, S.L.	DIRECTOR
MS. MARIA LUISA GUIJARRO PIÑAL	ADAMO TELECOM IBERIA, S.A.	DIRECTOR
MR. LEONARD PETER SHORE	GIACOMM PTY LTED	CHAIR
MR. CHRISTIAN COCO	CONNECT DUE S.P.A.	CEO
MR. CHRISTIAN COCO	BENETTON GROUP SRL	CHAIR
MS. ALEXANDRA REICH	DELTA FIBER	DIRECTOR
MS. ALEXANDRA REICH	IKANO (IKEA) SEA	DIRECTOR

Remarks

Indicate, where appropriate, the other remunerated activities of the directors or directors' legal representatives, whatever their nature, other than those indicated in the previous table.

Identity of the director or legal representative	Other remunerated activities
MS. MARIETA DEL RIVERO BERMEJO	MEMBER OF THE ADVISORY BOARD OF *MUTUALIDAD DE LA ABOGACÍA*
MR. CHRISTIAN COCO	INVESTMENT DIRECTOR AT EDIZIONE
MS. KATE HOLGATE	CO-HEAD OF GLOBAL NEW BUSINESS AT BRUNSWICK
MS. ANNE BOUVEROT	SENIOR ADVISOR AT TOWERBROOK CAPITAL PARTNERS
MS. ANNE BOUVEROT	TRUSTEE OF THE THOMSON REUTERS FOUNDERS SHARE COMPANY

Remarks

C.1.12 Indicate whether the company has established rules on the maximum number of company boards on which its directors may sit, explaining if necessary and identifying where this is regulated, if applicable:

Yes X No ☐

Explanation of the rules and identification of the document where this is regulated
Article 25 of the Board of Directors Regulations of Cellnex Telecom, S.A. states that "The directors shall have the appropriate dedication and shall adopt the measures required to ensure the good management and control of the Company in the performance of their duties. For this purpose, the directors of the Company may not sit on more than four Boards of Directors of listed companies other than the Company. For these purposes, all the Boards of Directors of companies that are part of the same group will be counted as a single Board of Directors and, the following will not be counted: (i) Boards of Directors of holding companies or companies that may constitute vehicles or complements for the professional exercise of the director, his/her spouse or equivalent or their closest family members, (ii) Boards of Directors on which the director sits as a proprietary director at the proposal of the Company or any company in its group, and (iii) the Boards of Directors of companies whose purpose is complementary or accessory to another activity that, for the director of the Company may entail an activity related to leisure, assistance or help to third parties or of any other kind that does not imply as such a dedication to a commercial business."

C.1.13 Indicate the remuneration received by the Board of Directors as a whole for the following items:

Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)	1,706
Funds accumulated by current directors through long-term savings systems with consolidated economic rights (thousands of euros)	
Funds accumulated by current directors for long-term savings systems with non-consolidated economic rights (thousands of euros)	
Funds accumulated by former directors through long-term savings systems (thousands of euros)	

Amount of accrued pension rights of current directors (thousands of euros)	

Remarks

C.1.14 Identify members of senior management who are not executive directors and indicate their total remuneration accrued during the year:

Name or company name	Position(s)
MR. ALEXANDRE MESTRE MOLINS	Deputy CEO
MS. VIRGINIA NAVARRO VIRGÓS	Legal M&A & Financing Director
MR. JOSÉ MARÍA MIRALLES PRIETO	General Counsel - Legal & Regulatory Affairs
MR. ANTONI BRUNET MAURI	Corporate and Public Affairs Director
MR. JOSÉ MANUEL AISA MANCHO	CFO
MR. SERGIO TÓRTOLA PÉREZ	Global Operations Director
MR. OSCAR PALLAROLS BROSSA	Global Commercial Director
MR. SERGIO MARTINEZ PIE	Internal Audit Manager

Number of women in senior management	1
Percentage of total senior management	14.28

Total remuneration of senior management (thousands of euros)	10,236.2

Remarks
The difference from the amount indicated in the financial statements is due to the fact that in the ACGR the remuneration of the internal auditor is also included. However, the internal auditor has not been taken into account in the computation of the percentage of women since he is not part of the senior management. The Global Resources Director Mr. Alberto López Prior left his position at Cellnex on 15 November 2021, and his remuneration has been included in the total calculation since he was part of the Senior Management.

C.1.15 Indicate whether the Board regulations were amended during the year:

Yes X No ☐

Description of amendment(s)
The amendment of the Board of Directors Regulations of 19 February 2021 designed the specific measures aimed at guaranteeing the best administration of the Company, and (i) to adjust the content to the legal provisions then in force or to the recommendations of good governance, as well as to the expected amendment of the Spanish Companies Law, which was finally published later, on 12 April (ii) to modify the regulation of the operation, powers and/or composition of the Board of Directors and its Committees; and (iii) for reasons of expediency, to improve its wording, without introducing any material modification, as well as to unify the terminology used in the Board of Directors Regulations. In addition, the proposed deletion of one article led to the renumbering of the articles. This amendment of the Board of Directors Regulations was also complemented with the amendment of the Company's Bylaws and the Regulations of the General Shareholders' Meeting, which were approved at the Company's General Shareholders' Meeting held on 29 March 2021.

C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors. List the competent bodies, steps to follow and criteria applied in each procedure.

The selection procedure is detailed in the Policy on the composition of the Board of Directors, dated 19 February 2021, transcribed in section C.1.5 of this Report.

The appointment, re-election and removal of directors is detailed in articles 18 to 21, both inclusive, of the Board of Directors Regulations:

Article 18. Appointment of directors

1. Directors will be appointed by the General Shareholders' Meeting or by the Board of Directors, in accordance with the provisions of the restated text of the Spanish Companies Law approved by the Royal Decree 1/2010, of 2 July, or legal text that may replace it.

2. Proposals for the appointment of directors submitted to the Board of Directors for deliberation at the General Shareholders' Meeting and the appointment decisions that the Board of Directors adopts in virtue of the powers of co-optation with which it is legally vested must be preceded by the corresponding proposal by the Nominations, Remunerations and Sustainability Committee in the case of independent directors, and by a report in the case of all other directors. In any case, the proposal for the appointment or re-election of directors must be accompanied by a justifying report from the Board of Directors in which the competence, experience and merits of the proposed candidate are evaluated, which will be attached to the minutes of the General Shareholders' Meeting or of the Board of Directors.

Article 19. Appointment of external directors

The Board of Directors and the Nominations, Remunerations and Sustainability Committee, within the scope of their powers, shall ensure that the candidates selected are individuals of recognized solvency, competence and experience, taking extreme care in relation to those called to fill independent director positions provided for in article 5 of these Regulations and in the terms of the applicable good governance regulations.

Article 20. Term of office

1. Directors will hold their positions for the term provided for in the Corporate Bylaws, and may be re-elected one or more times for said term.

2. Directors appointed by co-option will hold their positions until the date of the first General Shareholders' Meeting. If the vacancy arises after the General Shareholders' Meeting has

been called but before it is held, the Board of Directors may appoint a director until the next General 15 Shareholders' Meeting is held. In addition, any director appointed by co-optation by the Board of Directors need not necessarily be a shareholder of the Company.

When, further to the Nominations, Remunerations and Sustainability Committee report, the Board of Directors learns that the interests of the Company are in jeopardy, the director ending his/her mandate or for any other reason ceasing to hold his/her position cannot provide his/her services to another entity with a similar corporate purpose to the Company and that is a competitor thereof according to the assessment of the Board of Directors, for the period established by it and that will in no case be greater than two (2) years.

Article 21. Cessation of directors

1. Directors will cease in their positions when they have completed the period for which they were appointed and when decided on by the General Shareholders' Meeting under the powers legally or statutorily vested therein.

2. Directors will have to make their positions available to the Board of Directors and, if considered appropriate, formalize the corresponding resignation in the following cases:

a) When they cease to hold the executive positions linked to their appointment as a director. Independent directors, when they complete twelve (12) years in the position.

b) When they find themselves in a situation of conflict of interests or a prohibited situation as provided for by law.

c) When there are situations that affect them, related or not to their performance in the Company, that may harm the Company's credit and reputation, and when they are investigated in any criminal case, informing the Board of Directors of the procedural details, or are the subject of disciplinary proceedings for serious or very serious misconduct carried out by the supervisory authorities.

d) When their continued membership of the Board of Directors could put the Company's interests in jeopardy and when the reasons for their appointment no longer exist. This last circumstance will be understood as occurring in respect of a significant shareholder when the full shareholding of which he/she is the owner or whose interests he/she represents have been disposed of and also when the reduction of their shareholding requires the consequent reduction of its proprietary directors.

3. Executive directors must make their positions available to the Board of Directors once they have reached seventy years of age and the Board of Directors must decide whether they will continue exercising their executive or delegated duties or remain simply as a director.

4. In the event that, due to the resignation or by resolution of the General Shareholders' Meeting, a director leaves the post before the end of his/her mandate, it must sufficiently explain the reasons of his/her resignation or, in the case of non-executive directors, its opinion on the reasons given by the General Shareholders' Meeting in a letter to be sent to all the members of the Board of Directors. Notwithstanding it is being reported in the Annual Corporate Governance Report, the Company will make public the cessation as soon as possible, including sufficient reference to the reasons or circumstances provided by the director.

5. The Board of Directors may only propose the cessation of an independent director before the expiration of the statutory period when there is just cause, as appreciated by the Board of Directors 16 following a report from the Nominations, Remunerations and Sustainability Committee. In particular, it will be understood that there is just cause when the director goes on to hold new positions or undertakes new obligations that prevent him/her from devoting the necessary time to the performance of the functions of the position of director, fails to comply with the duties inherent to his/her position or is involved in any of the circumstances that might cause him/her to lose his/her status of independent director, in accordance with the provisions of the applicable legislation. Such cessation may also be proposed as a result of takeover bids, mergers or other similar corporate transactions that entail a change in the structure of the share capital of the Company, when such changes in the structure of the Board of Directors are brought by the criterion of proportionality.

C.1.17 Explain to what extent if the annual evaluation of the Board has given rise to significant changes in its internal organisation and in the procedures applicable to its activities:

Description of amendment(s)
As a result of the external evaluation of the Board of Directors and its Committees carried out by Ernst&Young in 2020, various actions were done in 2021 in the following areas: - Development of a competence matrix of the Board. - Preparation of an annual calendar of meetings of the Board and its committees with a detailed agenda to ensure adequate planning of all issues to be addressed during the year. - Elaboration and implementation of a Welcome Program and a Board training programme. - Review of the Company's Corporate Governance in the context of the legislative changes to date. - Intensified interaction between the Chairs of the Board and the two Committees. - Appointment of the Vice Secretary of the Board of Directors as Secretary of the Nominations, Remunerations and Sustainability Committee in order to increase the coordination between the Board and this Committee.

Describe the evaluation process and the areas evaluated by the Board of Directors with or without the help of an external advisor, regarding the functioning and composition of the Board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and areas evaluated
This evaluation has been led in 2021 by the Secretary and Vice Secretary of the Board of Directors, who have prepared a report based on the responses of the directors to a questionnaire covering the following areas: composition of the Board, functioning of the Board, Chair, Secretary of the Board, Audit and Risk Management Committee, Nominations, Remunerations and Sustainability Committee, Chief Executive Officer and relationship with Senior Management, alignment of the Board and commitment to the Company's strategic objectives, individual contribution of each Director and overall assessment of the Board.

C.1.18 For the years in which the evaluation has been carried out with the help of an external advisor, detail the business relationships that the external advisor or its group company has with the company or any of its group companies.

N.A.

C.1.19 Indicate the cases in which directors are obliged to submit his/her resignation.

It is detailed in article 21 of the Board of Directors Regulations, transcribed in section C.1.16 of this Annual Corporate Governance Report.

C.1.20 Are qualified majorities other than those provided for in law required for any particular kind of decision?:

Yes ☐ No X

If so, describe the differences.

Description of differences

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, for being appointed as Chair of the Board of Directors.

Yes ☐ No X

Description of requirements

C.1.22 Indicate whether the Bylaws or the Board of Directors Regulations state an age limit for directors:

Yes X No ☐

	Age limit
Chair	N.A.
CEO	70
Director	N.A.

Remarks

C.1.23 Indicate whether the Bylaws or the Board of Directors Regulations state any limited term of office or other stricter requirements for independent directors in addition to those required by law or other from those stated in the regulations:

Yes ☐ No X

Additional requirements and/or maximum number of years of office	

C.1.24 Indicate whether the Bylaws or the Board of Directors Regulations state any specific rules for delegating votes within the Board of Directors in favour of other Directors. If this is the case, indicate the procedure for doing so and, in particular, the maximum number of delegations that a director may hold, as well as whether any limitation has been established regarding the categories of director to whom votes may be delegated beyond the limitations imposed by the legislation. If so, briefly describe these rules.

Article 19 of the Bylaws states that any director may confer his/her representation to another director in writing, by fax, email or any other similar method. Non-executive directors may only confer their representation to another non-executive director.

C.1.25 Indicate the number of meetings held by the Board of Directors during the year. Also indicate, if applicable, the number of times the Board met without the Chair being present. Meetings where the Chair gave specific proxy instructions are to be counted as attended.

Number of board meetings	14
Number of board meetings held without the presence of the Chair	3

Remarks
Following the resignation of Mr. Franco Bernabè on 4 January and until 22 January 2021, when Mr. Bertrand Boudewijn Kan was appointed as the new Chair of the Board, the latter, who was then Vice-Chair of the Board, served as Chair at all meetings of the Board of Directors.

Indicate the number of meetings held by the lead independent director with the other directors that were not attended by any executive director, present or represented:

Number of meetings	0

Remarks

Indicate the number of meetings held by each Board committee during the year:

Number of meetings held by the executive committee	N.A.
Number of meetings held by the Audit Committee	9
Number of meetings held by the Nominations and Remunerations Committee	15
Number of meetings held by the nominations committee	N.A.
Number of meeting held by the remunerations committee	N.A.
Number of meetings held by the ______ committee	N.A.

Remarks

C.1.26 Indicate the number of meetings held by the Board of Directors during the year and information regarding the attendance of its members:

Number of meetings in which at least 80% of the directors were present in person	14
% of attendance in person over the total number of votes during the year	97.22
Number of meetings attended in person or proxies given with specific instructions, of all directors	12
% of votes cast with in person attendance and proxies given with specific instructions, over the total votes during the year	98.61

Remarks

C.1.27 Indicate whether the individual and consolidated financial statements are certified before being submitted to the Board for approval:

Yes X No ☐

Identify, if applicable, the person(s) who has/have certified the individual and consolidated financial statements of the company for issue by the Board:

Name	Position
MR. JOSÉ MANUEL AISA MANCHO	CFO
MR. TOBIAS MARTINEZ GIMENO	Chief Executive Officer

Remarks

C.1.28 Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations.

The consolidated financial statements have been prepared in accordance with the financial reporting regulatory framework applicable to the Group, which is established by the International Financial Reporting Standards (hereinafter "IFRS") adopted by the European Union (hereinafter "EUIFRS") and taking into consideration all the accounting principles and standards and the mandatory assessment criteria, as well as the Commercial Code, the Spanish Companies Law and other applicable commercial legislation, so that the image shows faithful of the equity and the financial situation of the Cellnex Group as of 31 December 2021 and of the results of its operations, of the changes in equity and of the consolidated cash flows that have occurred in the year ended on that date. The annual accounts are audited.

C.1.29 Is the secretary of the Board also a director?

Yes ☐ No X

If the secretary is not a director, complete the following table:

Name or company name of the secretary	Representative
MR. JAIME VELÁZQUEZ VIOQUE	

Remarks

C.1.30 Indicate the specific mechanisms established by the company to safeguard the independence of the external auditors, and any mechanisms to safeguard the independence of financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.

One of the functions of the Audit and Risk Management Committee (article 15.2 b) of the Board of Directors Regulations is to propose to the Board of Directors, for submission to the General Shareholders' Meeting, proposals for the selection, appointment, re-election and replacement of the statutory auditors or audit firms, taking responsibility for the selection

process, the conditions of employment, the scope of professional mandate and, where appropriate, the revocation or non-renewal, all in accordance with the applicable regulations, as well as to regularly collect from the aforesaid information on the audit plan and the implementation thereof, and to maintain their independence in the exercise of their duties.

Another function (art. 15.2 d) of the same Regulations is to establish the appropriate relations with the statutory auditors or external audit firms to receive information on issues which may threaten their independence, to be analyzed by the Committee, and any other issues related to the process of account auditing, and where appropriate, the authorization of services other than those prohibited in the terms contemplated in the applicable regulations, in relation to the independence regime as well as any other requirements set out in legislation and regulations on the auditing of accounts. In all cases, an annual statement must be received from the statutory auditors or audit firms, regarding their independence with regards to their relationship with the entity or directly or indirectly related entities, in addition to detailed information on an individual basis about any type of additional services provided and the corresponding payments received from these entities by the external auditors or audit firms or by persons or entities related to them, pursuant to the regulations on auditing activities.

Additionally, another function of the Audit and Risk Management Committee (art. 15.2, j) of the Board of Directors Regulations is to issue, on an annual basis, prior to the issuance of the Audit Report, a report containing an opinion regarding whether the independence of the statutory auditors or audit firms has been compromised. This report must contain, in all cases, a reasoned evaluation of the provision of each and every additional service referenced in the previous paragraph, considering each service individually and jointly, other than the legal audit, and in relation to the independence regime or the regulations governing audit activities.

In accordance with the legal requirements, information on the fees paid to the Company's external auditor for the provision of audit and other services is included in the Company's financial statements.

The governing bodies pay particular attention to not compromising the independence of financial analysts, investment banks and rating agencies.

C.1.31 Indicate whether the company changed its external auditor during the year. If so, identify the incoming and outgoing external auditor:

Yes ☐ No X

Outgoing auditor	Incoming auditor

Remarks

If there were any disagreements with the outgoing auditor, explain their content:

Yes ☐ No X

Explanation of the disagreements

C.1.32 Indicate whether the audit firm performs any non-audit work for the company and/or its group and, if so, state the amount of fees received for such work and express this amount as a percentage of the total fees invoiced to the company and/or its group for audit work:

Yes X No ☐

	Company	Group companies	Total
Amount of work other than standard audit work (thousands of euros)	3,216	279	3,495
Fees for work other than standard **audit/Fees for audit work (%)**	100	14	100

Remarks
In view of the impossibility of entering the correct percentage that the fees for work other than standard audit work represent on the total fees invoiced to the Company, we have entered 100%, since it is the maximum allowed by the system. However, the correct percentages are as follows: Amount of work other than audit: Company: 326%, Group companies 14%, Total 117%.

C.1.33 Indicate whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, indicate the reasons given to shareholders at the general meeting by the Chair of the audit committee to explain the content and extent of the qualified opinion or reservations.

Yes ☐ No X

Explanation of the reasons and direct link to the document made available to the shareholders at the time that the general meeting was called in relation to this matter

C.1.34 Indicate the number of consecutive years that the current audit firm has been auditing the company's individual and/or consolidated financial statements. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	9	9

	Individual	Consolidated
Number of years audited by the current audit firm/number of years that the company or its group **have been audited (in %)**	100%	100%

Remarks

C.1.35 Indicate whether there is a procedure for directors to be sure of having the information necessary to prepare the meetings of the governing bodies with sufficient time; provide details if applicable:

Yes X No ☐

Details of the procedure
Article 22 of the Board of Directors Regulations states that the Agenda of the Board of Directors meetings will clearly indicate those items on which the Board of Directors must adopt a decision or resolution in order for the directors to be able to study or gather, in advance, the information required for their adoption. Whenever, exceptionally, the Chair or some of the directors wish to submit decisions or resolutions which do not appear in the agenda to the Board of Directors for approval, the prior and express consent of the majority of directors present will be required, which will be duly recorded in the minutes. Also, the same article states that all the information regarding the proposals to be presented to the directors will be at their disposal at least seventy-two (72) hours in advance. The information sent to the directors during the 2021 fiscal year was generally sent one week in advance.

C.1.36 Indicate whether the company has established rules obliging directors to inform the Board of any circumstances, whether or not related to their performance in the company itself, that might harm the company's standing and reputation, submitting their resignation where appropriate. If so, provide details:

Yes X No ☐

Explain the rules
Article 21 of the Board Regulations states that Directors will have to make their positions available to the Board of Directors and, if considered appropriate, formalize the corresponding resignation in the following cases: - When they find themselves in a situation of conflict of interests or a prohibited situation as provided for by law. - When there are situations that affect them, related or not to their performance in the Company, that may harm the Company's credit and reputation, and when they are investigated in any criminal case, informing the Board of Directors of the procedural details, or are the subject of disciplinary proceedings for serious or very serious misconduct carried out by the supervisory authorities. - When their continued membership of the Board of Directors could put the Company's interests in jeopardy, and - When the reasons for their appointment no longer exist. This last circumstance will be understood as occurring in respect of a significant shareholder when the full shareholding of which he/she is the owner or whose interests he/she represents have been disposed of and also when the reduction of their shareholding requires the consequent reduction of its proprietary directors. Recommendation 22 of the Good Governance Code extended the obligation to report when directors are investigated in any criminal case, providing in this sense article 30.4 of the Board of Directors Regulations: A director must inform the Company of those circumstances concerning him/her that could affect the credit or reputation of the Company, in particular, of criminal proceedings in which they appear as the accused and of

their procedural details. After examining the situation presented to it, the Board of Directors may require the director to resign and the director must comply with this decision.

C.1.37 Indicate, unless there have been special circumstances that have been recorded in the minutes, if the Board of Directors has been notified or has otherwise become aware of any situation affecting a director, whether or not related to his or her actions in the company itself, that might harm the company's standing and reputation:

Yes ☐ No X

Director's name	Nature of the situation	Remarks

Indicate whether the Board of Directors has examined the case. If so, explain in a reasoned manner whether, given the specific circumstances, it has adopted any measure, such as opening an internal investigation, requesting the director's resignation or proposing his or her dismissal.

Indicate also whether the Board decision has been supported by a report from the Nominations Committee.

Yes ☐ No ☐

Decision / action taken	Reasoned explanation

C.1.38 Detail any significant agreements entered into by the company and that come into force, that are modified or terminated in the event of a change in control of the company following a public takeover bid, and their effects.

Bonds and other borrowings

The terms and conditions of the bonds issued under the EMTN programme, the Guaranteed EMTN Programme as well as the US dollar bonds and the convertible bonds include a change of control clause (at the option of the bondholders) that would imply their early repayment.

In relation to the bonds issued under the EMTN Programme, the Guaranteed EMTN Programme and the US Dollar Bonds the put option can only be triggered if a change of control event occurs and there is a credit 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 US Dollar Bonds). For the convertible bond, the put option can only be triggered if there is a change of control or if an offer triggering event (as defined in the Terms and Conditions of the convertible bonds) occurs.

In the EMTN Programme, the Guaranteed EMTN Programme, the U.S. Dollar Notes and the Convertible Notes, a "change of control event" is defined as the acquisition of more than 50% of the voting rights in Cellnex or the right to appoint or remove all or a majority of the members of the Board of Directors of Cellnex.

Loans and credit facilities

In the loans and credit lines subscribed by Cellnex, the trigger for the change of control occurs at the Cellnex level. With respect to the syndicated credit facility agreement entered into by Swiss Towers, the trigger for the change of control is measured with respect to Cellnex Switzerland, Swiss Towers and Swiss Infra (as defined below). For GBP Credit Lines, the change of control trigger is measured with respect to Cellnex UK and at the Cellnex level. For Nexloop Credit Lines, the trigger for the change in control is measured with respect to Nexloop. For the 5-year syndicated loan associated with the acquisition of T-Mobile Infra, change of control indicators are measured with respect to Cellnex Netherlands and T-Mobile Infra. A "change of control event" is generally triggered when a third party, alone or jointly with others, acquires 50% of the voting shares or obtains the right to appoint or remove a majority of the members of the board of directors of the company in question. See Note 15 of the consolidated financial statements corresponding to the year 2021.

Infrastructure acquisitions

With respect to infrastructure acquisitions from mobile telecommunications operators undertaken by the Group, certain relevant contracts entered into by the Group, including most of the agreements with clients who are the first co-located (anchor clients), could be modified or terminated if a change of control clause is triggered. In respect of relevant contracts entered into by the Group with clients who are the first co-located (anchor clients), a change of control clause may be triggered in the event that (and is generally limited to) a competitor of the clients who are the first co-located (anchor clients), either alone or together with others, obtains "Significant Influence" and/or "control" (which is generally defined as holding (i) more than 50% of the voting shares (except in certain exceptional cases where this threshold is defined as holding 29% or more of the voting shares), or (ii) the right to appoint or remove a majority of the members of the Board of Directors of the relevant Group company). In such circumstances, the clients who are the first co-located (anchor clients) may be granted an option to repurchase assets (generally the infrastructure where the service is being provided). In addition, such a repurchase option may also be granted in the event that a direct competitor of the clients who are the first co-located (anchor clients) acquires a significant portion of the shares or obtains voting or governance rights that may be exercised in a manner that could adversely affect the interests of the clients who are the first co-located (anchor clients). A change of control clause may be triggered at the Cellnex level 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. Finally, in connection with the transaction with Hutchison in the United Kingdom (see Note 21) and the portion of the price to be received by Hutchison in Cellnex shares, if, as a result of a takeover bid prior to the closing of such transaction, a third party (alone or in concert with another shareholder) acquires a majority of the votes in Cellnex, Cellnex will procure that Hutchison receives at closing the equivalent consideration which Hutchison would have received if it had been a Cellnex shareholder at the time of the takeover bid.

C.1.39 Identify individually, when referring to directors, and in an aggregated form in other cases, and provide details of any agreements between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal without due cause or termination of employment as a result of a takeover bid or any other type of transaction.

Number of beneficiaries	
Type of beneficiary	**Description of the agreement** The Directors have signed contracts with the Company which include compensation clauses. In general terms, the compensation clause of the contracts provides for the accrual of a compensation in favour of the executive in the

CEO and Senior Management	event of (i) unfair dismissal, (ii) unilateral termination of the contract by the executive due to serious breach by the Company of the obligations stated in the contract, substantial non-consensual modification of the executive's functions, powers or conditions of their provision of services. The compensation is the greater of the following amounts: a) compensation equivalent to one year's salary, taking into consideration the gross annual fixed remuneration in cash received at the time of termination, as well as the gross annual variable remuneration received by the director in the twelve months immediately prior to the effective termination of services; or b) compensation legally provided for in the labour legislation in force. In the case of a member of Senior Management the compensation clause of the contracts provides for the accrual of an compensation in favour of the executive also in the case of: (iii) unilateral termination of the contract by the executive due to a change of control of the Company within the meaning of article 42 of the Commercial Code and similar circumstances.

Indicate whether, beyond the cases provided for in legislation, these agreements have to be communicated and/or authorised by the governing bodies of the company or its group. If so, specify the procedures, the cases concerned and the nature of the bodies responsible for their approval or communication:

	Board of directors	General shareholders' meeting
Body authorising the clauses	X	

	YES	NO
Are these clauses notified to the General Shareholders' Meeting?		X

Remarks

C.2 Committees of the Board of Directors

C.2.1 Provide details of all committees of the Board of Directors, their members, and the proportion of executive, proprietary, independent and other external directors that compose them:

EXECUTIVE COMMITTEE

Name	Position	Category

% of executive directors	
% of proprietary directors	
% of independent directors	
% of other external directors	

Remarks

Explain the functions delegated or assigned to this committee, other than those that have already been described in Section C.1.9, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the bylaws or in other corporate resolutions.

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Position	Current
MR. LEONARD PETER SHORE	CHAIR	Independent
MR. BERTRAND KAN	MEMBER	Independent
MS ANNE BOUVEROT	MEMBER	Independent
MR. CHRISTIAN COCO	MEMBER	Proprietary
MS. KATE HOLGATE	MEMBER	Independent

% of proprietary directors	20.00
% of independent directors	80.00
% of other external directors	0.00

Remarks

Explain the functions assigned to this committee, including, where applicable, those that are additional to those provided by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the bylaws or in other corporate resolutions.

SEE EXPLANATORY NOTE TO SECTION C.2.1. WHICH IS PROVIDED IN SECTION H

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date on which the Chair of this committee was appointed.

Names of directors with experience	MR. LEONARD PETER SHORE
Date of appointment of the Chair	25/02/2021

Remarks

NOMINATIONS, REMUNERATIONS AND SUSTAINABILITY COMMITTEE

Name	Position	Category
MS. MARIETA DEL RIVERO BERMEJO	CHAIR	Independent
MS. MARIA LUISA GUIJARRO PIÑAL	MEMBER	Independent
MR. PIERRE BLAYAU	MEMBER	Independent
MS. ALEXANDRA REICH	MEMBER	Proprietary

% of proprietary directors	25
% of independent directors	75
% of other external directors	0.00

Explain the functions assigned to this committee, including where applicable those that are additional to those provided by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the bylaws or in other corporate resolutions.

SEE EXPLANATORY NOTE TO SECTION C.2.1. WHICH IS PROVIDED IN SECTION H

NOMINATIONS COMMITTEE

Name	Position	Category

% of proprietary directors	
% of independent directors	
% of other external directors	

Explain the functions assigned to this committee, including where applicable those that are additional to those provided by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the bylaws or in other corporate resolutions.

REMUNERATIONS COMMITTEE

Name	Position	Category

% of proprietary directors	
% of independent directors	
% of other external directors	

Explain the functions assigned to this committee, including where applicable those that are additional to those provided by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the bylaws or in other corporate resolutions.

_____ COMMITTEE

Name	Position	Category

% of executive directives	
% of proprietary directors	
% of independent directors	
% of other external directors	

Explain the functions assigned to this committee and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the bylaws or in other corporate resolutions.

C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors			
	Year n Number %	Year n-1 Number %	Year n-2 Number %	Year n-3 Number %
Executive committee				
Audit and Risk Management Committee	2 – 40%	1 – 25.00%	2 – 50.00%	2 – 50.00%
Nominations, Remunerations and Sustainability Committee	3 – 75%	3 – 60.00%	2 – 40.00%	2 – 40.00%
Nominations Committee				
Remunerations Committee				
_____ committee				

Remarks

C.2.3 Indicate, where applicable, the existence of any regulations governing the Board committees, where these regulations are available, and any amendments made to them during the year. Also indicate whether any annual reports on the activities of each committee have been voluntarily prepared.

The Board Committees do not have their own regulations; their operation is regulated in the Board of Directors Regulations, which are available on the Company's website in the Shareholders and Investors, Corporate Governance, Corporate Documents section. Each of these Committees has prepared a report on its 2021 activities, which is available on the Company's website in the Shareholders and Investors, Corporate Governance, Corporate Documents section.

D RELATED PARTY AND INTRAGROUP TRANSACTIONS

D1 Explain, where appropriate, the procedure and competent bodies relating to the approval of transactions with related and intragroup parties, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the affected directors or shareholders. Detail the internal reporting and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the board of directors.

Article 4.3.t) of the Board of Directors Regulations state that the Board of Directors, following a report from the Audit and Risk Management Committee, is responsible for approving transactions that the Company or companies of its group may conduct with directors, in the terms of articles 229 and 230 of the Spanish Companies Law, or with shareholders with significant holdings, either individually or jointly with others, including shareholders represented on the Board of Directors of the Company or of other companies which form part of the same group, or with persons related to them. Only those transactions for which the following three characteristics are present shall be exempt of this approval:

1) they are carried out by virtue of contracts, the conditions of which are standardized and applied en masse to a large number of customers;
2) they are carried out at prices or rates set generally by whoever acts as the supplier of the good or service in question; and
3) their amount does not exceed one percent of the Company's annual income.

With respect to transactions with significant shareholders, article 32 of the aforementioned Regulations state that:
1) The Board of Directors formally reserves the knowledge of any relevant transaction of the Company with a significant shareholder.
2) With regard to ordinary transactions, the general authorization of the line of transactions and its conditions of execution will suffice.
3) The Company's Annual Corporate Governance Report will include information on these transactions.

With respect to transactions with Board members, article 33 of the aforementioned Regulations state that: Information on the transactions of directors or anyone acting on their behalf, with the Company or with a company of the same group, which are carried out during the financial year to which the annual accounts refer, will be included in the Company's Annual Corporate Governance Report in all cases, and in the Notes to the annual accounts when the transactions are outside the Company's ordinary course of business or are not carried out under normal market conditions.

D2 Give individual details of transactions that are significant due to their amount or of importance due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or who are represented on the board of directors of the company, indicating which has been the competent body for its approval and if any affected shareholder or director has abstained. In the event that the General Meeting has had the responsibility, indicate if the proposed resolution has been approved by the Board of Directors without a vote against the majority of the independent directors.

Name or company name of the shareholder or of any of its subsidiaries	% Shareholding	Name or company name of the company or entity within its group	Nature of the relationship	Type of transaction and other information required for its evaluation	Amount (thousands of euros)	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the General Meeting, if applicable, has been approved by the Board of Directors without a vote against the majority of independent directors
EDIZIONE S.P.A.	8.53	CELLNEX TELECOM, S.A	Corporate	Dividends and other profits distributed	2,749	General Meeting and Board of Directors		
GIC PRIVATE LIMITED	7.03	CELLNEX TELECOM, S.A	Corporate	Dividends and other profits distributed	1,277	General Meeting and Board of Directors		
CRITERIA CAIXA, S.A.U	4.77	CELLNEX TELECOM, S.A	Corporate	Dividends and other profits distributed	1,102	General Meeting and Board of Directors		
WELLINGTON MANAGEMENT GROUP	4.28	CELLNEX TELECOM, S.A	Corporate	Dividends and other profits distributed	781	General Meeting and Board of Directors		
BLACKROCK INC.	5.21	CELLNEX TELECOM, S.A	Corporate	Dividends and other profits distributed	1,252	General Meeting and Board of Directors		
CANADA PENSION PLAN INVESTMENT BOARD	5.00	CELLNEX TELECOM, S.A	Corporate	Dividends and other profits distributed	1,155	General Meeting and Board of Directors		

Estimated Floating Capital	49.28

FMR LLC	3.22	CELLNEX TELECOM, S.A	Corporate	Dividends and other profits distributed	742	General Meeting and Board of Directors		
NORGES BANK	3.00	CELLNEX TELECOM, S.A	Corporate	Dividends and other profits distributed	693	General Meeting and Board of Directors		
CAPITAL RESEARCH AND MANAGEMENT COMPANY	3.88	CELLNEX TELECOM, S.A	Corporate	Dividends and other profits distributed	1,110	General Meeting and Board of Directors		
HOHN CRISTOPHER ANTHONY	5.79	CELLNEX TELECOM, S.A	Corporate	Dividends and other profits distributed	170	General Meeting and Board of Directors		

Remarks

D3 Give individual details of transactions that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the administrators or managers of the company, including those transactions carried out with entities that the administrator or manager controls or controls jointly, indicating the competent body for its approval and if any affected shareholder or director has abstained. In the event that the General Meeting has had the responsibility, indicate if the proposed resolution has been approved by the Board of Directors without a vote against the majority of the independent directors.

Name or company name of the administrators or managers or their controlled or jointly controlled entities	Name or company name of the company or entity within its group	Relationship	Nature of the transaction and other information necessary for its evaluation	Amount (thousands of euros)	Approving body	Identity of the shareholder or director who has abstained	The proposal to the General Meeting, if applicable, has been approved by the Board of Directors without a vote against the majority of independent directors
No data							

Remarks
See Note 24.a) of the Consolidated Financial Statements for the year 2021.

D.4 Report individually on intra-group transactions that are significant due to their amount or relevant due to their subject matter carried out by the company with its parent company or with other entities belonging to the parent's group, including subsidiaries of the listed company, except that no other related party of the listed company has interests in these subsidiaries or that they are fully owned, directly or indirectly, by the listed company.

In any case, report any intragroup transaction carried out with entities established in countries or territories considered as tax havens:

Company name of the entity within its group	Brief description of the transaction and other information necessary for its evaluation	Amount (thousands of euros)
N.A.	N.A.	N.A.

Remarks
As of 31 December 2021 and 2020, the Group does not have significant assets and liabilities with companies associated of the Cellnex Group. In turn, no transactions of significant amount have been carried out with associated companies during 2021 and 2020.

D5 Give individual details of the transactions that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties pursuant to the international accounting standards adopted by the EU, which have not been reported in previous sections.

Company name of the related party	Brief description of the transaction and other information necessary for its evaluation	Amount (thousands of euros)
Atlantia S.p.A.	Agreement under which the Group may locate certain assets to provide telecommunications infrastructure services on Italian highways that are under Autoestrade pell'Italia SpA's concession until 2038.	3

Remarks
In addition to the contracts indicated above, there were no transactions of significant amount with related entities during the periods ended 31 December 2021 and 2020.

D6 Give details of the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management, significant shareholders or other related parties.

According to the Board of Directors Regulations, these conflicts must be declared by the directors and entail the duty to abstain from attending and participating in the matters in which they are involved. The directors -article 26 c) of the Regulations-, must abstain from participating in the deliberation and voting on resolutions or decisions in which the director or a related person has a direct or indirect conflict of interests. Excluded from the foregoing prohibition are the resolutions or decisions that affect the director in its status as such, such as the director's appointment or removal from positions on the administration body or others of a comparable kind.

In addition, the board members -art. 26 e) of the same Regulations- adopt the necessary measures to avoid entering into situations in which his/her own interests or those of third parties may come into conflict with corporate interest and with his/her duties with the Company. An exception shall be made for those cases in which the Company has given its consent under the terms set forth in article 230 of the Spanish Companies Law.

As indicated, the directors -art. 27 of the aforementioned Regulations-, must communicate to the Board of Directors of any direct or indirect conflict that they, or any related persons, might have with the Company's interest. The director concerned will refrain from taking part in resolutions or decisions related to the transaction to which the conflict refers. The votes of the directors affected by the conflict and who must abstain, will be deducted for the purposes of calculating the majority of votes needed. In particular, the duty to avoid situations involving conflicts of interest obliges directors to abstain from:

a) Conducting transactions with the Company, except in the case of ordinary operations, made under standard conditions for customers, and with scant relevance, understanding as such those whose information is not necessary for expressing a true and fair view of the Company's equity, financial situation and results.
b) Using the name of the Company or invoking his/her status as director to unduly influence the conduct of private transactions.
c) Making use of corporate assets, including confidential information on the Company, for private purposes.
d) Taking advantage of the Company's business opportunities.
e) Obtaining advantages or payments from third parties other than the Company and its group, associated with the performance of his/her duties, except in the case of mere courtesies.
f) Conducting activities on his/her own account or on the account of third parties which involve effective competition with the Company, either real or potential, or which, in any other way, place him/her in a permanent conflict of interest with the Company.

The Board of Directors of Cellnex on 19 February 2021 approved a new Internal Code of Conduct in securities markets issues (ICC), adapted to the requirements of the European Market Abuse Regulation. Regarding conflicts of interest, the Internal Code of Conduct states the following:

Operating principles
In any situation involving a "Conflict of Interest" (being a clash between the interests of the Company and the personal interests of the Affected Person), Affected Persons shall act in accordance with the following principles: (i) Independence. They must act at all times with loyalty to the Company, irrespective of their own interests or those of third parties. (ii) Abstention. They must refrain from intervening or influencing in the taking of decisions concerning matters affected by the conflict. (iii) Confidentiality. They shall refrain from accessing confidential information which may have a bearing on the aforesaid conflict.

Notification of Conflicts of Interest
Affected Persons shall notify the Board Secretariat of any possible Conflicts of Interest to which they are subject by their family relationships, their personal holdings, their activities outside the Company, or on any other grounds.
It shall be considered that there is no Conflict of Interests owing to family relationships when said relationship is beyond the fourth degree of consanguinity or the second degree of affinity.

It shall be considered that there is a possible Conflict of Interests derived from personal holdings when said holdings arise in relation to a company in which the Affected Person holds a management post or is an administrator or has a significant stake (which is understood to mean a total stake, direct or indirect, in excess of twenty (20) per cent of its total issued share capital). Affected Persons must ensure that the information is kept up to date, reporting any modification to or termination of previously communicated situations, as well as the emergence of any new possible Conflicts of Interest. Communications must be issued without delay once the current or possible situation of Conflict of Interest is recognized, prior to taking any decision which may be affected by the possible Conflict of Interest. <u>Members of the Board of Directors</u> In addition to the foregoing, the members of the Company's Board of Directors shall be subject to the provisions of the applicable corporate regulations and internal Company's rules.

D.7 Indicate whether the company is controlled by another entity in the meaning of article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through any of its subsidiaries, business relationships with that entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to those of any of them.

Yes ☐ **No X**

N.A.

Indicate whether the respective areas of activity and any business relationships between the listed company or its subsidiaries on the one hand, and the parent company or its subsidiaries have on the other hand, have been publicly disclosed with precision:

Yes ☐ **No ☐**

Report the respective areas of activity and any business relationships between, on the one hand, the listed company or its subsidiaries and, on the other hand, the parent company or its subsidiaries, and identify where these matters have been publicly disclosed.
N.A.

Identify the mechanisms in place to resolve potential conflicts of interest between the other parent company of the listed company and the other group companies:

Mechanisms to resolve potential conflicts of interest
N.A.

E RISK MANAGEMENT AND CONTROL SYSTEMS

E1 Explain the scope of the company's financial and non-financial Risk Management and Control System, including tax risk.

The Risk Management System is deployed comprehensively, is continuously reviewed, consolidating such management for each Business Unit. It is currently implemented in Corporation, Spain, France, the Netherlands, Ireland, Italy, Poland, Portugal, the United Kingdom and Switzerland. The model is scheduled to be deployed in Austria, Denmark and Sweden in 2022.

Following the risk culture at Cellnex and with the commitment to strengthen global risk management, the Board of Directors in 2020 approved the methodology of the three lines risk model, which mainly consists of the following:

- 1st Line: functional areas that are responsible for assessing, controlling and mitigating risks along with maintaining effective internal controls.
- 2nd Line: facilitates and monitors the implementation of effective risk management practices.
- 3rd Line: provides independent assurance of the risk model.

Cellnex currently has a Global Risk Management Policy and a Global Risk Management Model in which:

- The Policy states the essential principles and commitments in the area of Risk Management, its communication to stakeholders and its progressive integration into all operational processes of the Cellnex Group. The principles and commitments set forth in this Policy are of general application and must be taken into account in each of the projects, businesses and activities carried out by the Company. This Policy is mandatory for all companies controlled by Cellnex Telecom.
- The model defines the methodology for Global Risk Management in the Cellnex Group. It establishes the governance model, roles and responsibilities, risk life cycle, risk taxonomy, and risk assessment and monitoring.

During 2021, progress was made in the implementation of the initiatives launched in the previous year:

- The Global Risk Committee has deployed risk management in the Cellnex Group and validated the risks and action plans defined in each risk map.
- The risk management department has been responsible of promoting the common risk culture at Cellnex.

E2 Identify the bodies within the company responsible for preparing and executing the financial and non-financial Risk Management and Control system, including tax risk.

The bodies responsible for definition, execution and supervision are the following:

- *Board of Directors:* is the ultimately responsible for approving the Risk and Control Policy and strategy as well as for defining the Company's risk appetite.
- *Audit and Risk Management Committee*: as a function entrusted by the Board of Directors, it supervises the effectiveness of the risk management model, ensuring that the risk management model adequately identifies, prioritises, controls, monitors and discloses all risks.
- *Chief Executive Officer:* has ultimate responsibility for the organisation's risk management and control framework providing leadership and oversight of risk management activities.
- *Senior Management*: responsible for risk management, which includes the definition and implementation of defined risk policies, validation of risk maps, assignment of responsibilities, implementation of control activities and action plans, as well as monitoring of existing risks in its area of responsibility.
- *Function Managers*: each person responsible of an area is in charge of identifying, evaluating and implementing control activities aimed at mitigating risks.
- *Global Risk Committee:* its purpose is to deploy risk management in the Cellnex Group and validate the risks and action plans defined in each risk map, and to properly formalise the Three Lines in Cellnex.
- *Risk Management*: responsible for preparing and updating risk management policies, establishing the mechanisms and methodology to identify and assess risks, updating risk maps, implementing a monitoring system, and communicating with the highest governance bodies.
- Internal Audit: provides assurance to the Board of Directors, the Audit and Risk Management Committee and Senior Management that risks are properly understood and managed, and proposes solutions to improve the risk control and management structure.

E3 Indicate the main financial and non-financial risks, including tax risks, as well as those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant and may affect the achievement of business objectives.

Risks at Cellnex can be classified into the following types:

- Strategic: risks that affect the business strategy or strategic objectives of any company.
- Operational: risks of potential losses resulting from the inadequacy of key operations processes as well as the people, equipment and systems that support these processes.

Risks are also classified according to the functional area of their main impact, and the functional areas defined are as follows:

- Legal / Regulatory / Compliance: the possibility of incurring legal or administrative sanctions, significant financial losses or loss of reputation due to non-compliance with laws, regulations, internal rules and codes of conduct applicable to the business.
- Financial: risk of loss of value or profits as a result of adverse movements in financial variables and the company's inability to meet its obligations or build its assets.
- Business: any risk that may affect the company's core business in its provision of services to customers, either directly or indirectly.
- Operations: risks associated with the execution of operational processes, including, among others, technological risks, dependence on suppliers, ...
- Environment and climate change: risks involving potential damage to the environment such as natural disasters, climate change, ...
- People: risks related to people, such as: culture, talent, ...
- Systems: those risks that may affect Cellnex's information systems infrastructure.

E.4 Indicate whether the entity has risk tolerance levels, including for tax risk.

Tolerance levels are defined in the risk assessment matrix.
For the risks identified, each manager evaluates the potential impact of the risk in the event that it materialises, differentiating among four levels: low, medium, important and critical, taking into account the economic impact, involvement in the organisation and reputational impact. The likelihood of the risk occurring is then assessed. This probability is classified among the four defined levels: remote, possible, probable and almost certain. The combination of impact and probability leads to risk prioritisation.

E5 Indicate which risks, financial and non-financial, including tax risks, have materialised during the year.

We highlight the most relevant risks materialised during the year:

- Increased competition in the acquisition of assets and companies in the context of the Group's business expansion.
- Worldwide increase in the cost of energy. Cellnex controls the impact of this increase in the price of energy through initiatives such as the advance purchase of energy, agreements with customers, etc., in addition to complying with the commitments acquired in terms of sustainability and energy efficiency.
- A portion of the Group's revenues is derived from a small number of customers. In the Infrastructure Services for Mobile Telecommunications Operations segment, the main customers are telecommunications operators (mostly MNOs); in the Broadcasting Infrastructure segment, its main customers are the broadcast media (TV channels and radio stations); and in the Other Network Services segment, its main customers are (i) a small number of public administrations, at the national, regional and/or local level, (ii) security and emergency response organisations, (iii) companies operating in the utilities sector, and (iv) certain telecommunications operators.
- The existing pandemic situation has led to a slowdown in economic activity that affects employee mobility and has had a slight impact on the execution of certain operations, in some business processes, ...

E.6 Explain the response and oversight plans for the company's main risks, including tax risks, as well as the procedures followed by the company in order to ensure that the Board of Directors responds to any new challenges that arise.

The implemented risk management model establishes the response and supervision plans for the main risks based on their assessment.

The risk maps as well as those risks considered to be priority risks are reviewed by the Audit and Risk Management Committee, which in turn reports to the Board of Directors, as well as if there is any variation in the risks not defined as priority risks. In addition, the areas perform risk management.

In order to reduce exposure to risks such as infrastructure sharing, regulatory changes, technological advances and development of alternative technologies not currently used, increased competition, increase in the cost of energy, among others, the Group continues with a policy of internationalisation, diversification and selective growth, promoting understanding with the Public Administrations for the development of infrastructure and continues with the efficiency plan for the optimisation of operating expenses and investments.

In addition, continuing with the management of the health crisis resulting from the COVID 19 pandemic, Cellnex maintains business contingency and recovery plans in all countries, deployed in 2020. This has allowed the continuity of all critical services of our customers, preserving the safety of people. Practically all of our activities have been and continue to be carried out remotely.

We are currently immersed in the process of designing and updating the global business continuity model, starting with the most critical processes.

F INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATING TO THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (ICFR)

Describe the mechanisms forming your company's Internal Control over Financial Reporting (ICFR) system.

F.1 The entity's control environment

Report on at least the following, describing their principal features:

F.1.1. The bodies and/or departments that are responsible for: (i) the existence and maintenance of an adequate and effective ICFR system; (ii) its implementation; and (iii) its supervision.

The Internal Control over Financial Reporting (hereinafter " ICFR ") of Cellnex is part of its general internal control system and is configured as the set of processes that the Board of Directors, the Audit and Risk Management Committee, the Management and the Company's personnel carry out to provide reasonable assurance regarding the reliability of the financial information published in the markets.

Cellnex's " ICFR Organisational and Supervisory Model" (hereinafter " ICFR Organisational Model") establishes that the Board of Directors is ultimately responsible for the supervision of internal reporting systems, as well as the Risk Control and Management Policy. In addition, the Board of Directors Regulations state, among others, the following powers and responsibilities:

- The determination of the Company's general policies and strategies.
- The drawn up and approval of the annual accounts and any other report or information required by law.
- The approval of the financial information listed companies must periodically disclose.
  The determination of the Risk Control and Management Policy, including tax risks, and the supervision of internal information and control systems.

- The supervision of the effective functioning and performance of the delegated bodies, including the Audit and Risk Management Committee, and designated executives.

Based on the Board of Directors Regulations (art. 15), the basic responsibilities of the Audit and Risk Management Committee (hereinafter "ARMC") include:

- The supervision of the process of preparation and presentation of the mandatory financial information of the Company, as well as its integrity.
- The supervision of the effectiveness and adequacy of Cellnex's internal control and risk assessment, and of the surveillance and control measures suitable for preventing the commission of criminal offences, and of the risk management systems, including tax and compliance management systems for all applicable regulations.
- Discussion with the auditor of significant weaknesses in the internal control system detected during the audit.
- Supervision of the internal audit services, ensuring their independence, and verification that the recommendations and corrective measures recommended by them are considered by the Management.

Cellnex's Internal Audit function is responsible for supervising the ICFR by delegation from the ARMC, with the Global Finance & M&A Department being responsible for its design, maintenance and implementation.

F.1.2. Indicate whether the following exist, especially in relation to the drawing up of financial information:

- **Departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) clear definition of lines of responsibility and authority with an appropriate distribution of tasks and functions; and (iii) ensuring that adequate procedures exist for their proper dissemination throughout the entity.**

  The Organisation Department and the Global Finance & M&A Department are responsible for designing and periodically reviewing the organizational structure that participates in the preparation of the financial information of the Company. These departments define the general lines of the structure and distribution of responsibilities, as well as the procedure for the design, review, updating and dissemination thereof, a procedure that is documented in the organisational charts (organisational structure) and the process model and its associated regulations that form part of the Cellnex policy catalogue.
  Cellnex has an internal organisation chart, which covers all areas, and which is fundamentally divided by department (including those departments involved in the preparation, analysis and supervision of financial information). This organisation chart indicates responsibilities up to a certain management level and is complemented by more detailed ones distributed at the department level.

  With regard to the process of preparing financial information, in addition to detailed organisation charts, for the purpose of assigning responsibilities there is the ICFR Organisational Model, developed by the Global Finance & M&A Department.

- **Code of conduct, the body approving this, degree of dissemination and instruction, principles and values covered (stating whether there is specific mention of record keeping and preparation of financial information), body in charge of analysing breaches and proposing corrective actions and sanctions.**

  Cellnex has a Code of Ethics, approved by the Ethics and Compliance Committee, which has been communicated to employees and is available on the corporate intranet. The current composition of the Ethics and Compliance Committee is as follows:

- José Mª Miralles (Chair). General Counsel Legal and Regulatory Affairs.
- Sergio Martínez (Secretary). Internal Audit and Risk Control Manager
- Yolanda Menal. Global People Director
- Daniela Sonno. Cellnex Italy Economic and Management Control Director
- Yvette Meijer. Cellnex Netherlands Deputy General Manager

In order to maintain the independence of the Cellnex Group's Ethics and Compliance Committee, it maintains its functional and organic dependence on the Audit and Risk Management Committee of the Board of Directors of Cellnex Telecom.

The main values and principles contained in the Code of Ethics are: integrity, honesty, transparency and good faith. Likewise, the Code of Ethics includes the commitment to offer economic and financial information that faithfully reflects its economic, financial and equity reality, in accordance with generally accepted accounting principles and applicable international financial reporting standards, as well as the responsibility of its employees and managers to ensure that this is so, both through the correct performance of their duties and by informing the governing bodies of any circumstance that may affect this commitment.

The body responsible for analysing noncompliance and proposing corrective action and sanctions is the Ethics and Compliance Committee.

- Whistle blower channel allowing notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organisation, indicating whether this channel is confidential and whether anonymous notifications can be made, protecting the rights of the whistle blower and the person reported.

The Cellnex Group, in its mission to foster a strong culture of compliance, has implemented a Whistle blower Channel.

The Whistle blower Channel is a communication tool accessible to all Group employees and stakeholders, which allows them to confidentially and anonymously report any potentially significant irregularities they may notice within the Group's companies.

Through the Whistle blower Channel, all subject persons and stakeholders can:

- Inquire about the interpretation of the Code of Ethics of the Cellnex Group and other applicable internal regulations.
- Communicate conduct that may imply a breach of the Code of Ethics, of internal regulations or, in general, of the laws in force applicable to the Group (among others, crimes and irregularities related to financial, accounting, labour or human rights matters).

Both the people who make up the Cellnex Group and third parties with which the Group is related must cooperate with the early detection and communication, through the Whistle blower Channel, of those behaviours that may involve a violation of applicable regulations, especially when such conduct may result in criminal liability for Cellnex.

The Whistle blower Channel is easily accessible as follows:

- Through the Cellnex Group Intranet;
- Through the e-mail canal.etico@cellnextelecom.com, by filling out the form available on the website, and

- By mail to the attention of the Chair of the Ethics and Compliance Committee (Ref. Canal Ético – Cellnex, Passeig Zona Franca,105; 08038 Barcelona).

  Complaints will be received by an independent third party, who will carry out an initial assessment and transfer them to the Ethics and Compliance Committee to proceed with the appropriate investigation, if necessary.

  Such complaints shall be confidential and anonymous.

- Training and periodic refresher programmes for personnel involved in the preparation and revision of financial information, as well as in the assessment of the ICFR system, covering at least accounting standards, auditing, internal control and risk management.

In relation to training and periodic updating programmes on aspects that may affect the preparation and publication of financial information, Cellnex believes that the development and continuous training of its employees and executives is key. In this regard, Cellnex also believes that in-depth and updated training in accounting regulations and standards for the preparation of financial information, capital market regulations, taxation and internal control is necessary to ensure that the information reported to the markets is reliable and complies with the regulations in force.

With respect to the preparation and review of financial information, during the 2021 financial year Cellnex carried out training based on the needs identified by the Consolidation and Corporate Management Control departments, in relation to:

- New accounting, tax, capital markets and internal control regulations, adopted by the European Union and applicable to Cellnex.
- Changes in the methodology for reporting to the Regulator (ESEF Reporting) and/or in the information systems.
- Individual initiative of team members.

As a result of the identification of needs in the aforementioned areas, appropriate training activities are designed and implemented to meet the annual training objectives in these areas.

Cellnex carried out training activities during the 2021 financial year by external experts and internal training sessions, covering personnel involved in the preparation and review of financial information. The training areas on which most emphasis was placed in 2021, in line with the previous year, are related to the accounting, tax and financial areas that may have a greater impact on the preparation of Cellnex's consolidated financial information, especially with changes in national and international tax and accounting regulations and with the new developments of the year related to EU-IFRS. Training activities have also been carried out in the area of non-financial information, especially on issues related to environmental, social and corporate governance factors, which are becoming increasingly relevant.

In this regard, the Consolidation, Corporate Management Control and Global Accounting Policy departments subscribe to various accounting/financial publications and journals, as well as to the IASB website, which periodically sends news and other communications of interest, which are analysed and duly disseminated, ensuring that they are taken into consideration in the preparation of Cellnex's financial information. For its part, Cellnex has an e-learning platform, where training can be provided, both technical, for certain groups, and other more general training on a voluntary and, in some cases, mandatory basis.

Finally, it is important to highlight the dedication of the various areas of the Global Finance & M&A and Corporate & Public Affairs Departments during 2020, responding to the requirement of the CNMV and ESMA to present the Consolidated Financial Statements for the 2020 financial year in XBRL format, in accordance with the transparency requirements imposed by the Regulator. To this end, Cellnex had a team of experts and a technological platform of recognised prestige, which allowed us to transform and automate the process of compliance and presentation of regulated financial information through this platform. During 2021, the Group has once again relied on this collaborative platform for the preparation of the Consolidated Financial Statements and the Integrated Annual Report for fiscal year 2021, due to the fact that it allows users a considerable improvement in productivity, as well as greater control over the processes of preparing the regulated financial information.

F.2 Assessment of risks in financial reporting

Report on at least the following:

F.2.1. The main characteristics of the risk identification process, including risks of error and fraud, as regards:

- Whether the process exists and is documented.
- Whether the process covers all the objectives of financial reporting, (existence and occurrence; completeness; valuation; presentation; disclosure and comparability; and rights and obligations), whether it is updated and if so how often.
- The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex corporate structures or special purpose vehicles.
- Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements.
- The governing body within the company that supervises the process.

Cellnex has a Risk Control and Management Policy with the aim of establishing the basic principles and general framework of action for the control and management of the risks of all kinds that it faces. In this way, Cellnex identifies and updates the main risks, organising the appropriate internal control and information systems and regularly monitoring them.

Likewise, the Financial Reporting Internal Control System (ICFR) compliance Manual hereinafter " ICFR compliance Manual") describes and formalises Cellnex's internal control and risk management model with respect to its Financial Reporting Internal Control System and establishes the mechanisms used to determine the risks in this area, the key business processes, as well as the practical and operational documentation of this internal control model.

The process for preparing and issuing financial information establishes the financial information to which it refers, as well as the methodology for defining materiality. Additionally, guidelines are established to determine whether the process covers all the objectives of the financial information (existence and occurrence; completeness; valuation; presentation, disclosure and comparability; and rights and obligations), whether it is updated and the frequency.

Cellnex has identified the relevant business processes, as well as the risks inherent to each one, and has designed a Risk and Control Matrix that aims to identify the main risks, based on which control activities have been designed, in such a way as to ensure that, from their proper fulfilment, full and reliable financial information is obtained.

The process of identifying risks of error in financial information is carried out and documented by the Consolidation department, a process that is complemented by the Internal Audit function, considering them in relation to Cellnex's general Risk Map (which includes both financial and non-financial risks). The entire process is ultimately supervised by the Audit and Risk Management Committee (ARMC).

The Cellnex Audit and Risk Management Committee is responsible for supervising the internal control and risk management system with the support of Internal Audit.

During the second half of the 2020 financial year, a project was carried out to redefine and re-evaluate Cellnex's ICFR Model with the main purpose of adapting the current model to the current situation of exponential growth of the Group through the incorporation of new subsidiaries and assets. The aim of this project was to ensure that the ICFR model is based on standardised, homogeneous and global processes applicable to the entire Cellnex Group. During 2021, the new ICFR model has been implemented both in corporate areas and in the different countries where Cellnex has a presence. In this sense, the internal Audit Department has redefined its audit plan to adapt it to the new model, where it will verify the operational effectiveness of the new control activities defined at Group level, as well as compliance with the established action plans. In addition to the various internal audit processes, the Group has developed checklists that must be completed and signed by countries and corporate areas in order to obtain greater certainty that the defined control activities are being carried out properly. Additionally, during 2021, the integration of this new ICFR model has begun within a new risk management tool, with the idea of automating the process of audits and receipt of evidence, as well as improving document management. This integration is expected to be completed during the first half of 2022.

F.3 Control activities

Report on whether the company has at least the following, describing their main characteristics:

F.3.1. Review and authorisation procedures for financial information and a description of the ICFR, to be disclosed to the securities markets, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including accounting closing procedures and the specific review of significant judgements, estimates, valuations and projections.

Cellnex has a Manual for Issuing Regulated Information, duly approved by the Audit and Risk Management Committee, which details the procedure for preparing and approving financial information and the description of the ICFR to be published in the securities and investment markets. This manual also states the criteria for identifying relevant public financial information, which is classified as follows:

- Issuers' Periodic Public Reporting (PPR) obligations:
    - Semi-annual Financial Report.
    - Annual Financial Report and Annual Corporate Governance Report (ACGR).
- Annual Report on Directors' Remunerations (ARR).
- Other Relevant Information.

Cellnex's Regulated Information Issuance Manual also establishes the departments involved in the process of preparing, reviewing and authorising financial information and their respective responsibilities, from the accounting close to the publication of the material disclosures. In particular, for each set of relevant regulated financial information to be published in the market, there is a preparation and review procedure, which involves the completion of internal control questionnaires on the communication of regulated information, in order to obtain reasonable assurance on the reliability of the entity's financial statements.

Compliance with the Regulated Information Issuance Manual and the completion of specific internal control questionnaires are mandatory and are subject to review by Cellnex's internal auditor.

With regard to the documentation describing the flows of activities and controls of the different types of transactions that may materially affect the financial statements, Cellnex has a ICFR Organisational Model, which structures the specific mechanisms that have been set up to maintain an internal control environment conducive to the generation of complete, reliable and timely financial information, which contemplates the possible existence of irregularities and the ways to detect and remedy them. Cellnex has developed procedures for those processes that are considered material and relevant in terms of their potential impact on the financial information to be disclosed, as follows:

- General Entity Level Controls (ELC)
- Information systems (ITGC):
- Revenue recognition and accounts receivable
- Operating expenses and accounts payable
- Tangible and intangible assets
- Provisions
- Staff
- Closing of accounts
- Consolidation, Reporting and Business Combinations
- Treasury and finance
- Taxes
- Leases – IFRS16

The individual and consolidated financial statements, the semi-annual financial reports and the financial information contained in Cellnex's quarterly interim statements are prepared and reviewed by the Global Finance & M&A Department prior to their submission to the Audit and Risk Management Committee. The latter applies the procedures included in the Regulated Information Issuance Manual as a step prior to submitting the information to the Cellnex Board of Directors for final approval.

Regarding activities and controls directly related to transactions that may materially affect the financial statements, Cellnex has descriptions of controls in place to mitigate the risk of material misstatement in the information reported to the markets. These descriptions are also documented in the Risk and Control Matrix and contain information on what the control activity should consist of, what it is performed for, which area/department should perform it, how often, as well as other information on which information systems or which activities performed by third parties are relevant to the effectiveness of the respective control activity. The controls cover areas such as revenue generation, investments and expenses, acquisitions and subsequent valuation of other fixed assets, analysis of the recoverability of investments, recording of taxes on profits or the correct presentation of financial instruments and Cellnex's financing operations.

In relation to the relevant opinions and estimates made, Cellnex reports in its consolidated financial statements those areas of a degree of uncertainty that it considers particularly relevant. The specific review and approval of the relevant opinions, estimates, valuations and projections, as well as the key assumptions used in their calculation, with a material impact on the consolidated financial statements, is performed by the Global Finance & M&A Department and, if applicable, by the Chief Executive Officer. The most significant issues, such as asset value monitoring and hedging policies, are discussed and reviewed by the Audit and Risk Management Committee prior to approval by the Board of Directors.

F.3.2. Internal IT control policies and procedures (access security, control of changes, system operation, operational continuity and segregation of duties, among others) which support significant processes within the company relating to the preparation and publication of financial information.

Cellnex uses information systems to maintain an adequate record and control of its operations and, therefore, their correct functioning is a key element of special emphasis for Cellnex.

The Systems area is responsible for establishing the internal control model for information systems in aspects related to access security, segregation of duties (in coordination with the business and support operating areas) and change control, in addition to carrying out risk monitoring activities and controls derived from the outsourcing of the systems.

F.3.3. Internal control policies and procedures for overseeing the management of activities subcontracted to third parties, as well as of those aspects of assessment, calculation or valuation entrusted to independent experts, which may materially affect financial statements.

Cellnex regularly uses reports from independent experts for the valuation of its financial instruments, employee benefit commitments and acquisition price allocation processes in business combinations, among others. In addition, Cellnex maintains certain activities associated with the economic, personnel and operation and maintenance administration of its corporate information systems outsourced to an external provider.

Cellnex has formalised guidelines regarding the treatment of activities with third parties in both contracting and results. These guidelines are included in the internal procurement procedures.

The Global Finance & M&A Department carries out controls on the work of these experts, aimed at verifying:

- The competence, training, accreditation and independence of the experts.
- The validity of the data and methods used.
- The reasonableness of the assumptions used, if applicable.

In this regard, certain control and risk management mechanisms have been established with the supplier to ensure the integrity and quality of the financial information derived from these activities, such as a contract Management and Monitoring Committee, service level agreements, risk indicators, service reports, technological security measures, external audits, as well as contingency and continuity plans, among others.

F.4 Information and communication

Report on whether the company has at least the following, describing their main characteristics:

F.4.1. A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organisation, as well as an up-to-date accounting policy manual distributed to the business units through which the company operates.

Responsibility for defining, maintaining and updating Cellnex's accounting policies lies with the Global Accounting Policy department, which is part of the Global Finance & M&A Department.

One of the functions of this department is to respond to any accounting queries that may be raised by the different business units or other corporate departments of Cellnex.

Cellnex has an accounting policy manual, Group Reporting and Accounting Principles Handbook (GRAPH) for the purposes of preparing the financial statements prepared under EU-IFRS, which is prepared by the Global Accounting Policy department and updated periodically (at least annually) and incorporates the standards applicable in the year. The Audit Instructions that the external auditor sends to the auditors of the different companies for the limited review or audit at each semi-annual and annual closing, respectively, indicate that the accounting principles on which they must perform their work are those contained in the Cellnex GRAPH.

Any changes that may be made are communicated to the subsidiaries by e-mail. Its last updated was carried out in 2021 and, in any case, it is reviewed to ensure that in the most recent quarter there have been no significant new modifications that could affect the preparation of the consolidated financial information for the year.

F.4.2. Mechanisms for capturing and preparing financial information in standardised formats for application and use by all units of the entity or group, and support its main financial statements and notes, as well as disclosures concerning ICFR.

Cellnex has a single integrated environment for the preparation of consolidated financial information, through two platforms: Planning and Budgeting Cloud Service (hereinafter "PBCS") and Financial Consolidation and Close Service (hereinafter "FCCS"), both from Oracle. The integrity and reliability of these information systems is validated by means of the general controls indicated in section F.3.2.

The consolidated and regulated financial information of the Cellnex Group and the individual financial statements of Cellnex Telecom, S.A. (Controlling Company) are prepared by the Global Finance & M&A Department. in order to ensure uniformity in their preparation.

On a monthly basis, the Corporate Management Control and Consolidation departments receive the monthly Reporting Package (under IFRS) from all subsidiaries included in the scope of consolidation. This Reporting Package includes all the financial information necessary for the preparation of the Group's consolidated financial information and, in turn, guarantees the homogeneity of the information received, by means of the following characteristics:

- It is homogeneous and consistent for all countries and businesses.
- It is prepared on the basis of the Cellnex accounting manual, which is the same for all subsidiaries.
- It incorporates the applicable legal, tax, commercial and regulatory requirements.

The monthly Reporting Package (under IFRS) is loaded directly into the tools indicated above by the Finance Department of each country.

It should be noted that as of the second half of 2020, the Go Live to the new Consolidation tool, "FCCS" of Oracle, from which the consolidated financial statements of the Cellnex Group are obtained, under international IFRS standards, became effective. This tool allows the homogenisation and maximum interconnection with the current Corporate Management Control tool, Oracle's "PBCS" (implemented in all countries) in order to obtain a single and homogeneous reporting that responds to the needs of both departments. With this migration, the synergies of having both areas (Planning & Reporting and Consolidation) in an interconnected financial information flow environment became effective. The new tool provides the advantages of a current, advanced system that is up to date with the latest Cloud technological advances.

F.5 Supervision of the functioning of the system

Report on at least the following, describing their principal features:

F.5.1. The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function one of the responsibilities of which is to provide support to the committee in its task of supervising the internal control system, including ICFR. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible for performing the assessment communicates its results, whether the company has an action plan detailing possible corrective measures, and whether their impact on financial reporting has been considered.

In line with the previous year, the Audit and Risk Management Committee has carried out the following specific activities in relation to the ICFR in fiscal year 2021:

- Monitoring of the degree of implementation and possible changes to Cellnex's ICFR model.
- Review of the information related to the ICFR included in the Annual Corporate Governance Report.
- Review of the financial information released by Cellnex to the market.
- Periodic monitoring and analysis of the evolution of the operational implementation of the ICFR, taking account of its degree of implementation and its effectiveness.
- Follow-up of the work performed by the Company's external auditors in order to be aware of the internal control weaknesses detected in the performance of their work, as well as the relevant aspects or incidents thereof.

At present, the Audit and Risk Management Committee has already approved the Internal Audit Plan for the year 2022, which includes the necessary actions to ensure adequate supervision and evaluation throughout the year, regularly reporting the incidents detected and the necessary improvement actions once contrasted with the audited areas and countries.

Cellnex has an Internal Audit Department that reports functionally to the Audit and Risk Management Committee, and whose main function, as indicated in the Board of Directors Regulations of Cellnex, and specifically, the section corresponding to the functions of the Audit and Risk Management Committee, is to supervise the effectiveness of internal control of the Company, the internal audit services, checking the adequacy and integrity thereof and reviewing the appointment and replacement of those responsible, to supervise the surveillance and control measures suitable for preventing the commission of criminal offences, the risk management systems, including tax risks, the systems for managing compliance with all applicable regulations, and to discuss with the auditors any significant weaknesses in the internal control system detected during the course of the audit.

During the 2021 financial year, the Internal Audit function has carried out several activities to review the key business processes from which no significant weaknesses have arisen, all of which were reported in due time and form to the ARMC, which could have a material impact on Cellnex's financial information for the 2021 financial year, and the necessary corrective actions have been established to resolve any other weaknesses in the future.

Likewise, the external auditor, as mentioned in section F.7.1., has issued an agreed procedures report on the description of the ICFR carried out by Cellnex in which no noteworthy matters have been highlighted.

F.5.2. Whether there is a discussion procedure whereby the auditor (as defined in the Spanish Technical Audit Standards), the internal auditor and other experts can report to senior management and the audit committee or directors of the company any significant weaknesses in internal control identified during the review of the annual financial statements or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses detected.

The procedure for discussing significant internal control weaknesses identified is based, in general terms, on periodic meetings held by the various parties involved. In this regard, the Internal Audit function periodically informs the Global Finance & M&A Department and the Audit and Risk Management Committee of the conclusions regarding internal control identified in the ICFR reviews and in the internal audits of processes carried out during the year, as well as the status of implementation of the action plans established for their mitigation.

With regard to relationships with the external auditors, as indicated in article 38 of Cellnex's Board of Directors Regulations, these are channelled through the Audit and Risk Management Committee. In this regard, the Audit and Risk Management Committee regularly meets with the external auditor in order to fulfil its responsibilities to supervise its actions, as well as to receive, where appropriate, communications on potential internal control weaknesses detected in the course of its professional activities. These communications are documented in the minutes of the Audit and Risk Management Committee and are followed up through the Internal Audit function.

In addition, Cellnex's auditor has direct contact with the Global Finance & M&A Department, holding regular meetings both to obtain the necessary information for the development of its work and to communicate the control weaknesses detected in the development thereof.

F.6 Other relevant information

No additional matters to be discussed have been identified.

F.7 External auditor's report

Report:

F.7.1. Whether the ICFR information sent to the markets has been subjected to review by the external auditor, in which case the entity should include the corresponding report as an attachment. If not, reasons why should be given.

Cellnex has submitted the ICFR information sent to the markets for the 2021 financial year for review by the external auditor. The scope of the auditor's review procedures has been carried out in accordance with Circular E14/2013 of 19 July 2013 of the Spanish Institute of Chartered Accountants (Instituto de Censores Jurados de Cuentas de España), which publishes the Guidelines and auditor's report model referring to the information related to the financial reporting internal control system (ICFR) of listed companies.

G DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company's degree of compliance with recommendations of the Good Governance Code for listed companies.

In the event that a recommendation is not followed or only partially followed, a detailed explanation of the reasons must be included so that shareholders, investors and the market in general have enough information to assess the company's conduct. General explanations are not acceptable.

1. **That the bylaws of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of the company through the acquisition of its shares on the market.**

Complies X Explain ☐

2. **That when the listed company is controlled by another entity in the meaning of article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with that entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:**

   a) **The respective areas of activity and possible business relationships between the listed company or its subsidiaries on the one hand, and the parent company or its subsidiaries on the other hand.**

   b) **The mechanisms in place to resolve any conflicts of interest that may arise.**

Complies ☐ Complies partially ☐ Explain ☐ Not applicable X

3. **That, during the Ordinary General Shareholders' Meeting, as a complement to the distribution of the written Annual Corporate Governance Report, the Chair of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:**

   a) **Changes that have occurred since the last General Shareholders' Meeting.**

   b) **Specific reasons why the company has not followed one or more of the recommendations of the Good Governance Code and the alternative rules applied, if any.**

Complies X Complies partially ☐ Explain ☐

4. **That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly positioned shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.**

   And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and

corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders.

Complies X Complies partially ☐ Explain ☐

5. That the Board of Directors should not submit to the General Shareholders' Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of pre-emptive rights in an amount exceeding 20% of the share capital at the time of delegation.

   And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of pre-emptive rights, the company should immediately publish the reports referred to by company law on its website.

Complies X Complies partially ☐ Explain ☐

6. That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website with sufficient time before the General Shareholders' Meeting, even if their publication is not mandatory:

   a) Report on the auditor's independence.

   b) Reports on functions and activities of the Audit and Nominations and Remunerations Committees.

   c) Report of the audit committee on related party transactions.

Complies X Complies partially ☐ Explain ☐

7. That the company should transmit in real time, through its website, the holding of the General Shareholders' Meetings.

   And that the company should have mechanisms in place allowing the delegation and casting of votes by electronic means and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such electronic means.

Complies X Complies partially ☐ Explain ☐

8. That the audit committee should ensure that the financial statements submitted to the General Shareholders' Meeting by the Board of Directors are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the Chair of the audit committee should clearly explain to the General Meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the General Meeting is called, alongside the other Board proposals and reports.

Complies X Complies partially ☐ Explain ☐

9. That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory manner.

Complies X Complies partially ☐ Explain ☐

10. That when a duly authenticated shareholder has exercised his or her right to complete the agenda or to make new proposals for resolutions in advance of the General Shareholders' Meeting, the company:

a) Should immediately distribute such complementary items and new proposed resolutions.

b) Should publish the attendance, proxy and remote voting card model with the necessary changes such that the new agenda items and alternative proposed resolutions can be voted on the same terms as those proposed by the Board of Directors.

c) Should submit all these alternative items or proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors including, in particular, assumptions or default positions regarding votes for or against.

d) That after the General Shareholders' Meeting, a breakdown of the voting on said additional items or alternative proposals be communicated.

Complies ☐ Complies partially ☐ Explain ☐ Not applicable X

11. That if the company intends to pay premiums for attending the General Shareholders' Meeting, it should establish in advance a general policy on such premiums and this policy should be stable.

Complies ☐ Complies partially ☐ Explain ☐ Not applicable X

12. That the Board of Directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment.

Complies X Complies partially ☐ Explain ☐

13. That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.

Complies X Explain ☐

14. That the Board of Directors should approve a policy aimed at favouring an appropriate composition of the Board and that:

a) Is concrete and verifiable;

b) **Ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and**

c) **Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.**

That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the Nominations Committee published upon calling the General Shareholders' Meeting to which the ratification, appointment or re-election of each director is submitted.

The Nominations Committee will annually verify compliance with this policy and explain its findings in the annual corporate governance report.

Complies X Complies partially ☐ Explain ☐

15. **That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.**

And that the number of female directors represents at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and no less than 30% prior to that date.

Complies X Complies partially ☐ Explain ☐

16. **That the number of proprietary directors as a percentage of the total number of non-executive directors not be greater than the proportion of the company's share capital represented by those directors and the rest of the capital.**

This criterion may be relaxed:

a) **In large-cap companies where very few shareholdings are legally considered significant.**

b) **In the case of companies where a plurality of shareholders is represented on the Board of Directors without ties among them.**

Complies ☐ Explain X

As of 31 December 2021, the Board of Directors consisted of 11 directors, of which 1 was executive, 8 were independent and 2 were proprietary directors. Although the percentage of share capital represented by shareholders with representation on the Board is slightly lower than the percentage that proprietary directors represent over the total number of non-executive directors, it should be recalled that no other shareholder (significant or otherwise) has requested the appointment of a director and, indeed, one of the two directors appointed by ConnecT Due-Edizione resigned during 2021. Consequently, and in view of the fact that the share capital in the hands of non-significant shareholders stands at 49.279%, it is considered that there is a very appropriate balance between independent and proprietary directors.

17. **That the number of independent directors should represent at least half of the total number of directors.**

That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the company's share capital, the number of independent directors represents at least one third of the total number of directors.

Complies X Explain ☐

18. **That companies publish the following information about their directors on their website, and keep it updated:**

    a) **Professional profile and biography.**

    b) **Any other Boards to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities engaged in, regardless of type.**

    c) **Indication of the category of director to which they belong, indicating, in the case of proprietary directors, the shareholder they represent or to which they are connected.**

    d) **Date of their first appointment as a director of the company's Board of Directors, and any subsequent re-elections.**

    e) **Company shares and share options that they own.**

Complies X Complies partially ☐ Explain ☐

19. **That the annual corporate governance report, after verification by the Nominations Committee, should explain the reasons for the appointment of any proprietary directors at the proposal of shareholders whose holding is less than 3%. It should also explain, if applicable, why formal requests from shareholders for presence on the Board were not honoured, when their shareholding was equal to or exceeded that of other shareholders whose proposal for proprietary directors was honoured.**

Complies ☐ Complies partially ☐ Explain ☐ Not applicable X

20. **That proprietary directors representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors.**

Complies X Complies partially ☐ Explain ☐ Not applicable ☐

21. **That the Board of Directors should not propose the dismissal of any independent director before the completion of the director's term provided for in the articles of incorporation unless the Board of Directors finds just cause and a prior report has been prepared by the Nominations Committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her post as a director, fails to complete the tasks inherent to his or her post, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.**

    The dismissal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of application of the proportionate representation criterion provided in Recommendation 16.

Complies X Explain ☐

22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

    And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the Nominations and Remunerations Committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented.

    Complies X Complies partially ☐ Explain ☐

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

    Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

    This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

    Complies X Complies partially ☐ Explain ☐ Not applicable ☐

24. That whenever, due to resignation or resolution of the General Shareholders' Meeting, a director leaves before the completion of his or her term of office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board of Directors.

    And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

    Complies X Complies partially ☐ Explain ☐ Not applicable ☐

25. That the Nominations Committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.

    And that the Board regulations establish the maximum number of company Boards on which directors may sit.

    Complies X Complies partially ☐ Explain ☐

26. **That the Board of Directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.**

Complies X Complies partially ☐ Explain ☐

27. **That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a proxy with instructions.**

Complies X Complies partially ☐ Explain ☐

28. **That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes at the request of the director expressing them.**

Complies X Complies partially ☐ Explain ☐ Not applicable ☐

29. **That the company should establish adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.**

Complies X Complies partially ☐ Explain ☐

30. **That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.**

Complies X Explain ☐ Not applicable ☐

31. **That the agenda for meetings should clearly indicate those matters on which the Board of Directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.**

When, in exceptional circumstances, the Chair wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Complies X Complies partially ☐ Explain ☐

32. **That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.**

Complies X Complies partially ☐ Explain ☐

33. **That the Chair, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out the duties assigned by law and bylaws, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances make this advisable.**

Complies X Complies partially ☐ Explain ☐

34. That when there is a lead independent director, the bylaws or Board regulations should confer upon him or her the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the Chair and Vice Chair, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the Chair.

Complies X Complies partially ☐ Explain ☐ Not applicable ☐

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account such recommendations regarding good governance contained in this Good Governance Code as may be applicable to the company.

Complies X Explain ☐

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

a) The quality and efficiency of the Board of Directors' work.

b) The workings and composition of its committees.

c) Diversity in the composition and skills of the Board of Directors.

d) Performance of the Chair of the Board of Directors and of the chief executive officer of the company.

e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the Nominations Committee.

Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence shall be verified by the Nominations Committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

Complies X Complies partially ☐ Explain ☐

37. That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.

Complies ☐ Complies partially ☐ Explain ☐ Not applicable X

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Complies ☐ Complies partially ☐ Explain ☐ Not applicable X

39. All members of the audit committee, in particular its Chair, should be appointed taking in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.

Complies X Complies partially ☐ Explain ☐

40. That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive Chair of the Board or of the audit committee.

Complies X Complies partially ☐ Explain ☐

41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.

Complies X Complies partially ☐ Explain ☐ Not applicable ☐

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1. With regard to information systems and internal control:

a) Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable, the group - including operational , technological, legal, social, environmental, political and reputational risk, or risk related to corruption - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.

b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.

c) Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, especially those of a financial or accounting nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistle-blower and the person reported.

d) Generally ensuring that internal control policies and systems are effectively applied in practice.

2. With regard to the external auditor:

a) In the event that the external auditor resigns, examining the circumstances leading to such resignation.

b) Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.

c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.

d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.

e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditors' independence.

Complies X Complies partially ☐ Explain ☐

43. That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appear without the presence of any other member of management.

Complies X Complies partially ☐ Explain ☐

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies X Complies partially ☐ Explain ☐ Not applicable ☐

45. That the risk management and control policy identify or determine, as a minimum:

a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.

b) A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.

c) The level of risk that the company considers to be acceptable.

d) Measures in place to mitigate the impact of the risks identified in the event that they should materialised.

e) **Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.**

Complies X Complies partially ☐ Explain ☐

46. **That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal risk control and management function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:**

a) **Ensuring the proper functioning of the risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.**

b) **Actively participating in drawing up the risk strategy and in important decisions regarding risk management.**

c) **Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.**

Complies X Complies partially ☐ Explain ☐

47. **That in designating the members of the Nominations and Remunerations Committee – or of the Nominations Committee and the Remunerations Committee if they are separate – care be taken to ensure that they have the knowledge, aptitudes and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.**

Complies X Complies partially ☐ Explain ☐

48. **That large-cap companies have separate Nominations and Remunerations Committees.**

Complies ☐ Explain X Not applicable ☐

It is not considered necessary at this time to have a separate Nominations Committee and a separate Remunerations Committee, since the current Nominations, Remunerations and Sustainability Committee is capable of analysing both aspects in a unified manner. Also, the size of Cellnex's Board of Directors, which is smaller than that of other listed companies with similar capitalisation, makes it advisable not to duplicate the presence of directors on mandatory committees, thus maintaining the concentration in the Nominations, Remunerations and Sustainability Committee.

49. **That the Nominations Committee consult with the Chair of the Board of Directors and the Chief Executive of the company, especially in relation to matters concerning executive directors.**

    And that any director be able to ask the Nominations Committee to consider potential candidates that he or she considers suitable to fill a vacancy on the Board of Directors.

Complies X Complies partially ☐ Explain ☐

50. **That the remuneration committee exercise its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:**

a) **Proposing the basic conditions of employment for senior management to the Board of Directors.**

b) **Verifying compliance with the company's remuneration policy.**

c) Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.

d) Making sure that potential conflicts of interest do not undermine the independence of external advice given to the committee.

e) Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.

Complies X Complies partially ☐ Explain ☐

51. That the remunerations committee should consult with the Chair and the chief executive of the company, especially on matters relating to executive directors and senior management.

Complies X Complies partially ☐ Explain ☐

52. That the rules regarding the composition and workings of the supervision and control committees should appear in the regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:

a) That they be composed exclusively of non-executive directors, with a majority of independent directors.

b) That their Chairs be independent directors.

c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.

d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.

e) That their meetings be recorded and their minutes be made available to all directors.

Complies X Complies partially ☐ Explain ☐

53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the Nominations Committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee as the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.

Complies X Complies partially ☐ Explain ☐

54. The minimum functions referred to in the foregoing recommendation are the following:

a) Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.

b) Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.

c) The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.

d) Supervision of the company's environmental and social practices to ensure that they are in alignment with the established strategy and policy.

e) Supervision and evaluation of the way in which relations with the various stakeholders are handled.

Complies X Complies partially ☐ Explain ☐

55. That environmental and social sustainability policies identify and include at least the following:

a) The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct

b) Means or systems for monitoring compliance with these policies, their associated risks, and management.

c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.

d) Channels of communication, participation and dialogue with stakeholders.

e) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies X Complies partially ☐ Explain ☐

56. That directors' remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.

Complies X Explain ☐

57. That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other provident schemes.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

Complies X Complies partially □ Explain □

58. **That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that such remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.**

And, in particular, that variable remuneration components:

a) **Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk incurred to achieve a given result.**

b) **Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.**

c) **Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, such that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.**

Complies X Complies partially □ Explain □ Not applicable □

59. **That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.**

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Complies X Complies partially □ Explain □ Not applicable □

60. **That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results.**

Complies X Complies partially □ Explain □ Not applicable □

61. **That a material portion of the executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.**

Complies X Complies partially □ Explain □ Not applicable □

62. That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The forgoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the Nominations and Remunerations Committee, to deal with such extraordinary situations as may arise and so require.

Complies X Complies partially ☐ Explain ☐ Not applicable ☐

63. That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

Complies X Complies partially ☐ Explain ☐ Not applicable ☐

64. That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Complies X Complies partially ☐ Explain ☐ Not applicable ☐

H FURTHER INFORMATION OF INTEREST

1. If there is any significant aspect regarding corporate governance in the company or other companies in the group that has not been included in other sections of this report, but which it is necessary to include in order to provide a more comprehensive and reasoned picture of the structure and governance practices in the company or its group, describe them briefly below.

2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not repetitive.

   Specifically, indicate whether the company is subject to any corporate governance legislation other than that of Spain and, if so, include any information required under this legislation that differs from the data required in this report.

3. The company may also indicate whether it has voluntarily subscribed to other ethical or best practice codes, whether international, sector-based, or other. In such case, name the code in question and the date on which the company subscribed to it. Specific mention must be made as to whether the company adheres to the Code of Good Tax Practices of 20 July 2010.

Cellnex has adhered in 2020 to the Spanish Tax Agency's Code of Good Tax Practices. This Code contains recommendations voluntarily assumed by companies, aimed at improving the application of the Spanish tax system by increasing legal certainty, reciprocal cooperation based on good faith and legitimate trust between the Spanish Tax Agency and the companies themselves, and the application of responsible tax policies in companies with the knowledge of the Board of Directors.

Cellnex's participation in Sustainability Indexes and initiatives

Dow Jones Sustainability Index

The Dow Jones Sustainability Indices (DJSI) are a family of best-in-class benchmarks for investors who have recognized that sustainable business practices are critical to generating long-term shareholder value and who wish to reflect their sustainability convictions in their investment portfolios. Created jointly by S&P Dow Jones Indices and SAM, the DJSI combine the experience of an established index provider with the expertise of a specialist in Sustainable Investing to select the most sustainable companies from across 61 industries. The score ranges from 0 to 100, where 100 is the best score that can be obtained.

Cellnex participates annually in the DJSI index as a guest company. In 2021, S&P recognized Cellnex's progress in terms of sustainability, including the Company as a member of the Sustainability Yearbook.

In recent years Cellnex Group has increased its score consecutively, reaching an overall score of 73 points in **2021 (+7 compared to 2020, +13 compared to 2019, +**16 compared to 2018). This result has allowed Cellnex to **remain above the sector average by 31 points (+7 than in 2020).**

In **2021 Cellnex Group has improved in the Environmental dimension, with a score of 83 (+4 than in 2020), and** Economic, with a score of **75 (+15 than in 2020), while it has worsened in the Social Dimension, with a score of** 64 (-3 than in 2020).

FTSE4GOOD

The FTSE4Good index series is designed to measure the compliance of companies that demonstrate a high level of competence in their environmental, social and governance practices. They are used by many financial market players in the creation and evaluation of so-called responsible investment funds and other products that integrate environmental, social and governance factors into their investment decisions.

The indices identify companies that best manage the risks associated with these factors and are used for tracking index funds, for structured financial products and as a benchmark. They are also the benchmark for comparisons between investments.

ESG ratings, which represent entry into and ratification in the FTSE4Good indices, are used by investors who wish to incorporate environmental, social and corporate governance factors into their investment selection processes. They are also used as a framework for assessing corporate commitment and rating corporate governance.

In terms of the overall ESG rating, Cellnex obtained a score of 4.4 in 2021, an improvement of 0.2 points compared to 2020. It should be noted that although the average score of the industry and subsector in the Environment and Social dimension has increased, Cellnex has increased the positive difference with them in these two dimensions.

Cellnex has remained stable in Governance (5 out of 5 points) and has improved its score **in the social (+0.3 points than in 2020) and environmental (+0.3 points than in 2020) dimensions, which has contributed to the increase in the overall score (+0.2 points than in 2020).**

CDP

The CDP is a global gold standard for measuring and rating corporate transparency in environmental and sustainability matters. CDP's annual environmental disclosure and scoring process is widely recognised as the gold standard of corporate environmental transparency, where the organisation prepares the rankings based on the information submitted by the companies.

CDP uses a thorough and independent methodology to assess these companies, assigning 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 2021, Cellnex has obtained an A for the third consecutive year, which means that it continues to be a Leadership Brand. The score obtained continues to be above the sector average and is among the 38% of companies that achieved the Leadership level in the Activity Group.

In 2021, Cellnex improved its score in "Objectives" (from C to A) and "Energy" (from B- to B). However, the scores obtained in "Opportunity Disclosure" and "Business Strategy and Financial Planning" have slightly worsened (from A to A-). It is worth noting that Cellnex's score categories are always above (or equal to) the industry average.

Cellnex also received an "A-" in the CDP Supplier Engagement Rating. This is higher than the European average, which is B-, and the Marketing, Wholesale, Distribution, Rental and Leasing industry average, which is B-.

Sustainalytics

Sustainalytics is an environmental, social and corporate governance (ESG) research and rating company for investors worldwide that measures a company's ESG risk, understood as the degree to which a company's economic value is at risk due to ESG factors, i.e. the magnitude of a company's unmanaged ESG risks. The rating ranges from 0 to 100, where the higher the score, the higher the risk. 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 2021 Cellnex has once again made a qualitative leap in the Sustainalytics assessment, as it has once again moved up a category in terms of "Market capitalisation" from 12-15 million dollars to 27.8-30.3 million dollars, as well as consolidating its position as a low ESG risk company. This has placed the company in eighth place in the Global Telecommunications Ranking.

Cellnex has improved its ESG Risk Rating in all relevant categories by at least 7 points, except for the Human Rights-Supply Chain category, which has remained virtually unchanged. It should be noted that 5 of the categories belong to the low risk classification, while the rest belong to the negligible classification.

In terms of ESG Risk Exposure, due to Cellnex's expansion and the increase in sites and nodes, the company has been considered slightly more **exposed to ESG Risks (+2.1), as it is responsible for securing the information of a** large number of customers.

MSCI ESG Rating

MSCI measures the intersection between a company's core business and the company's resilience to long-term ESG risks. For the rating, 35 key issues are selected annually for each industry and weighted according to MSCI's mapping framework on a scale of 0-10, the company's final score is adjusted based on 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 2012 Cellnex significantly improved its ESG Action Rating according to the MSCI index, increasing its score by 0.9 points and achieving A status for the first time. Cellnex has improved its score in all MSCI categories, except for carbon emissions (Environmental dimension) and Labour Management (Social dimension), where the score has remained the same. Of particular note is the 0.8 point increase in the Governance dimension, which represents 57% of the total score. Furthermore, in 2021, Cellnex's score is 0.4 points higher than the sector average.

Vigeo

The Vigeo indices are composed of listed companies and are ranked according to an assessment of their ESG performance. The ratings are weighted and measure the company's performance against a set of risks defined to monitor and evaluate corporate responsibility. The score ranges from 0 to 100, with 100 being the best score.

In 2021 Cellnex Group has increased its overall ESG score for the third consecutive year, reaching a score of 60 (an increase of 33% over last year). In addition, Cellnex is well above the sector average in all three dimensions: **+12 points in the Governance dimension, +17 points in the Social dimension and +11 points in the Environme**nt dimension. In terms of the transition to a low-carbon economy, Cellnex's carbon footprint is rated B (significant) and the energy transition score as Robust (58/100).

In terms of risk and opportunity management, it is worth noting the robustness with which Cellnex manages the following high-risk factors: Fundamental Human Rights, Board of Directors, Career Management and Health and Safety.

GRESB

The GRESB Public Disclosure Level is an overall measure of ESG disclosure by listed real estate companies, based on a selection of indicators aligned with the existing 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 first time since Cellnex has participated in this index, in 2021 the company is placed in the A category, with a score of 85 points. Cellnex has improved its score in all 5 themes, compared to the previous year. It should be noted that Cellnex has improved the ranking category in all disclosure topics (from C to B and from B to A), except in the topic "Sustainability Disclosure-Governance", which Cellnex maintains an A.

With the score obtained in 2021, and considering the Comparison Group (Europe/Data Infrastructure), Cellnex is positioned as the leading company in its peer group.

Bloomberg Gender-Equality index

Cellnex has been selected as one of 418 companies across 45 countries and regions to join the 2022 Bloomberg Gender-Equality Index (GEI), a modified market capitalization-weighted index that aims to track the performance of public companies committed to transparency in gender-data reporting.

This reference index measures gender equality across five pillars: female leadership & talent pipeline, equal pay & gender pay parity, inclusive culture, anti-sexual harassment policies, and pro-women brand.

The index recognizes 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 organization. Likewise, it has valued the efforts that the company has been making in recent years to continue advancing in equal pay & gender pay parity, female leadership and talent promotion, inter alia.

United Nations Global Compact

Cellnex has been a participant of the United Nations Global Compact since November 2015, as an expression of its commitment to including the concept of corporate social responsibility into its operational strategy and organisational culture. Each year, the company publishes its COP (Communication of Progress) on the official Global Compact website.

Social Contribution

One of the strategic pillars of Cellnex's ESG Master Plan is "Being a facilitator of social progress". To this end, a series of actions to be carried out between 2021 and 2025 have defined within the Plan. These actions aim to increase Cellnex's social contribution to society by financing or co-financing activities and programs, as well as carrying out corporate volunteering programs, and the development of different educational, social and cultural projects. All of them related to the challenges of the digital world in which technology is the backbone, as well as creating an open virtual space to share these projects with society.

Cellnex's Covid-19 Relief Initiative

As a result of the global crisis generated by the COVID-19 pandemic, Cellnex has developed the "Cellnex's Covid-19 Relief Initiative". 10 million fund to support national and international organisations and projects to help minimise the health, economic and social impact of the crisis.

Half of the 10 million euro fund is intended to finance research carried out by a European consortium of hospitals led by the Clinic-IDIBAPS and the Banc de Sang i Teixits, with the participation of the IISGM-Hospital Universitario Gregorio Marañón, the IRST-IRCCS in Meldola, the INSERM-U1183 in Montpellier and the IRCCS-Hospital San Raffaele in Milan.

One of the keys to tackling COVID-19 is to have a thorough understanding of the immune status of the population against the SARS-CoV-2 virus and the specific role of this immunity, i.e. the type of immunity and how long it is maintained. The aim of the project is therefore to measure the cellular responsiveness of the immune system to 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 is allocated to social action projects with non-governmental organisations in the different countries in which Cellnex is present to help people and groups in vulnerable situations, to support with funds the purchase of protective material for health personnel and to provide resources to the most vulnerable groups.

Communications Access

Quality education and digitization

As explained throughout chapter "3. Commitment to our employees", for Cellnex the training, the possibilities of professional development, empowerment, involvement, etc. are maxims that are very present in the dynamics of the company. But the company also carries out numerous activities outside its centres and groups of employees, in constant contact with a society whose digitization and modernization is a key part of its social objective. An example of this is Cellnex's participation in the Enterprise Challenges, as well as its collaboration with various foundations, for instance ESADE Foundation, BEST Foundation or IESE.

Other Social Initiatives

During 2021 Cellnex has developed several social initiatives, some of these were:

Magic Line Sant Joan de Déu: The Magic Line is a solidarity mobilisation at Sant Joan de Déu in favour of the most vulnerable people. The 2021 Magic Line had the slogan "More than ever", where all the resources would be allocated to social projects for people suffering the consequences of the COVID pandemic throughout Spain. Cellnex Volunteers encouraged Cellnex employees to participate in a family solidarity activity on 13 June 2021. Hunger does not go away on holidays: While thousands of citizens are preparing 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 does not go away on holiday". In 2021, Cellnex continued for the second year with this online solidarity initiative due to the challenges that the pandemic continues to cause and the exceptional current context. As part of the initiatives of the Cellnex Foundation Volunteer Programme, some online donation campaigns were proposed to organisations dedicated to helping those who need it most.

La Palma needs our help: In 2021 La Palma (Canary Islands) was in constant agony due to the eruption of the Cumbre Vieja volcano on 19 September, wiping out more than 1000 houses and leaving many, many people homeless. Cellnex has a staffed office on La Palma in one of the devastated areas. Therefore, as an internal initiative of some of our colleagues in the Canary Islands and thanks to the Cellnex Foundation volunteers, we offered the possibility of making an online donation to one of the organisations that are working and helping those affected.

El Gran Recapte: Once again this year, Cellnex participated in the Gran Recapte event.

Teaming: This initiative has been running for more than 8 years and consists of a monthly contribution of 1 euro through the payroll. The contributions collected are used to help finance social initiatives and organisations. The participants in the Teaming initiative themselves are responsible for proposing and voting on which social actions are to be financed each year.

Cellnex Foundation

The creation of the Cellnex Foundation is Cellnex's response to boost its social commitment and provide differential value through actions based on technological connectivity solutions, aligned with the company's business model. The Foundation has been conceived as a dynamic tool at the service of people to achieve the transformation of individual and collective realities in situations of vulnerability, as well as contributing to the improvement of the environment.

Bringing people at risk of exclusion closer to technology by promoting effective connectivity, favouring the improvement of connections in territories and spaces of singular heritage or historical relevance, and promoting positive solutions for the environment are the main fields of action of the Foundation.

The actions developed by the Cellnex Foundation are focused on responding to the challenges and problems detected in the Cellnex environment: Digital, territorial and social gaps.

Foundation's own programmes

The strategy for implementing the Foundation's own programmes is based on the Foundation's Connectivity Master Plan, which defines the lines of dynamization by rural area in order to achieve the defined impact on the territory.

In this sense, as its first project, the Foundation is working on the revitalisation of the textile colonies in the area of Puig-Reig (Berguedà, Barcelona, Spain). The objectives of the Textile Colonies pilot programme are to promote economic activity and innovation in the municipality, as well as the revitalisation of the industrial colonies located there.

Joint programmes

In 2021, the Cellnex Foundation launched its first acceleration programme for social impact start-ups: the Cellnex Bridge.

The Cellnex Bridge Accelerator was created with the aim of holistically accompanying start-ups with a high social impact through technology and connectivity to work on the purpose of the Cellnex Foundation.

In November 2021 the three start-ups selected in the first Cellnex Bridge programme were announced: Voluta.coop, Nixi for Children and eAgora.

Corporate volunteering

The Cellnex Foundation is creating a portfolio of activities of great social value for employees in all the countries where Cellnex is present.

Corporate volunteering is developed based on Cellnex' s know-how in the areas of education, training and mentoring, employability and access to technology.

In the area of Education, training and mentoring, a corporate volunteering programme called Youth Challenge has been designed. This is an education programme for young people in vulnerable situations in order to facilitate their insertion in the labour market.

During the 2020-2021 academic year, the programme was developed in Spain and Italy. For the academic year 2021-2022 the programme has also been extended to France and Portugal.

Volunteer Day

In December 2021, took place the 1rst volunteer day in Cellnex. All employees were invited to have the opportunity to collaborate and participate in different activities where volunteering was the fundamental pillar and the environment and sustainability the main theme.

Reform of Internal Corporate Governance Rules

At the beginning of 2021, Cellnex carried out an in-depth review of its internal regulations in order to focus on a strong Corporate Governance system, in line with the Company's significant growth. For this purpose, it has taken into account the different regulatory or normative initiatives, as well as the adoption of best practices in Corporate Governance, through its internal regulations: the Company's Bylaws, the Regulations of the General Shareholders' Meeting, the Board of Directors Regulations, the Internal Code of Conduct, as well as the related Corporate Policies/Codes.

The main changes relate to the following:

- Composition of the Board and Committees:

The Company has incorporated into its internal regulations express reference to age diversity, to the need for at least half of the directors to be independent (although de facto it was already complying with this recommendation), as well as the need for the number of female directors to account for at least 40% of the members of the Board of Directors before the end of 2022. Likewise, in line with the provisions of the Good Governance Code, the Company has included in its Equity, Diversity and Inclusion Policy a reference to the fact that measures that encourage the Company to have a significant number of female senior managers are considered to favour gender diversity. On the other hand, the Company has adapted its internal regulations to reflect that currently the directors of listed companies must necessarily be natural persons.

The functions of the Board Committees have been revised to ensure that they cover all the matters established in the Good Governance Code of Listed Companies, with more emphasis on risk management in the case of the Audit and Control Committee, which has been renamed the Audit and Risk Management Committee, and more emphasis on ESG and the evaluation and periodic review of corporate governance rules in the case of the Nominations and Remunerations Committee, which has been renamed the Nominations, Remunerations and Sustainability Committee.

Finally, it has been stated that the Chairs of the Committees shall be replaced every 4 years (until now this provision was only included, by legal requirement, with respect to the Audit and Risk Management Committee).

- General Shareholders' Meeting by electronic means. Board of Directors' meeting by electronic means.

Both the Bylaws and the Regulations of the General Shareholders' Meeting provide for shareholders to be able to attend the General Shareholders' Meeting by electronic means. It has also been included that, in exceptional cases (as has occurred with COVID-19), and whenever legally possible, the General Meeting may be held exclusively by electronic means.

- Information to the Board of Directors

The advance notice with which the directors must receive the necessary information for the deliberation and adoption of resolutions on the matters to be dealt with has been extended to 72 hours.

- Quarterly information

In addition to some changes to adapt the Internal Code of Conduct to the latest regulatory changes, the obligation to publish quarterly information has been eliminated.

- Related persons:

Law 5/2021, of 12 April amends the definition of related parties contained in the Spanish Companies Law, specifying that a director is considered to have a significant holding in a company when he/she holds a stake of more than 10%. The Board of Directors Regulations have been amended to include a reference to the applicable legislation.

- Bylaws

Finally, the Company's Bylaws have been completely revised in order to simplify them, eliminating aspects that were already regulated in the Regulations of the General Shareholders' Meeting or in the Board of Directors' Regulations or in the Spanish Companies Law itself.

On the other hand, it has been clarified that the corporate purpose includes the activities of a holding company (holding of shares) and it has been stated that the approval of the minutes of the Board of Directors may be carried out in any of the following ways: (i) at the end of the meeting (either in whole or in part), (ii) at the following meeting, (iii) approval by all directors after sending the draft minutes, (iv) approval by the Chair and another designated director.

The General Shareholders' Meeting held on 29 March 2021 approved the proposals of the Board of Directors of Cellnex to amend the Bylaws and the Regulations of the General Shareholders' Meeting. Likewise, the Meeting was informed of the modification of the Company's Board of Directors Regulations.

During 2021, internal regulations have also been created or adapted, such as the Policy on the composition of the Board of Directors, the Environmental, Social and Governance (ESG) Policy, the Policy on the communication of financial, non-financial and corporate information and contacts with shareholders, institutional investors and proxy advisors, the Equity, Diversity and Inclusion Policy, the Environment and Climate Change Policy, the Occupational Health and Safety Policy, the Ethics and Compliance Committee Regulations, the Tax Compliance Committee, the Tax Policy, the Treasury Stock Policy or the Board of Directors Competence Matrix.

EXPLANATORY NOTE TO SECTION C.2.1. AUDIT AND RISK MANAGEMENT COMMITTEE

a) Responsibilities

The rules of organization and operation of the Committee are described in the applicable legislation, the Company's By-laws and in the Company's Board of Directors Regulations and, without prejudice to the other tasks assigned to the Committee by the applicable legislation, the Board of Directors or the regulations governing the auditing of accounts, the Committee will have at least the following responsibilities:

a) To inform the General Shareholders' Meeting on questions that may arise regarding its competences, and in particular, on the result of the audit, explaining how it has contributed to the integrity of the financial and non-financial information and the role that the Committee has taken in this process.

b) To propose to the Board of Directors, for submission to the General Shareholders' Meeting, proposals for the selection, appointment, re-election and replacement of the statutory auditors or audit firms, taking responsibility for the selection process, the conditions of employment, the scope of professional mandate and, where appropriate, the revocation or non-renewal, all in accordance with the applicable regulations, as well as to regularly collect from the aforesaid information on the audit plan and the implementation thereof, and to maintain their independence in the exercise of their duties.

c) To monitor and evaluate the process of preparation and presentation of financial and non-financial information as well as the control and management systems of financial and non-financial risks related to the Company and, where appropriate, the group, including operational, technological, legal, social, environmental, political and reputational or related to corruption, reviewing compliance with regulatory requirements, the adequate delimitation of the consolidation perimeter and the correct application of accounting criteria.

d) To establish the appropriate relations with the statutory auditors or external audit firms to receive information on issues which may threaten their independence, to be analyzed by the Committee, and any other issues related to the process of account auditing, and where appropriate, the authorization of services other than those prohibited in the terms contemplated in the applicable regulations, in relation to the independence regime as well as any other requirements set out in legislation and regulations on the auditing of accounts. In all cases, an annual statement must be received from the statutory auditors or audit firms, regarding their independence with regards to their relationship with the entity or directly or indirectly related entities, in addition to detailed information on an individual basis about any type of additional services provided and the corresponding payments received from these entities by the external auditors or audit firms or by persons or entities related to them, pursuant to the regulations on auditing activities.

e) In the event of the resignation of the external auditor, to examine the circumstances that gave rise to it.

f) To ensure that the remuneration of the external auditor does not compromise its quality or independence.

g) Ensure that the Company communicates the change of external auditor through the Spanish Securities Market Commission, accompanied by a statement of any disagreements arising with the existing auditor and the reasons of the same.

h) Ensure that the external auditor has a yearly meeting with the Board of Directors in full to inform about the work undertaken and developments in the Company's risk and accounting positions.

i) To ensure that the Company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other regulations concerning auditor independence.

j) To issue, on an annual basis, prior to the issuance of the Audit Report, a report containing an opinion regarding whether the independence of the statutory auditors or audit firms has been compromised. This report must contain, in all cases, a reasoned evaluation of the provision of each and every additional service referenced in the previous paragraph, considering each service individually and jointly, other than the legal audit, and in relation to the independence regime or the regulations governing audit activities.

k) To inform the Board of Directors in advance on all matters provided for by the Law, the Corporate Bylaws and in these Regulations and, in particular, regarding the financial information that the Company must publish periodically, on the creation or acquisition of shares in special purpose entities or that are registered in countries or territories considered tax havens and on transactions with related parties.

l) To provide information in relation to situations and transactions that involve or could involve situations of conflicts of interest, and in general, on the matters contemplated in Chapter IX of these Regulations, as well as periodically review situations of potential conflicts of interest.

m) To monitor the independence of the unit handling the internal audit function; propose the selection, appointment and removal of the head of the internal audit service; propose the service's budget; approve or make a proposal for approval to the Board of Directors of the priorities and annual work program of the internal audit unit, ensuring that it focuses primarily on the main risks the company is exposed to; receive regular information on its activities; and verify that senior management are acting upon the conclusions and recommendations of its reports.

n) To monitor the effectiveness of the Company's internal control, , the internal audit, and the risk management systems, as well as discussing with the statutory auditors any significant weaknesses of the internal control system detected during the audit, without compromising their independence. For these purposes, and where appropriate, they may submit recommendations or proposals to the management body and the corresponding deadline for their monitoring.

o) To establish and supervise a mechanism that allows employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors to report, confidentially, irregularities of potential significance related to the Company, including especially financial and accounting irregularities, as well as those which may involve criminal responsibility for the Company.

p) To analyze and report to the Board of Directors on the economic conditions of the structural and corporate modification operations that the Company plans, and its accounting impact and, especially, where applicable, on the proposed exchange ratio.

The above responsibilities are stated by way of example, without prejudice to any others that may be conferred upon the Committee by the applicable legislation, the Board of Directors or which may be attributed thereto by the regulations governing the auditing of accounts.

b) Operation

The applicable legislation, the Company's By-laws and the Company's Board of Directors Regulations shall define the skills of the Committee and its scheme of organization and operation.

The members of the Committee will be appointed for a maximum term of four (4) years, may be re-elected, and will cease when they do so in their capacity as directors or when so agreed by the Board of Directors, following a report from the Nominations, Remunerations and Sustainability Committee. The Board of Directors will likewise determine who will hold the position of Chair from among the independent directors, who will be substituted every four (4) years, being able to be re-elected once a period of one (1) year has elapsed since his/her cessation. The Committee itself will appoint a Secretary and may also appoint a Vice Secretary, neither needing to be members thereof. The Committee will meet as many times as necessary for the execution of its functions and will be convened by its Chair, either on his/her own initiative or at the request of the Chair of the Board of Directors or of two Committee members.

The Committee will be validly constituted when the majority of its members attend the meeting, either present or represented. The resolutions will be adopted by a majority of the members in attendance, present or represented.

Any member of the Company's management team or of the Company's personnel who is required to do so, will be obliged to attend the Committee's sessions and to collaborate and provide access to the information in his/her possession. The Committee can also request that the Company's external auditor or external auditing company attend its sessions.

Activities

During 2021, the Committee held nine meetings and carried out the activities listed below. The Committee has been fully updated by the management team on the topics of its competence (during the formal meetings, by means of other informal meetings or by correspondence and conference calls) and has been provided with the relevant supporting documentation.

a) Review of financial information

- <u>2020 financial statements</u>:

  - On 24 February 2021, the Committee supervised and evaluated the preparation process and the integrity of the financial and non-financial information 2020, the 2020 Consolidated Financial Statements and the 2020 Integrated Annual Report, including the external Auditors' Report, with the finance team and the external auditors who presented the main aspects and their conclusions. The Committee provided a favourable recommendation to the Board of Directors to approve (i) the 2020 Integrated Annual Report and the 2020 Financial Statements (including the Management Report and the Annual Corporate Governance Report) and (ii) the application of the 2020 results.

- <u>2021 financial statements and 2022 budget</u>:

  - On 5 May 2021, the Committee reviewed the financial results for the first quarter of the year,. This information was discussed with the members of the management team responsible for their preparation who presented the main aspects and their conclusions. The Committee unanimously agreed to provide a favourable recommendation to the Board of Directors to approve the first quarter results.

  - On 27 July 2021, the Committee reviewed the half-yearly financial statements and the relevant external Auditors' Report. This information was discussed with the members of the management team responsible for their preparation and with the external auditors who presented the main aspects and their conclusions. The Committee unanimously agreed to provide a favourable recommendation to the Board of Directors to approve these interim financial statements that have been audited.

  - On 22 September 2021, the Committee reviewed the August 2021 results and a first draft of the 2022 budget with the finance team who presented the main aspects and its conclusions.

  - On 26 October 2021, the Committee reviewed the financial results for the third quarter of the year. This information was discussed with the members of the management team responsible for their preparation who presented the main aspects and their conclusions. The Committee unanimously agreed to provide a favourable recommendation to the Board of Directors to approve the third quarter results.

  - On 26 October 2021, the Committee reviewed the 2022 budget with the finance team who presented the main aspects and its conclusions. The Committee unanimously agreed to provide a favourable recommendation to the Board of Directors to approve the 2022 budget.

- On 26 October 2021, the finance team presented an update of the business plan 2021-2025 which was fully aligned with the 2025 guidance provided to the market.

- On 26 October 2021, the Committee agreed to provide a favourable recommendation to the Board of Directors to approve a cash contribution to be paid to the shareholders against the share premium reserve for an amount of €20.4Mn. in accordance with the Company's Shareholder Remuneration Policy.

b) **External auditors**

- On 24 February 2021, the external auditors attended the Committee to review the 2020 Consolidated Financial Statements (including the Management Report and the Annual Corporate Governance Report) and the 2020 Integrated Annual Report, including the external Auditors' Report, and presented the main aspects and their conclusions.

- On 27 July 2021, the external auditors attended the Committee to present the report of the 2021 half-yearly financial statements.

- On 26 October 2021, the external auditors attended the Committee to present the external audit plan, focusing on the scope and audit team, planning and organization of the audit work and international coordination.

c) **Corporate Governance**

- On 24 February 2021, the Committee reviewed and unanimously approved the following reports for year 2020 in connection with the Annual Accounts, the Management Report and the Annual Corporate Governance Report, namely: (i) Auditor's Independence Report; (ii) the 2020 Report on the Functions and Activities of the Committee; (iii) the Report on Related Party Transactions; and (iv) SCIIF report on internal audit from an external audit.

- On 5 May, 7 June and 22 September 2021, the Committee recorded that the financial information published in the Company's and CNMV's websites had been updated and matched the financial information drawn up by the Board of Directors and disclosed to the market, in accordance with recommendation 43 of the CNMV's Technical Guide on Audit Committees.

- On 26 October 2021, the Committee reviewed the amendment of the Cellnex Internal Code of Conduct that was carried out as a result of the amendments introduced by Law 5/2021 and the statement issued by the CNMV indicating that for quarterly financial information it was no longer mandatory to open closed periods because of the recent changes in the Securities Market Law. However, the Company will analyse in each case if this quarterly financial information contains inside information and, if so, it will open a restricted period.

d) **Capital markets**

- On 15 January 2021, the finance team presented to the Committee the features of the US market and introduced the possibility of a USD bond issuance. The Committee requested a further explanation of the mechanics of the cross currency swap.

- On 24 February 2021, the finance team provided the Committee with an overview of the recent bond issuances, explained the mechanics of the cross currency swaps that synthetically convert USD issuances into EUR issuances and presented the analysis of the refinancing options for the 2022 bond.

- On 5 May 2021, the Committee discussed the renewal of the European Medium Term Note (EMTN) and the multi-currency European Commercial Paper (ECP). The finance team presented the main aspects and its conclusions. The Committee provided a favourable recommendation to the Board of Directors to approve (i) the renewal of the existing EMTN Programme by Cellnex Finance Company, S.A.U with the guarantee of Cellnex Telecom, S.A. for one year and the increase of its limit to €15,000 million (or the equivalent amount in other currencies); and (ii) the renewal of the existing ECP Programme by Cellnex Finance Company, S.A.U and guaranteed , if necessary or convenient, by Cellnex Telecom, S.A. for one year for an amount of €750 million (or the equivalent amount in other currencies) and the capacity to drawdown the full amount.

- On 7 June 2021, the Committee discussed the USD bond issuance proposal in order to diversify the sources of funding. The finance team presented the main aspects and its conclusions. The Committee provided a favourable recommendation to the Board of Directors to approve the issue and offering by Cellnex Finance Company, S.A.U. of senior unsecured notes, guaranteed by Cellnex Telecom, S.A. for a nominal amount of up to the equivalent in US$ of €500 million, together with the hedging agreement named Cross Currency Swap that will include a Cash Collateral Agreement.

- On 15 January, 24 February and 5 May, 2021, the Corporate Finance Director, together with the CFO, provided to the meeting a capital markets and financing update (including the liquidity and bond market assessment).

- On 22 September 2021, the finance team provided the Committee with an update on recent bond issuances and equity bond conversion and explained the FX exposure of the Group.

- On 26 October 2021, the finance team provided the Committee with an overview of treasury shares and reminded the commitments with shares that the Company had and the current authorisations in place. The finance team presented a new Treasury Shares Policy and proposed to implement discretionary management transactions to acquire up to 1% of the share capital. The Committee provided a favourable recommendation to the Board of Directors to approve the Cellnex Treasury Shares Policy and an in-house discretionary management of treasury shares transactions.

- On 15 December 2021, the Committee discussed the establishment of an ESG Financing Framework under which issuing bonds, as this feature was becoming more relevant in the market, in order to issue a multi-tranche USD bond with ESG features. The Committee provided a favourable recommendation to the Board of Directors to approve the issuance of a multi-tranche USD bond with ESG features for 5, 10 and 30 years for an amount of up to USD 2,000Mn on the terms agreed.

e) **Capital structure**

- On 15 January, 24 February, 22 September, 26 October and 15 December 2021, the Business Plan and Capital Structure Director, together with the CFO, attended the Committee to:

  - Provide an update on the current situation with rating agencies (including MSA and IFRS 16 updates) and the different aspects affecting the Company's credit rating;

  - Review the M&A projects pipeline and the Company's financial firepower to execute said pipeline; and

  - Provide a capital structure assessment, including financing considerations, details on the financial and debt structure of the Company and its group and strategic and key considerations and all the information necessary regarding the April Company's capital increase.

- On 15 January 2021, a Spanish law firm and external financial advisors attended the Committee to present their views and strategic and key considerations on the Company's April capital increase. They explained the strong rationale for the Company to pursue the rights issue on the terms described and provided a favourable recommendation to go ahead with such capital increase.

- On 5 May 2021, the finance team presented to the Committee an update after the execution of the Company's April capital increase focusing mainly on investors and market feedback and on relevant financial aspects.

f) **Tax**

- On 5 May 2021, the Global Tax Director presented to the Committee the total cash contribution of the Group in 2020, the tax audits update, the tax control framework and the campaign 2020 controls.

- On 27 July 2021, the Global Tax Director, together with the Global Head of International Tax, presented to the Committee an update of the achievement of the Company's tax policy. They explained that the Company's tax policy had been followed, achieving a successful fulfilment.

- On 27 July2021, the Global Tax Director, together with PwC presented to the Committee the option of creating a Tax Compliance Officer, which proposed structure consisted in: (i) an internal, specific and collegiate body, (ii) chaired by an independent third party and (iii) with direct reporting to the Audit and Risk Management Committee. This structure was among the best practices in the market. After due consideration, the Committee provided a favourable recommendation to the Board of Directors to approve: (i) the establishment of the Tax Compliance Committee, (ii) the appointment of the independent third party Chair of the Tax Compliance Committee, and (iii) the Regulations of the Tax Compliance Committee.

- On 27 July 2021, the Global Tax Director, provided an update to the Committee on the Tax Policies and Regulations, to align them to the new structure explained in the previous section. After due consideration, the Committee provided a favourable recommendation to the Board of Directors to approve: (i) the updated Tax Policy, (ii) the Tax Risk Management & Control Standard and, (iii) the Transfer Pricing Policy.

- On 27 July 2021, the Global Tax Director presented an update of the Tax Control Framework which needed to be redefined in order to be scalable to 12 countries. For these purposes the tax key processes and tax key controls had been redefined and the Company was ready to do the international roll out. He also presented an analysis done by *Fundación Compromiso y Trasparencia* related to the annual tax transparency ranking of the Ibex 35 companies, where Cellnex ranked in category 5.

- On 27 July 2021, the Global Head of International Tax presented to the Committee the analysis of Cellnex taxations vs. its peers and the tax cash measures in Italy.

- On 22 September 2021, the Global Tax Director, together with the Global Head of International Tax explained the tax cash evolution until 2030 and the main measures in which the Company was working.

- On 26 October 2021, the CFO of Cellnex Italy, together with PwC provided an overview of Big Merger II, the transaction by which Hutchison Italy would merge into Cellnex Italy (surviving entity).

- On 15 December 2021, the Global Tax Director together with the Chair of the Tax Compliance Committee presented to the Committee the Industrial Model proposal and explained the methodology for calculation the industrial fee, which was based on the value contributed to the companies. The Global Tax Director also presented the analysis of the Cellnex Finance Company one year later, concluding that there were economic-financial and organization reasons that motivated this financial structure.

- On 15 December 2021, the Global Tax Director together with the Chair of the Tax Compliance Committee provided an overview of the functioning and organization of the Tax Compliance Committee and reviewed the resolutions approved by the Committee, with particular reference to the Transparency Report. The Global Tax Director presented the amendments to the Tax Risk Control & Management Standard and the action plan for the deployment activities of the model in all the countries. The Committee provided a favourable recommendation to the Board of Directors to approve the submission of the Transparency Report to the Spanish Tax Authorities and the proposed amendments to the Tax and Risk Management & Control Standard.

g) Other information

- IFRS 16: the finance team has kept the Committee updated on the main aspects of this topic during all the year.

- 2025 guidance provided to the market: this has been a recurring topic on which the finance team has been updating the Committee throughout the year.

- Non-audit services: the Committee approved unanimously Deloitte's fees in relation to the Company's April capital increase. The scope of work undertaken as well as the details of the fees and the key justifications regarding the level of fees were explained to the Committee.

- Corporate matters:

    - Share capital increase by contribution in kind: On 24 February 2021, the Secretary of the Committee reminded that the UK perimeter of the transaction with Hutchison was to be paid partly in cash and partly in shares and in this regard the Company intended to do a capital increase by contribution in kind. The Committee provided a favourable recommendation to the Board of Directors to approve the issuance of the report on the share capital increase of the Company by way of contribution in kind and the submission to the Annual General Shareholders' Meeting of the approval of the share capital increase by way of contribution in kind.

    - Whistleblowing Channel: On 5 May 2021, the Committee discussed the composition of the Ethics and Compliance Committee in order to promote diversity of gender and nationality.

- Ethics and Compliance Committee: On 27 July 2021, the General Counsel – Legal Affairs Director provided a quick overview of the two documents that were proposed for approval, the Committee of Ethics and Compliance Regulations and the Rule Zero and presented the three new members whose appointment to the Ethics and Compliance Committee was being proposed. The Committee provided a favourable recommendation to the Board of Directors to approve the Ethics and Compliance Committee Regulation, the Cellnex Rule Zero Standard and the appointment of three new members of the Ethics and Compliance Committee in order to promote diversity of gender and nationality.

- Whistleblowing Channel: On 26 October 2021, the General Counsel – Legal Affairs Director explained that the Whistleblowing Channel had been amended to ensure not only confidentiality but also anonymity. The Committee discussed the need to have a third party as the recipient of the compliant deciding how to deal with it and directing it to the appropriate person within the Company to guarantee the anonymity.

- Whistleblowing Channel: On 15 December 2021, the General Counsel – Legal Affairs Director reported on the new composition of the Ethics and Compliance Committee and explained the new process to be carried out in the Whistleblowing Channel, in which a third party would be the recipient of the complaints.

• <u>Investor relations update</u>: On 24 February, 5 May, 27 July, 22 September, 26 October and 15 December 2021, the Investor Relations Director, together with the CFO, provided to the Committee an update on this topic, focusing mainly on the share price performance and the relation with investors and analysts.

h) Internal audit

• <u>Diagnosis of the internal audit function</u>: On 24 February 2021, the Committee discussed this topic. The Global Internal Audit and Risk Control Expert explained the key points of the report prepared together with an external advisor aimed at reinforcing the area. On 27 July and 26 October 2021, the Global Internal Audit and Risk Control Expert provided the Committee with an update on this topic.

• <u>Functions</u>: The main internal audit functions are:

  - Propose the annual internal audit plan to the Committee. The audits are based on reasonable and established criteria, especially in the risk level assessment and focusing on the main organizational activities, giving priority to those that are considered to be more exposed to risk, and those that are requested by the Committee and / or by the Senior Management and /or Managing Directors.

  - Perform the auditing activities as defined in the annual audit plan and report directly to the Committee on its execution.

  - Report to the Committee and Senior Management regarding the key recommendations in each company of the group, as well as to provide them with the action plan to be performed by such companies.

  - Report to the Managing Directors the key recommendations, as well as to provide them with the action plan to be performed.

  - Maintain an adequate coordination with the external auditors for the exchange of information regarding the audits carried out with the aim of minimizing duplication and in order to track the audits performed as well as any weaknesses in the internal control identified.

  - Propose budget for the service.

• <u>Activities</u>: The main activities carried out by internal audit and supervised by the Committee are:

  - <u>Audits</u>:

  - The performance of those audits included in the 2021 audit plan and of those audits not originally included in the audit plan but requested by the Committee and / or by the Senior Management and / or Managing Directors.

  - The monitoring of the recommendations and action plans proposed for the different audits. While carrying out its audit work, if internal audit detects that improvements can be made to the internal controls, it reports the main recommendations and the action plans defined by the area responsible that includes the implementation date of the action plan, with the aim of strengthening the existing control or implementing a new control.

- The review of the defined processes and controls related to financial reporting which are included in the annual internal audit plan.

- Audit Plan: Prepare the audit plan for the next year. On 22 September 2021, the Responsible of the unit presented its annual work plan, the Committee reviewed and unanimously approved the audit plan for 2022 based upon:

- Assessing the risk level and focusing on the main organization's activities, giving priority to those that are considered to be more exposed to risk, and those that are requested by the Committee and / or by the Senior Management and / or Managing Directors.

- Defining the activities to be reviewed, i.e., basic processes (sales, procurement, etc.), other processes (rentals, investments projects, etc.) or compliance (ICFR, others).

i) **Risk control**

This function is carried out by internal audit, which participates in the internal Global Risk Committee made up of different departments.

The activities carried out in this regard by internal audit and supervised by the Committee in 2021 were:

- The review of the risk maps (including likelihood and impact) at corporate level and by country, including France, Ireland, Italy, the Netherlands, Poland, Portugal, Spain, Switzerland and UK.

- The review of the action plans associated to the risks in these countries, focusing in the consolidated risks map.

In addition, on 5 May 2021, the Committee reviewed the Security Master Plan defined to detect the main security risks and the main activities carried out in 2020 and on 22 September 2021, the Global Commercial Director presented the methodology to assess the customer dependency risk and the three ways to reduce the customer concentration impact.

EXPLANATORY NOTE TO SECTION C.2.1 - NOMINATIONS, REMUNERATIONS AND SUSTAINABILITY COMMITTEE

a) Responsibilities

The rules of organization and operation of the Committee are described in the applicable legislation, the Company's By-laws and in the Company's Board of Directors Regulations and, without prejudice to the other tasks assigned to the Committee by the applicable legislation or by the Board of Directors, the Committee will have at least the following responsibilities:

a) To evaluate the skills, knowledge and experience necessary in the Board of Directors. To this end, it shall define the duties and skills required from candidates to fill each vacancy, and it shall evaluate the time and dedication required for them to effectively perform their duties.

b) To establish a target to increase the less represented gender on the Board of Directors and to prepare guidelines on how to attain said target.

c) To submit to the Board of Directors proposals for the appointment of independent directors for their appointment by co-optation or for their submission to the decision of the General Shareholders' Meeting, as well as proposals for the re-election or dismissal of the aforesaid directors by the General Shareholders' Meeting.

d) To report on proposals for the appointment of the other directors for their appointment by co-optation or for the submission to the decision of the General Shareholders' Meeting, as well as proposals for the re-election or dismissal of the aforesaid directors by the General Shareholders' Meeting.

e) To report to the Board of Directors proposals for the appointment and dismissal of senior management positions.

f) To report, in advance, on the appointment by the Board of Directors of the position of Chairperson and, where applicable, of one (1) or more Vice Chairpersons, as well as the appointments to the position of the Secretary and, where applicable, of one (1) or more Vice Secretaries. The same procedure shall be followed to agree on the dismissal of the Secretary and, where applicable, of each Vice Secretary.

g) To examine and organise the succession of the Chair of the Board of Directors and of the Company's CEO and, if appropriate, to submit proposals to the Board of Directors to ensure that such succession is conducted in an orderly and planned manner.

h) To propose to the Board of Directors the members that should be part of each of the Committees.

i) To coordinate the performance assessment of the Board of Directors and its Committees, and raise the results of the aforementioned assessment to the plenary session, together with a proposal for an action plan or with recommendations to correct any deficiencies detected.

j) To report to the Board of Directors on the non-financial information that the Company must disclose periodically.

k) To supervise compliance with the rules of corporate governance and internal codes of conduct.

l) To monitor the implementation of the general policy regarding the communication of economic, financial, non-financial, and corporate information, as well as communication and contacts with shareholders, investors, proxy advisors and other interest groups.

m) To evaluate and periodically review the corporate governance system and the environmental and social policy of the Company, in order to comply with their mission of promoting corporate interest and take into account, as appropriate, the legitimate interests of the remaining stakeholders.

n) To monitor that the Company's practices in environmental and social matters comply with the strategy and policies established.

o) To supervise and evaluate the relationship processes with the different stakeholders.

p) To review and report on the Annual Sustainability Report prior to its presentation to the Board of Directors.

q) To recommend the strategy regarding the contributions to the Cellnex Foundation and affect them in compliance with the Sustainability programs adopted by the Company.

r) To propose to the Board of Directors the remuneration policy for directors and senior management, or for those individuals who perform their senior management functions reporting directly to the Board of Directors, executive committees or CEOs, as well as the individual remuneration and other contractual conditions for executive directors.

s) To verify compliance with the remuneration policy established by the Company.

t) To review periodically the directors and senior managers remunerations policy including the remuneration systems with shares and their application, as well as guarantee that their individual remuneration is proportionate to that paid to other directors and senior managers of the Company.

u) To ensure that conflicts of interest do not affect the independence of the external advice provided to the Committee.

v) To verify the information on directors and senior managers remunerations contained in the various corporate documents, including the annual report on directors' remunerations and propose to the Board of Directors, for submission to a consultative vote at the General Shareholders' Meeting the preparation of the aforementioned annual report.

w) Any others related to matters within its competence and that are requested by the Board of Directors or by its Chair.

c) Operation

The applicable legislation, the Company's By-laws and the Company's Board of Directors Regulations shall define the skills of the Committee and its scheme of organization and operation.

The members of the Committee will be appointed for a maximum term of four (4) years, may be re-elected, and will cease when they do so in their capacity as directors or when so agreed by the Board of Directors, following a report from this Committee. The Board of Directors will likewise determine who will hold the position of Chair from among the independent directors, who will be substituted every four (4) years, being able to be re-elected once a period of one (1) year has elapsed since his/her cessation. The Committee itself will appoint a Secretary and may also appoint a Vice Secretary, neither needing to be members thereof.

The Committee shall meet every time the Board of Directors or its Chair requests a report be issued or proposals be adopted and, in any case, whenever it is deemed advisable for the proper execution of its duties. It will be convened by the Chair of the Committee, either on his/her own initiative or at the request of the Chair of the Board of Directors or of two members of the Committee.

The Committee will be validly constituted when the majority of its members attend the meeting, either present or represented. The resolutions will be adopted by a majority of the members in attendance, present or represented.

Any member of the management team or the Company's personnel who is required to do so, will be obliged to attend the Committee's sessions and to collaborate and provide access to the information in his/her possession.

Activities

During 2021, the Committee held fifteen meetings and carried out the activities listed below. The Committee has been fully updated by the management team on the topics of its competence (during the formal meetings, by means of other informal meetings or by correspondence and conference calls) and has been provided with the relevant supporting documentation.

a) Corporate Governance

- Succession process of the Chair of the Board of Directors and the Chairs of the Committees:
    - On 8 January 2021, the Committee launched the succession process to appoint a new Chair of the Board of Directors to be carried out by Korn Ferry.
    - On 19 January 2021, Korn Ferry presented to the Committee the results of the evaluations carried out. The Committee provided a favourable recommendation to the Board of Directors to appoint Mr. Bertrand Kan as Non-Executive Chair of the Board of Directors.
    - On 19 January 2021, the Committee launched the succession process to appoint the new Chairs of the Committees to be carried out by Korn Ferry.
    - On 24 February 2021, the Committee reviewed the results of the evaluations carried out by Korn Ferry on the appointment of the new Chairs of the Committees. The Committee provided a favourable recommendation to the Board of Directors to appoint Mr. Peter Shore as Chair of the Audit and Risk Management Committee and Ms. Marieta del Rivero as Chair of the Nominations, Remunerations and Sustainability Committee.
- On 19 January 2021, the Committee issued a report on the ratification and re-election of the appointment of the proprietary director Ms. Alexandra Reich for the purposes of her ratification and re-election by the General Meeting.
- On 19 January 2021, the Committee issued a report on the number of members of the Board of Directors to be submitted to the Board of Directors, which in turn would submit it to the General Shareholders' Meeting.
- On 19 January 2021, the calendar of meetings of the Nominations, Remunerations and Sustainability Committee for 2021was presented, with a proposed agenda for each meeting.
- On 11 February 2021,the Committee reviewed a first draft of the Annual Corporate Governance Report and the Annual Report on the Remunerations of Directors .
- On 19 January 2021, the Committee launched, in line with good governance best practices, the elaboration of a competences matrix of the Board of Directors. On 24 February, 18 March, 12 April and 3 May 2021 the Committee followed-up on the competences matrix of the Board of Directors, which was carried out internally. On 8 June 2021, the Committee reviewed the final conclusions of this exercise and it agreed to provide a favourable recommendation to the Board of Directors to approve the competences matrix and to prepare an action plan with the training sessions and workshops in accordance with the competences matrix conclusions.
- On 11 February 2021, the Corporate and Public Affairs Director presented to the Committee a first draft of the Annual Integrated Report.
- On 11 February 2021, the Global Resources Director presented to the Committee the proposal regarding the Remunerations Policy of Directors 2021-2023 to align it with the Good Governance Code recommendations, the strategy of the Company and the peer group companies. The maximum global amount of the directors' remuneration and the annual fixed and long term variable remuneration of the CEO were also modified.

- On 11 February 2021, the Committee reviewed the Company's internal regulations: the Corporate Bylaws, the Board of Directors' Regulations, the Regulations of the General Shareholders' Meeting and the Internal Code of Conduct, as well as the Policy on the Composition of the Board of Directors, the ESG Policy, the Policy on the communication of financial, non-financial and corporate information and contacts with shareholders, institutional investors and proxy advisors and the Equity, Diversity and Inclusion Policy to adapt them to the amended Good Governance Code reviewed by the CNMV in 2020 and to the recent legislative changes and upcoming transposition of the Shareholders' Directive. The Committee provided a favourable recommendation to the Board of Directors to approve all these documents.

- On 11 February 2021, the Committee reviewed the main conclusions of the external evaluation on the functioning of the Board and its Committees for 2020 together with the proposed action plan for 2021 to correct the deficiencies detected.

- On 24 February 2021, the Committee reviewed and approved the Report on the functioning and activities of the Nominations, Remunerations and Sustainability Committee for 2020.

- On 24 February 2021, the Committee provided a favourable recommendation to the Board of Directors to approve the Integrated Annual Report, the Annual Corporate Governance Report, the Annual Report on Remunerations of Directors and the Remunerations Policy of Directors. The Committee issued a Report on the Remunerations Policy of Directors.

- On 18 March 2021, the Committee reviewed the Environmental and Climate Change Policy, the Occupational Health and Safety Policy, the Global Quality Policy and an amendment made to the ESG Policy. The Committee provided a favourable recommendation to the Board of Directors to approve these policies.

- On 15 July 2021, the Committee agreed to propose to the Board of Directors to appoint by co-option Ms. Kate Holgate as new independent Board member and as new member of the Audit and Risk Management Committee. On 21 July 2021, the Committee issued the corresponding reasoned proposal on the appointment of the independent director Ms. Kate Holgate, for the purposes of her appointment by co-option as Board member and as member of the Audit and Risk Management Committee.

- On 13 October 2021, the Secretary of the Committee presented the amended version of the Internal Code of Conduct as a result of the recent amendment of the Spanish Securities Market Law, which eliminated the requirement that Spanish listed companies had to publish their quarterly financial reports. In addition it was also proposed to amend the Internal Code of Conduct to align it to article 19.11 of the MAR, which states that during closed periods only persons with Managerial Responsibilities were affected by the prohibition to trade with Cellnex's shares. The Committee agreed to recommend to the Board of Directors the amendment of the Internal Code of Conduct in order to (i) eliminate Closed Periods for the publication of quarterly information and (ii) establish the prohibition to trade during Closed Periods only for Persons with Managerial Responsibilities, according with the provisions stated in the MAR.

- On 13 October 2021, the Committee launched the Board of Directors Self-assessment 2021 (which this year was done internally). On 15 December 2021, the Vice Secretary of the Board of Directors presented the results of the Self-assessment of the functioning of the Board and its Committees during 2021 and the Action Plan 2021. The Committee also reviewed the proposed Action Plan 2022 and agreed to recommend to the Board of Directors the acknowledgment of the Board of Directors Annual Assessment Report 2021 and to approve the Action Plan 2022 to correct the areas of improvement.

b) Succession Plan

- On 19 January 2021, the Committee reviewed the report carried out by Korn Ferry on the executive development and succession plan, which included the main highlights and recommendations regarding the Senior Management and an aggregated view of the projected timing of succession needs. The Committee also reviewed each position on a case-by-case basis.

- On 24 February 2021, the Committee followed-up on the executive development and succession plan. The Committee reviewed the succession plan and the contingency plan for the Deputy CEO and his potential internal successors and also discussed the possibility of transversal career movements of the Senior Management and one level down. The Committee members also asked Korn Ferry to circulate the analysis performed on the contingency plan of the potential external candidates to replace the CEO.

- On 18 March 2021, the Committee reviewed the succession plan of the Country Managing Directors.

- On 15 July 2021, the Committee reviewed the progress on the Executive Development Program and the status in the different countries. The Global People Director also presented the Deputy CEO contingency plan, the potential successors and the organizational adjustments for each of the candidates, as well as the succession plan for each Country Managing Director.

- On 15 December 2021, the Committee reviewed the Executive Development Program, covering those actions that were structural, those related to talent development and the key focus areas. The Committee also reviewed the succession plan for the Deputy CEO and the Senior Management.

c) **Remuneration-related activities**

- On 11 February 2021, the Committee analysed the degree of achievement of the quantitative and qualitative CEO's MBO targets for 2020.

- On 24 February 2021, the Committee agreed to submit to the Board of Directors the final assessment of the achievement of the targets set for the LTIP 2018-2020 .

- On 24 February 2021, the Committee agreed to submit to the Board of Directors the LTIP 2021-2023 contract model.

- On 24 February 2021, the Committee agreed to submit to the Board of Directors the CEO's MBO targets for 2021.

- On 15 July 2021, the Global Resources Director presented the envisaged process to review the remuneration of the Board members and the Senior Management. The Committee agreed to engage Willis Towers Watson as external advisor to assist the Committee during this exercise. The Committee also considered the possibility of preparing the Annual Report on the Remunerations of Directors in a free format to improve transparency.

- On 8 September 2021, the Committee reviewed the Remunerations Policy of the Directors approved by the 2021 General Shareholders' Meeting from a corporate governance perspective. The initial situation was analysed and the most recent market trends were reviewed.

- On 13 October 2021, the Committee reviewed the benchmarking strategy and Willis Towers Watson presented the two peer groups selection criteria, which main novelty was to include European high growth companies (in the same high growth stage as the Company), in addition to the companies in the same industry that have traditionally been included in the peer group basket. The Committee agreed to approve the primary peer group (industry-based), the secondary peer group (high growth European companies) and the peer group to review pay practices (the qualitative analysis) proposed by Willis Towers.

- On 9 November 2021, the Committee reviewed the benchmarking of Non-Executive Directors' remuneration, the benchmarking of the qualitative analysis of the Executive Director remuneration and the qualitative proposal of the Senior Management remuneration.

- On 2 December 2021, the Committee agreed to recommend to the Board of Directors to approve the Executive Director's remuneration proposal and the LTIP 2022-2024 applicable to the entire group of beneficiaries, except for the breakdown of ESG targets and the low, medium and high level of achievement for each metric. The Committee also agreed to recommend to the Board of Directors to approve the Senior Management's remuneration proposal.

- On 15 December 2021, the Committee approved the breakdown of the ESG targets and the low, medium and high level of achievement for each metric. The Committee also agreed to recommend to the Board of Directors to approve the Non-Executive Directors' remuneration.

d) **Activities related to ESG**

- On 18 March 2021, the Global People Director presented to the Committee the Equity, Diversity and Inclusion Program – Plan 2021, indicating the status of each of the actions. The Global People Director also explained the three main pillars of the People strategy: culture, leadership and talent and reminded the ESG 2021-2025 goals related with diversity.

- On 3 May 2021, the Committee reviewed the ESG Master Plan and the Corporate and Public Affairs Director explained the different ESG indexes to which the Company belonged to and the level of transparency and reporting to which the Company was subject. The Corporate and Public Affairs Director also referred to the setting up of the ESG Committee, its composition and functions.

- On 3 May 2021, the Global Operations Director together with the Global Head of Energy presented to the Committee the Energy Transition Plan and the Energy Transition Model, which was based in 4 pillars: green energy sourcing, energy efficiency, auto-generation from renewable sources and energy 4.0.

- On 3 May 2021, the Global Resources Director presented the ESG-related risk map from a consolidated strategic risks map and from a consolidated operations risks map point of view. The Global Resources Director also explained the ESG metric of the CEO, the Senior Management and the Management Directors' MBO.

- On 8 June 2021, the Global Resources Director together with the Global People Director presented an update of the Equity, Diversity and Inclusion Program (EDI) and explained the 2025 objectives, the EDI strategy quantitative targets and the EDI initiatives carried out in the first half of 2021.

- On 8 June 2021, the Corporate and Public Affairs Director presented an update of the ESG Master Plan and explained that the Company had been working on increasing internal and external awareness of its ESG activity. The Corporate and Public Affairs Director also referred to the ESG ratings to which the Company belonged and the main achievements of the ESG Master Plan 2021-2025.

- On 15 July 2021, the Global Operations Director together with the Global Head of Energy presented to the Committee an update of the Energy Transition Plan, noting that the Company was making good progress and it was closer to achieve its goals ahead of the targeted time. There was a clear commitment to have 100% of green energy by 2025.

- On 8 September 2021, the Corporate and Public Affairs Director provided the Committee with an update of the ESG Master Plan 2021-2025 explaining the achieved actions up to the first half of 2021. He also provided an overview of where the Company stood in the ESG indexes. PwC presented the materiality analysis that was done when defining the ESG Master Plan.

- On 8 September 2021, the Committee approved the ESG Board training with IESE, in the context of the Board Workshops plan 2021-2022.

- On 15 December 2021, the President and the General Manager of the Cellnex Foundation presented to the Committee the Foundation purpose, the Foundation's own programs and joint programs and the budget for 2022, differentiating the different pillars and projects, which amounted to a total of €1,000,000. The Committee agreed to recommend to the Board of Directors the donation of €1,000,000 to the Cellnex Foundation .

e) **Talent Management**

- On 15 July 2021, the Global People Director, presented to the Committee the Talent Management Program, which was focussed on One Cellnex, inclusion, empowerment, trust and transparency. The Committee reviewed the key initiatives that the Company had developed to attract talent, assess the existing talent, develop the existing talent and retain/engage the existing talent.

- On 15 December 2021, the Global People Director presented an overview of the talent actions carried out during 2021.

f) **Other Information**

- On 19 January 2021, the Committee provided a favourable recommendation to the Board of Directors to approve the extension until 31 March 2021 of the period to be taken into account for the purposes of the delivery of shares to all Cellnex employees matching up to €500 the purchase made, if any, by the employee, as agreed at the Committee meeting held on 20 October 2020, in order to maximise the number of employees who could benefit from this initiative.

- On 3 May 2021, the Secretary explained the onboarding program for new directors and the board training sessions in which the Company was working.

- On 15 July 2021 and 9 November 2021, the Committee received an update on the Organization of the Company.

- On 8 September 2021, the Global People Director presented to the Committee the Board workshops plan 2021-2022, which had been defined in accordance with the results of the Board competences matrix and the feedback received from the different Board members.

This Annual Corporate Governance Report was approved by the Board of Directors of the Company in its meeting held on 24/02/2022

Indicate whether any director voted against or abstained from approving this report.

Yes ☐ No X

Name or company name of the member of the Board of Directors who has not voted for the approval of this report	Reasons (against, abstention, non attendance)	Explain the reasons
Observations		

2021 Consolidated Financial Statements

Integrating for Growth

Cellnex Telecom, S.A. and Subsidiaries

Consolidated Financial Statements
for the year ended
31 December 2021 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, S.L.
Av. Diagonal, 654
08034 Barcelona
España

Tel: +34 93 280 40 40
www.deloitte.es

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 2021, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in 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 2021, 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-IFRSs) 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	**Procedures applied in the audit**
Notes 7 and 8 to the accompanying consolidated financial statements as at 31 December 2021 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 telecommunications operators, and also of the cash-generating units (CGUs) 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 investments in non-current assets and current assets, as well as other assumptions obtained from each CGU's business plan, 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.	Our audit procedures included, among others, 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 plans prepared. 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 CGUs. 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.

Evaluation of the impairment test on goodwill, other intangible assets and property, plant and equipment	
Description	**Procedures applied in the audit**
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.	Lastly, we checked that the disclosures included in Notes 3-c, 7 and 8 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	**Procedures applied in the audit**
The Group performed several business combinations in 2021 and 2020, as described in Notes 2-h and 6 to the accompanying consolidated financial statements as at 31 December 2021. 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. 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.	Our audit procedures included, among others, 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.

Business combinations	
Description	**Procedures applied in the audit**
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 2021, 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 2020 (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.	For each business combination in 2021, 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 2020, the accounting of which was considered to have been completed in 2021, 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. 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.

Business combinations	
Description	**Procedures applied in the audit**
	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 2021, 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 2021 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 2021, which comprise the XHTML file including the consolidated financial statements for 2021 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 2021 in accordance with the format and markup requirements established in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 ("ESEF Regulation").

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 24 February 2022.

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

24 February 2022

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.

Cellnex Telecom, S.A. and Subsidiaries

Consolidated Financial Statements for the year ended 31 December 2021

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 2021

(Thousands of Euros)

	Notes	31 December 2021	31 December 2020 (*)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	Note 7	7,632,307	4,302,574
Intangible assets	Note 8	25,013,724	11,957,986
Right-of-use assets	Note 16	3,282,641	2,147,390
Investments in associates	Note 9	3,265	3,431
Financial investments	Note 10	26,406	28,042
Derivative financial instruments	Note 11	30,116	6,116
Trade and other receivables	Note 12	50,830	35,673
Deferred tax assets	Note 18	673,024	460,817
Total non-current assets		**36,712,313**	**18,942,029**
CURRENT ASSETS			
Inventories		2,765	2,158
Trade and other receivables	Note 12	1,152,079	504,615
Receivables from associates	Note 24	384	832
Financial investments	Note 10	3,151	2,067
Derivative financial instruments	Note 11	77	—
Cash and cash equivalents	Note 13	3,926,578	4,652,027
Total current assets		**5,085,034**	**5,161,699**
TOTAL ASSETS		**41,797,347**	**24,103,728**

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the consolidated balance sheet at 31 December 2021.

(*) Restated figures. Certain amounts included in the consolidated balance sheet at 31 December 2020 do not relate to those included in the consolidated financial statements for the year ended 31 December 2020, and reflect the adjustments described in Note 5.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2021

(Thousands of Euros)

	Notes	31 December 2021	31 December 2020 (*)
NET EQUITY			
Share capital and attributable reserves			
Share capital	Note 14.a	169,832	121,677
Treasury shares	Note 14.a	(60,802)	(8,078)
Share premium	Note 14.b	14,580,762	7,769,936
Reserves	Note 14.c	(130,330)	267,805
Loss for the period	Note 14.g	(351,365)	(135,425)
		14,208,097	**8,015,915**
Non-controlling interests	Note 14.f	1,633,591	914,504
Total net equity		**15,841,688**	**8,930,419**
NON-CURRENT LIABILITIES			
Bank borrowings and bond issues	Note 15	14,914,060	9,315,830
Lease liabilities	Note 16	2,306,190	1,482,654
Derivative financial instruments	Note 11	11,832	9,743
Provisions and other liabilities	Note 19.c	2,124,609	1,496,635
Employee benefit obligations	Note 19.b	70,453	17,194
Deferred tax liabilities	Note 18	3,805,049	1,782,548
Total non-current liabilities		**23,232,193**	**14,104,604**
CURRENT LIABILITIES			
Bank borrowings and bond issues	Note 15	719,995	76,941
Lease liabilities	Note 16	529,894	273,391
Derivative financial instruments	Note 11	—	165
Employee benefit obligations	Note 19.b	70,634	26,860
Payables to associates	Note 24	69	116
Trade and other payables	Note 17	1,402,874	691,232
Total current liabilities		**2,723,466**	**1,068,705**
TOTAL NET EQUITY AND LIABILITIES		**41,797,347**	**24,103,728**

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the consolidated balance sheet at 31 December 2021.

(*) Restated figures. Certain amounts included in the consolidated balance sheet at 31 December 2020 do not relate to those included in the consolidated financial statements for the year ended 31 December 2020, and reflect the adjustments described in Note 5.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

(Thousands of Euros)

	Notes	2021	2020 (*)
Services		2,438,400	1,562,262
Other operating income		94,399	42,510
Operating income	**Note 20.a**	**2,532,799**	**1,604,772**
Staff costs	Note 20.b	(300,357)	(165,861)
Other operating expenses	Note 20.c	(485,404)	(301,799)
Change in provisions		(2,854)	(4,552)
Losses on fixed assets	Notes 7 and 8	317	(205)
Depreciation and amortisation	Notes 7, 8 and 16	(1,687,564)	(973,971)
Operating profit		**56,937**	**158,384**
Financial income		4,416	4,969
Financial costs		(375,591)	(220,248)
Interest expense on lease liabilities		(216,644)	(144,935)
Net financial loss		**(587,819)**	**(360,214)**
Profit of companies accounted for using the equity method	Note 9	(3,222)	52
Loss before tax		**(534,104)**	**(201,778)**
Income tax	Note 18	159,031	48,717
Consolidated net loss		**(375,073)**	**(153,061)**
Attributable to non-controlling interests	Note 14.f	(23,708)	(17,636)
Net loss attributable to the Parent Company		**(351,365)**	**(135,425)**
Earnings per share (in euros per share):			
Basic	Note 14.e	(0.58)	(0.35)
Diluted	Note 14.e	(0.44)	(0.23)

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 2021.

(*) Restated figures. Certain amounts included in this consolidated statement for the year ended on 31 December 2020 do not relate to those included in the consolidated financial statements for the year ended on 31 December 2020, 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 2021

(Thousands of Euros)

	Notes	2021	2020 (*)
LOSS FOR THE PERIOD		**(375,073)**	**(153,061)**
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	8,008	(4,337)
Hedges of net investments in foreign operations of the Parent Company and fully consolidated companies	Note 11	14,094	(13,473)
Foreign exchange differences	Note 14	90,042	(10,427)
Tax effect		(2,002)	1,084
Total income and expenses recognised directly in net equity		**110,142**	**(27,153)**
Income transferred to the consolidated income statement:			
Changes in cash flow hedges of the Parent Company and fully consolidated companies	Note 11	(3,585)	(217)
Tax effect		896	54
Total income transferred to the consolidated income statement		**(2,689)**	**(163)**
Total consolidated comprehensive profit / (loss)		**(267,620)**	**(180,377)**
Attributable to:			
- Company shareholders		(252,773)	(162,014)
- Non-controlling interests		(14,847)	(18,363)
Total consolidated comprehensive profit / (loss)		**(267,620)**	**(180,377)**

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 2021.

(*) Restated figures. Certain amounts included in this consolidated statement of comprehensive income for the year ended on 31 December 2020 do not relate to those included in the consolidated financial statements for the year ended on 31 December 2020, 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 2021

(Thousands of Euros)

	Notes	Share capital	Treasury shares	Share premium	Reserves	Profit for the period	Non-controlling interests	Net equity
At 1 January 2020		**96,332**	**(4,222)**	**3,886,193**	**191,859**	**(9,177)**	**889,644**	**5,050,629**
Comprehensive income for the year		—	—	—	(26,589)	(135,425)	(18,363)	**(180,377)**
Distribution of 2019 profit		—	—	—	(9,177)	9,177	—	**—**
Treasury shares	Note 14.a	—	(3,856)	—	—	—	—	**(3,856)**
Changes in the consolidation scope	Note 2.i	—	—	—	—	—	43,223	**43,223**
Final dividend	Note 14.d	—	—	(29,281)	—	—	—	**(29,281)**
Capital increase and other equity contributions	Note 14.a	25,345	—	3,913,024	100,745	—	—	**4,039,114**
Employee remuneration payable in shares	Note 19.b	—	—	—	3,506	—	—	**3,506**
Other		—	—	—	7,461	—	—	**7,461**
At 31 December 2020 (*)		**121,677**	**(8,078)**	**7,769,936**	**267,805**	**(135,425)**	**914,504**	**8,930,419**
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	(351,365)	(14,847)	**(267,620)**
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**
At 31 December 2021		**169,832**	**(60,802)**	**14,580,762**	**(130,330)**	**(351,365)**	**1,633,591**	**15,841,688**

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 2021.

(*) Restated figures. Certain amounts included in this consolidated statement of changes in net equity for the year ended on 31 December 2020 do not relate to those included in the consolidated financial statements for the year ended on 31 December 2020, 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 2021

(Thousands of Euros)

	Notes	2021	2020 (*)
Profit/(loss) for the year before tax		**(534,104)**	**(201,778)**
Adjustments to profit-			
Depreciation	Note 20.e	1,687,564	973,971
Gains/(losses) on derecognition and disposals of non-current assets	Notes 7 and 8	(317)	205
Changes in provisions		2,854	4,552
Interest and other income		(4,416)	(4,969)
Interest and other expenses		592,235	365,183
Share of results of companies accounted for using the equity method	Note 9	3,222	(52)
Other income and expenses		3,269	2,909
Changes in current assets/current liabilities-			
Inventories		(607)	(9)
Trade and other receivables		(253,343)	(63,928)
Other current assets and liabilities		253,882	53,511
Cash flows generated by operations			
Interest paid		(441,974)	(259,977)
Interest received		4,174	1,048
Income tax received/(paid)		(87,170)	(38,577)
Non-recurring Income tax paid	Note 18	(78,400)	—
Current provisions, employee benefit obligations and others		(5,701)	(41,809)
Total net cash flow from operating activities (I)		**1,141,168**	**790,280**

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 2021.

(*) Restated figures. Certain amounts included in this consolidated cash flow statement for the year ended on 31 December 2020 do not relate to those included in the consolidated financial statements for the year ended on 31 December 2020, 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 2021

(Thousands of Euros)

	Notes	2021	2020 (*)
Business combinations and changes in the scope of consolidation	Notes 2.i and 6	(12,358,365)	(5,111,783)
Purchases of property, plant and equipment and intangible assets	Notes 7 and 8	(1,521,429)	(759,648)
Payments for financial investments		(23,722)	(53,878)
Proceeds from financial investments		—	30,000
Total net cash flow from investing activities (II)		**(13,903,516)**	**(5,895,309)**
Issue of equity instruments, Acquisition of Treasury Shares and Dividends paid	Note 14	6,765,675	3,982,646
Proceeds from issue of bank borrowings	Note 15	393,529	1,018,087
Bond issue	Note 15	5,869,731	3,982,682
Repayment and redemption of bank borrowings	Note 15	(505,399)	(1,061,142)
Net repayment of other borrowings	Note 15	327	(1,014)
Net payment of lease liabilities	Note 16	(447,594)	(487,078)
Total net cash flow from financing activities (III)		**12,076,269**	**7,434,181**
Foreign exchange differences (IV)		**(39,370)**	**(28,680)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS (I)+(II)+(III)+(IV)		**(725,449)**	**2,300,472**
Cash and cash equivalents at beginning of year	Note 13	4,652,027	2,351,555
Cash and cash equivalents at end of year	**Note 13**	**3,926,578**	**4,652,027**

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 2021.

(*) Restated figures. Certain amounts included in this consolidated cash flow statement for the year ended on 31 December 2020 do not relate to those included in the consolidated financial statements for the year ended on 31 December 2020, 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 2021

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 2021, 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 24 February 2022.

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 situation of the Cellnex Group at 31 December 2021 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 2021 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 individual 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 2020 were approved by the shareholders of the Parent Company on 29 March 2021.

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 2021:

New standards, amendments and interpretations		Obligatory Application in Annual Reporting Periods Beginning On or After:
Approved for use in the European Union		
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Reform of Reference Interest Rates - Phase 2 (published in August 2020)	Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 related to the reform of interest rates (second phase).	1 January 2021
Amendment to IFRS 4. Deferral of the application of IFRS 9 (published in June 2020)	Deferral of the application of IFRS 9 until 2023.	1 January 2021
Amendments to IFRS 16. Covid-19-Related Rent Concessions (published in March 2021)	Amendments to extend the time period over which the practical expedient of IFRS 16 is available for use in relation to covid-19-related rent concessions.	1 April 2021 (*)

(*) Early application allowed.

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, especially, considering that none of the Group's lease renegotiations have not been subject to the amendment to IFRS 16. In relation to the interest rates reform, from 1 January 2022, publication of most LIBOR settings ended, such as LIBOR GBP, LIBOR EUR and LIBOR CHF, among others. Thus, as described in Note 15, the Group have modified the contracts referenced to these index, to reflect the interest rates that replace those previously mentioned, without having a significant impact as a result of the regulations that have come into force both on 1 January 2021, and in previous years.

(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		
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 IFRS 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
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 2023
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

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 VI.

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 = 4.6038 to EUR 1 as of the Iliad Poland date of acquisition; ii) SEK = 10.06 to EUR 1 as of the CK Hutchison Holdings Transactions in Sweden date of acquisition (see Notes 2 and 6), and iii) PLN = 4.522 to EUR 1 in relation to the Polkomtel Acquisition (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 Management 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 2020 and 2021 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. While the Coronavirus Pandemic has not had a significant effect on the Group's business, financial condition or results of operations as of 31 December 2021 and, therefore, has not had a significant effect on the Consolidated Financial Statements for the year ended 31 December 2021, its future evolution will depend on future developments, which are highly 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 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 UK 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).

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 2020 contained in these consolidated financial statements for 2021 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 2020 (included in these consolidated financial statements) were restated (with regard to the information contained in the Group's consolidated financial statements at 31 December 2020) as a result of the final purchase price allocation for Arqiva Acquisition, Nos Towering Acquisition, and for the CK Hutchison Transactions in respect of Austria, Denmark and Ireland (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 2021.

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", formerly Elphin s.p.z.o.o), On Tower France, S.A.S. ("On Tower France"), Nexloop France, S.A.S. ("Nexloop"), Cellnex Netherlands subgroup, Cellnex Switzerland subgroup, Adesal, S.A. and Metrocall, S.A. ("Metrocall") 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 2021.

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 2021.

(II) 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.

(III) 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.

(IV) 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.

(V) 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.

(VI) 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.

(VII) 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 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) Acquisitions 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) has acquired 100% of the share capital of HI3G Networks AB, owner of approximately 2,500 sites located in Sweden. Additionally, Cellnex has 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) has been 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 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.

Italy

Cellnex, by virtue of the CK Hutchison Holdings Transactions (through its fully owned subsidiary Cellnex Italia) has 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 has 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) has been 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 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.

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 has 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 has been 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.) has 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 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.

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 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.

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 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.

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[13].

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 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.

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, 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 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, 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

Furthermore, 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

[13] The final equity price corresponds to the 209 million plus working capital adjustments of 6 million (see Note 6).

Furthermore, in 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.

Movements in 2020

Acquisitions and incorporations

The most significant changes in the scope of consolidation and in the companies included in it during the 2020 financial year were as follows:

Name of the company	Company with direct shareholding and % acquired/ maintained		Consolidation method
Acquisitions/incorporations:			
Cellnex Finance Company, S.A.U. (1)	Cellnex Telecom, S.A.	100%	Full
CK Hutchison Networks (Austria) GmbH (2)	Cellnex Austria GmbH (formerly Ea Einhundertsechsundsechzigste WT Holding GmbH)	100%	Full
CK Hutchison Networks (Ireland) Limited (2)	Cellnex Ireland (formerly Aramaka Limited)	100%	Full
CLNX Portugal, S.A. (formerly Belmont Infra Holding, S.A.) (3)	Cellnex Telecom, S.A.	100%	Full
CLNX Portugal, S.A. (formerly BIH-Belmont Infrastructure Holding, S.A.) (3)	CLNX Portugal, S.A. (formerly Belmont Infra Holding)	100%	Full
Edzcom Oy (4)	Ukkoverkot Oy	100%	Full
Metrocall, S.A. (5)	Cellnex Telecom España, S.L.U.	60%	Full
Nexloop France, SAS (6)	Cellnex France Groupe	51%	Full
Omtel, Estruturas de Comunicaçoes, S.A. (3)	CLNX Portugal, S.A. (formerly BIH-Belmont Infrastructure Holding, S.A.)	100%	Full
On Tower Denmark (formerly HI3G Networks Denmark APS) (2)	Cellnex Denmark ApS	100%	Full
On Tower Portugal, S.A. (formerly NOS Towering Gestão de Torres de Telecomunicações, S.A.) (7)	CLNX Portugal, S.A. (formerly Belmont Infra Holding, S.A.)	100%	Full
On Tower UK 1 Ltd (formerly Arqiva No 2 Limited) (8)	On Tower UK Ltd (formerly Arqiva Services Limited)	100%	Full
On Tower UK 2 Ltd (formerly Arqiva No 3 Limited) (8)	On Tower UK 1 Ltd (formerly Arqiva No 2 Limited)	100%	Full
On Tower UK 3 Ltd (formerly Arqiva No 4 Limited) (8)	On Tower UK Ltd (formerly Arqiva Services Limited)	100%	Full
On Tower UK 4 Ltd (formerly Arqiva Aerial Sites Limited) (8)	On Tower UK Ltd (formerly Arqiva Services Limited)	100%	Full
On Tower UK 5 Ltd (formerly Arqiva Telecommunications Asset Development Company Limited) (8)	On Tower UK Ltd (formerly Arqiva Services Limited)	100%	Full
On Tower UK Ltd (formerly Arqiva Services Limited) (8)	Cellnex UK, Ltd	100%	Full
Ukkoverkot Oy (4)	Cellnex Telecom, S.A.	100%	Full

(1) 30/10/2020; (2) 21/12/2020; (3) 02/01/2020; (4) 03/07/2020; (5) 25/09/2020; (6) 13/05/2020; (7) 21/09/2020; (8) 08/07/2020.

I) Acquisition of Cellnex Portugal subgroup (formerly Belmont Infra Holding subgroup)

In the first quarter of 2020, Cellnex acquired (through the Parent Company) 100% of the share capital of Belmont Infra Holding, S.A. from Belmont Infra Investments B.V. and PT Portugal SGPS, S.A. (sellers of 75% and 25%, of the share capital, respectively) and the credit rights under certain capital contributions (prestações acessórias) made by Belmont Infra Investments B.V. and PT Portugal SGPS, S.A. to Belmont Infra Holding, S.A. Belmont Infra Holding, S.A. holds all the shares of BIH-Belmont Infrastructure Holding, S.A. ("BIH") and Omtel, Estruturas de Comunicaçoes, S.A. ("Omtel"), which currently operates a nationwide portfolio of approximately 3,000 sites in Portugal. The consideration for the acquisition was approximately EUR 800 million (equivalent Enterprise Value), estimated as of the date of the transaction, subject to certain price adjustments. On 2 January 2020, Cellnex paid EUR 300 million in cash, assumed EUR 233 million of debt of the acquired subgroup, which Cellnex fully repaid after closing of the acquisition, and incorporated EUR 43 million of cash balances. The remaining balance of the consideration (which, as of the date of signing, was 50% of the total fair market value of Belmont Infra Holding, S.A., amounting to a deferred payment of EUR 570 million) will be paid on the earlier of 31 December 2027 or upon the occurrence of certain events of default. Additionally, Omtel and MEO – Serviços De Comunicações E Multimédia, S.A. ("MEO") are party to the Omtel MSA (see Note 6), which, among other things, provides for the construction or incorporation of up to approximately 500 sites by 15 December 2023. Cellnex expects that this program could be increased by up to 250 additional sites by 2027. The related capital expenditure for this program, including the expected 250 additional sites, is expected to amount to approximately EUR 140 million, which the Group expects to finance with cash generated by the portfolio. In the event the Omtel MSA is terminated by MEO for cause, MEO will have a buy-back right with respect to Omtel's sites.

Thus, following this acquisition, this subgroup was fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2020 the value of all of its assets and liabilities was included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year.

II) Incorporation of Nexloop

In the first half of 2020, Cellnex and Bouygues Telecom reached a strategic agreement through which they became shareholders of Nexloop France, S.A.S. ("Nexloop") a newly incorporated company (49% owned by Bouygues Telecom and 51% owned by Cellnex, although, taking into account both the signed shareholders' agreement and the financing structure agreed for the new company, Cellnex will have in practice an effective right to 100% of the expected cash flows generated after debt service up until 2055, subject to certain limitations, either through shareholder loan remuneration or through preferred dividends). This company will deploy a national fibre optic network in France to provide mobile and fixed fibre based connectivity and especially accelerate the roll-out of 5G in the country. The agreement comprises the roll out of a network of up to 31,500 km., interconnecting the telecommunications rooftops and towers providing service to Bouygues Telecom (approximately 5,000 of which belong to and are operated by Cellnex) with the network of "metropolitan offices" for housing data processing centres (Edge Computing). The agreement covers the deployment of up to 90 new "metropolitan offices". The estimated investment up to 2027, amounts to up to approximately EUR 1.1 billion. As at 31 December 2020, the usual regulatory requirements have already been approved (see Note 7).

Bouygues Telecom is the anchor tenant of the new company, with whom Nexloop signed an MSA, with an initial term of 30 years, to be automatically extended for an additional five year period, on an all or nothing basis, and with a 1% fixed fee escalator.

During 2020, Cellnex France Groupe incorporated Nexloop with an initial share capital of EUR 100 through the creation of 100 shares with a nominal value of EUR 1 per share, and a share premium amounting to EUR 900.

Subsequently, on 29 May 2020, Nexloop carried out a capital increase amounting to EUR 30,499 thousand through the issuance of 3,049,900 new shares at a subscription price of EUR 10 per each new share (corresponding to a nominal value of EUR 1 and a share premium of EUR 9), which has been fully subscribed and paid up. As a result of the above, the share capital of Nexloop increased to EUR 3,050 thousand represented by 3,050,000 shares with a nominal value of EUR 1 per share, each of them fully paid up. The share premium increased to EUR 27,450 thousand. The capital increase was fully subscribed by Cellnex France Groupe and Bouygues Telecom, resulting in Cellnex France Groupe holding 51% of the share capital of Nexloop and Bouygues Telecom holding 49% of the share capital of Nexloop.

As a result of this transaction, at 31 December 2020, Cellnex, through its wholly owned subsidiary, Cellnex France Groupe, holds 51% of the share capital and voting rights and 100% of the effective economic rights over the expected cash flow after debt generated up until 2055, subject to certain limitations, as mentioned above, of Nexloop. Cellnex exercises effective control over Nexloop, as it holds ownership interests of over 50% and by virtue of the shareholders' agreement entered into with Bouygues Telecom, which gives Cellnex decision-making capacity over the investees' relevant activities and also the control over the returns of the investment, whereas Bouygues Telecom has certain protective rights. Finally, the signed shareholders' agreement includes certain exit agreements and provides Bouygues Telecom with a call option over Nexloop's shares held by Cellnex France Group, upon the expiry of a given period of time (for instance, a 20-year period from the execution of the shareholders' agreement) and subject to certain conditions which the Group believes makes challenging its execution.

III) Acquisition of Ukkoverkot subgroup

In the second half of 2020, Cellnex Telecom acquired 100% of the share capital of Ukkoverkot Oy from its shareholders which, in turn, owns all the shares of Edzcom Oy ("Edzcom"), for an amount of approximately EUR 30 million (Enterprise Value). Edzcom provides end-to-end Private LTE Networks for critical markets based on Edge Connectivity solutions. Through this acquisition, the Group believes it is better positioned to provide greater added value to its customers as Edge Connectivity is expected to become a cornerstone for digitalization and to build the smart industries of the future.

Thus, following this acquisition, this subgroup was fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2020 the value of all of its assets and liabilities was included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year.

IV) Acquisition of On Tower UK subgroup

In the second half of 2019, Cellnex and Cellnex UK Limited entered into an agreement with Arqiva Holdings Limited, a company within the Arqiva group (the "Arqiva Group"), for the sale and purchase of 100% of the issued and paid up share capital of Arqiva Services Limited (the "Arqiva Acquisition"), a company to which the Arqiva Group has carved-out the United Kingdom telecoms towers business of the Arqiva Group following a reorganisation of assets, liabilities and activities (see Note 19 of the 2019 consolidated financial statements). On 8 July 2020, the Group completed the Arqiva Acquisition, after all the conditions precedent were satisfied, and acquired full ownership of the share capital of Arqiva Services Limited, which is the owner of approximately 7,400 held sites and the rights to market approximately 900 sites located in United Kingdom. In this regard, Cellnex Telecom (through its subsidiary Cellnex UK Limited) acquired 100% of the share capital of On Tower UK Ltd ("On Tower UK") which, in turn, owns all the shares of On Tower UK 1 Ltd, On Tower UK 2 Ltd, On Tower UK 3 Ltd, On Tower UK 4 Ltd and On Tower UK 5 Ltd (see Note 6 of the accompanying consolidated financial statements).

The total consideration in relation to this acquisition (Enterprise Value) amounted to approximately GBP 2 billion (EUR 2.2 billion). The Group financed the Arqiva Acquisition with available cash (from a combination of the net proceeds from the offering of shares executed on 5 November 2019 and other sources) and the GBP 600,000 thousand term loan facility of the available GBP facilities (EUR 660 million, assuming a GBP/EUR 1.1 exchange rate).

Thus, following this acquisition, this subgroup was fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2020 the value of all of its assets and liabilities was included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year.

V) Acquisition of On Tower Portugal, S.A. (formerly NOS Towering Gestão de Torres de Telecomunicações, S.A.)

In the first half of 2020, Cellnex reached an agreement with the Portuguese mobile operator NOS, SGPS S.A. ("NOS"), for the acquisition, through its subsidiary CLNX Portugal, S.A. (formerly BIH - Belmont Infrastructure Holding, S.A.), from Nos Comunicações, S.A. of 100% of the share capital of NOS Towering Gestão de Torres de Telecomunicações, S.A. ("NOS Towering"), which following a carve out operates a nationwide portfolio of approximately 2,000 sites in Portugal, for a total consideration (Enterprise Value) of approximately EUR 378 million[14] (the "NOS Towering Acquisition"). Additionally, the Group agreed to acquire up to approximately 400 additional new or existing sites from the NOS group by 2026 (the Group treats this commitment as a build-to-suit program), and other agreed initiatives, with an estimated investment of approximately EUR 175 million. The transaction was completed in the second half of 2020 after all the conditions precedent were satisfied (see Note 6 of the accompanying consolidated financial statements). In this regard, during the last quarter of 2020, the subsidiary formerly called NOS Towering Gestão de Torres de Telecomunicações, S.A. changed its name to On Tower Portugal, S.A. ("On Tower Portugal").

The Group financed this acquisition with available cash and expects to finance the deployment of new or existing additional sites using cash flows generated by the portfolio and other internal resources. The NOS Towering Acquisition strengthens the Group's industrial project in Portugal. Under the agreement, Cellnex and NOS as an anchor tenant signed an inflation-linked MLA for an initial period of 15 years, to be automatically extended for additional 15-year periods, on an "all-or-nothing" basis, with undefined maturity, under which NOS will continue to use the sites that Cellnex will operate, locating its voice and data signal transmission equipment there.

Thus, following this acquisition, this subgroup was fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2020 the value of all of its assets and liabilities was included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year.

VI) Acquisition of Metrocall

During the last quarter of 2020, Cellnex reached an agreement with Intertelco, S.A. for the acquisition, through its subsidiary Cellnex Telecom España, S.L.U., of 60% of the share capital of Metrocall, S.A. ("Metrocall") for a total consideration (Enterprise Value) of approximately EUR 43 million. Metro de Madrid holds the remaining 40% of the share capital of this company. Metrocall, set up in 2000, provides service to the main mobile operators, with whom it has long-term service contracts (ten years), for use of their infrastructures to provide coverage and mobile connectivity to users of the Madrid underground system. With this acquisition, Cellnex reinforces the portfolio of telecommunications infrastructures that it currently manages for transport networks and suburban environments.

Thus, following this acquisition, Metrocall was fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2020 the value of all of its assets and liabilities was included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year.

VII) Acquisitions by virtue of the 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. ("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 of the consolidated financial statements for the year ended 31 December 2020.

[14] The final equity price corresponds to the 378 million plus working capital adjustments of 20 million (see Note 6).

Austria

Cellnex, by virtue of the CK Hutchison Holdings Transactions (through its fully owned subsidiary Cellnex Austria) acquired 100% of the share capital of CK Hutchison Networks (Austria) GmbH ("Networks Co Austria"), owner of approximately 4,500 sites located in Austria. Additionally, Cellnex agreed to the deployment of up to 450 sites in Austria by 2026. The total consideration for Cellnex in relation to this transaction (Enterprise Value) was EUR 1.2 billion[(1)] (see Note 6).

This transaction was completed in December 2020, following the settlement of several administrative authorizations. Thus, Networks Co Austria was fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2020 the value of all of its assets and liabilities was included in the consolidated balance sheet.

Ireland

Cellnex, by virtue of the CK Hutchison Holdings Transactions (through its fully owned subsidiary Cellnex Ireland) acquired 100% of the share capital of CK Hutchison Networks (Ireland) Limited ("Networks Co Ireland"), owner of approximately 1,150 sites located in Ireland. Additionally, Cellnex agreed to the deployment of up to 133 sites in Ireland by 2025. The total consideration for Cellnex in relation to this transaction (Enterprise Value) was EUR 0.6 billion (see Note 6).

This transaction was completed in December 2020, following the settlement of several administrative authorizations. Thus, Networks Co Ireland was fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2020 the value of all of its assets and liabilities was included in the consolidated balance sheet.

Denmark

Cellnex, by virtue of the CK Hutchison Holdings Transactions (through its fully-owned subsidiary Cellnex Denmark), acquired 100% of the share capital of HI3G Networks Denmark ApS ("Networks Co Denmark"), owner of approximately 1,300 sites located in Denmark. Additionally, Cellnex agreed to the deployment of up to 564 sites in Denmark by 2024. In December 2020, the acquired company changed its name to On Tower Denmark ApS ("On Tower Denmark"). The total consideration for Cellnex in relation to this transaction (Enterprise Value) was EUR 0.4 billion (see Note 6).

This transaction was completed in December 2020, following the settlement of several administrative authorizations. Thus, On Tower Denmark was fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2020 the value of all of its assets and liabilities was included in the consolidated balance sheet.

VIII) Incorporation of Cellnex Finance Company

In the second half of 2020, Cellnex Telecom incorporated the wholly-owned subsidiary Cellnex Finance Company, S.A.U. ("Cellnex Finance") with an initial share capital of EUR 60.2 thousand through the creation of 60,200 shares all of which are fully subscribed and paid-up, with a nominal value of EUR 1 per share. In addition, on December 2020, Cellnex contributed to Cellnex Finance EUR 1 billion.

The corporate purpose of Cellnex Finance is the carrying out of financing activities or financing-related support activities in favour of the companies in the Cellnex Group by means of, among others, the issuance of bonds or other debt securities, as well as the entering into any banking financing, any other kind of financings, or the entering into any instruments with a financing purpose; the management, optimisation and channelling of monetary resources and assistance to the companies in the Group; and the granting of all kinds of financings, as well as granting of guarantees of any kind and nature to guarantee the obligations assumed by any of the companies in the Group.

[(1)] In addition to the acquisition price paid for the shares of the acquired company (EUR 933 million), at the acquisition date, an additional EUR 224 million were paid to cancel the existing debt that Networks Co. Austria had with companies of the Hutchison Group at that date.

Transactions between companies in the scope of consolidation

Also, in 2020, 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:			
Belmont Infra Holding, S.A. BIH – Belmont Infrastructure Holding, S.A.	BIH - Belmont Infrastructure Holding, S.A.	Inverse merger by absorption of BIH - Belmont Infrastructure Holding, S.A. (absorbing company) with Belmont Infra Holding, S.A. (absorbed company).	30/06/2020
CommsCon Italia, S.r.L FP Infrastrutture, S.r.L. IGS, S.r.L.	Cellnex Italia, S.p.A.	Merger by absorption of Cellnex Italia, S.p.A (absorbing company) with IGS, S.r.L., FP Infrastrutture, S.r.L. and CommsCon Italia, S.r.L. (absorbed companies).	01/11/2020
Cellnex Italia, S.r.L. Cellnex Italia, S.p.A	Cellnex Italia, S.p.A.	Inverse merger by absortion of Cellnex Italia, S.p.A. (absorbing company) and Cellnex Italia, S.r.L. (former holding company of Italy and also absorbed company)	01/11/2020

In addition, during 2020, the subsidiary formerly called Iliad7, SAS changed its name to On Tower France, SAS. In addition, the subsidiary formerly called Galata SpA changed its name to Cellnex Italia SpA. In Portugal, the subsidiaries formerly called NOS Towering Gestão de Torres de Telecomunicações, S.A. and BIH - Belmont Infrastructure Holding, S.A. changed their names to On Tower Portugal, S.A. and CLNX Portugal, S.A., respectively. In the United Kingdom, the subsidiaries formerly called Arqiva No 2 Limited, Arqiva No 3 Limited, Arqiva No 4 Limited, Arqiva Aerial Sites Limited, Arqiva Telecommunications Asset Development Company Limited and Arqiva Services Limited changed their names to On Tower UK 1 Ltd, On Tower UK 2 Ltd, On Tower UK 3 Ltd, On Tower UK 4 Ltd, On Tower UK 5 Ltd and On Tower UK Ltd, respectively.

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 9, 12 and 15) 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 2021, 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.

Abovementioned 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 2021 and 2020 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 4-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 4-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 2018, 2019, 2020 and 2021 with the objective to retain key personnel and incentivise the sustainable creation of value for the shareholders, is based on the variables described below:

Rolling Long-term Incentive Plan (2018-2020)

On 27 September 2018 Cellnex's Board of Directors approved the LTIP (2018-2020). The beneficiaries of this Plan are the CEO, the Deputy CEO, the Senior Management and key employees (approximately 55 employees). This plan accrued from 1 January 2018 until 31 December 2020 and the amounts due were paid following the approval of the Group's financial statements corresponding to the 2020 financial year.

The amount to be received by the beneficiaries was determined by the degree of fulfilment of two objectives, each with a weight of 50%:

a. 50%; the attainment of a certain Recurring Leverage Free Cash Flow ("RLFCF" as described in section 2.3 of the accompanying Consolidated Management Report) per share figure according to the market consensus and a constant scope of consolidation. The scale of attainment was: 50% if the figure was 5% below the target, 100% if figure matched the target, and 150% if the target was above by 5% or more; and

b. 50%; the share price increase calculated using the initial starting price of the period and the average price in the last quarter of 2020, weighted by the volume ("vwap"). The scale of attainment was from 75% to 125% depending on the share price performance compared to IBEX 35 and certain European and American peers.

The cost of the LTIP (2018-2020) was EUR 10.6 million, which has been paid during the first half of 2021.

For the 2018–2020 LTIP, the CEO and Deputy CEO must receive the minimum amount of 50% of their LTIP remuneration in shares. The rest of the Senior Management and certain employees must receive the minimum amount of 40% of their LTIP remuneration in shares. For the rest of the beneficiaries, this minimum percentages varies depending on the position of the employee. The decision to receive shares or cash rests in an agreement between the Group and the employee. The share based compensation of this LTIP was grossed up to partially offset the tax impact on the beneficiaries.

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 will be 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 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 parti 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 estimated cost of the 2019-2021 LTIP is approximately EUR 11.0 million, which will be paid once the Group's financial statements corresponding to the 2021 financial year are approved.

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 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 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 2021, the estimated cost of the 2020-2022 LTIP is approximately EUR 11.6 million. The cost of the 2020-2022 LTIP assuming full achievement of the Group's objectives is estimated at approximately EUR 14.4 million.

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 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 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 2021, the estimated cost of the 2021-2023 LTIP amounts to approximately EUR 14.8 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 fulfilment 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 General Shareholders' Meeting.

For the CEO 2022—2024 LTIP, 40% of the remuneration will initially be paid through granted shares and the remaining 60% through options, with an obligation to permanently hold shares equivalent to two years' fixed remuneration. The decision to receive the options part in additional shares or in cash rests in an agreement between the Group and the employee.

The estimated cost of the 2022-2024 LTIP amounts to approximately EUR 18 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 and other Engineering Services). 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 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 fiber optic 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 individual 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, when applicable.

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 services 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).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components 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 7 and 8).

t) Related Party Transactions

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.

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 also operates and holds assets in the United Kingdom, Switzerland, Denmark, Sweden and Poland. The Group is therefore exposed to foreign currency risks and in particular to the risk of currency fluctuation in connection with exchange rate between the euro, the pound sterling, the Swiss franc, the Danish krone, the Swedish krone and the Polish Zloty. The Group strategy for hedging foreign currency risk in investments in non-euro currencies tends towards a balanced hedge of this risk, and must be implemented over a reasonable period of time depending on the market and the prior assessment of the effect of the hedge. This hedge 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 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 2021

Company	Functional currency	Income	%
			Thousands of Euros
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**	

31 December 2020

Company	Functional currency	Income	%
		Thousands of Euros	
Cellnex UK subgroup	GBP	144,339	9%
Cellnex Switzerland subgroup	CHF	137,467	9%
Contribution in foreign currency		**281,806**	**18%**
Total Cellnex Group		**1,604,772**	

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 2021

Company	Functional currency	Total assets	%	Equity	%
				Thousands of Euros	
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	3,777,536	9%	489,395	3%
Contribution in foreign currency		**11,197,413**	**27%**	**567,324**	**4%**
Total Cellnex Group		**41,797,347**		**15,841,688**	

31 December 2020 restated

Company	Functional currency	Total assets	%	Equity	%
				Thousands of Euros	
Cellnex UK subgroup	GBP	3,643,532	15 %	(19,004)	—
Cellnex Switzerland subgroup	CHF	1,931,964	8 %	215,744	2 %
Cellnex Denmark subgroup	DKK	604,931	3 %	(1,453)	—
Contribution in foreign currency		**6,180,427**	**26 %**	**195,287**	**2 %**
Total Cellnex Group		**24,103,728**		**8,930,419**	

The estimated sensitivity of the consolidated income statement and of the consolidated equity to a 10% change 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
		2021
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)	(263,958)

[1] Impact on equity from translation differences arising in the consolidation process.

		Thousands of Euros
		2020 restated
Functional currency	Income	Equity [1]
10% change:		
GBP	(13,122)	(165,929)
CHF	(12,497)	(69,846)
DKK	—	(31,687)

[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 36,225 thousand euros in 2021 (63,265 thousand euros in 2020), 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 2021 and 2020 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 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 8,661 million, considering cash and available credit lines, as at 31 December 2021, 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, during the second half of 2021, inflation in the eurozone has increased considerably. 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.

VI) Risks Related to Group Indebtedness

The Group's indebtedness may increase, from time to time, due to potential new acquisitions, fundamental changes to corporate structure or joint ventures and issuances made in connection with any of the foregoing. The Group present or future leverage could have significant negative consequences, including:

- Placing the Group at a possible competitive disadvantage to less leveraged competitors and competitors that may have better access to capital resources, including with respect to acquisitions and forcing the Group to forego certain business opportunities.

- Requiring the dedication of a substantial portion of cash flow from operations to service the debt, thereby reducing the amount of cash flow available for other purposes, including, among others, capital expenditures and dividends.

- Requiring the Group to issue debt or equity securities or to sell some of its core assets, possibly not on the best terms, to meet payment obligations.

- Accepting financial covenants in the financing contracts such as: debt limitation, minimum cash restriction, or pledge of assets.

- A potential downgrade from a rating agency, which can make obtaining new financing more difficult and expensive.

- Requiring the Group to early repay the outstanding debt in the event that the relevant change of control clause is triggered.

- 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.

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 87% of its debt at fixed rate. Thus, at 31 December 2021 and 2020 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 2021 and 2020 of the Group's assets and liabilities measured at fair value based on the aforementioned levels being as follows:

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**

31 December 2020

Thousands of Euros

	Level 1	Level 2	Level 3	2020
Assets				
Derivative financial instruments:				
Hedges of a net investment in a foreign operation	—	6,116	—	6,116
Total derivative financial instruments	**—**	**6,116**	**—**	**6,116**
Total assets	**—**	**6,116**	**—**	**6,116**
Liabilities				
Derivative financial instruments:				
Cash flow hedges	—	9,908	—	9,908
Total derivative financial instruments	**—**	**9,908**	**—**	**9,908**
Total liabilities	**—**	**9,908**	**—**	**9,908**

In 2021 and 2020 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 2021 and 2020 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, On Tower France, Metrocall and On Tower Poland, or even executing a potential capital increase. In order to do so, the management of the Parent Company takes into consideration both market conditions, the M&A pipeline and the feasibility to sign or to have signed M&A deals in the previous/future weeks. Cellnex has the ambition to execute such pipeline (in part or entirely) in accordance with its strict financial M&A criteria and expand its existing portfolio of telecom infrastructures consistently with the Business Strategy of the Group.

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.

As stated in the previous section 4.a.VI, the Group's borrowings may increase and its impact on the leverage ratio can affect the current corporate rating. A potential downgrade from a rating agency could make it more difficult and costly to obtain new financing.

The leverage ratios at 31 December 2021 and 2020 were as follows:

Thousands of Euros

	31 December 2021	31 December 2020 restated
Bank borrowings (Note 15)	2,064,351	1,854,488
Bonds issues (Note 15)	13,565,690	7,534,957
Lease liabilities (Note 16)	2,836,084	1,756,045
Cash and cash equivalents (Note 13)	(3,926,578)	(4,652,027)
Net Borrowings (1)	**14,539,547**	**6,493,463**
Net equity (Note 14)	15,841,688	8,930,419
Total capital (2)	**30,381,235**	**15,423,882**
Leverage ratio (1)/(2)	**48 %**	**42 %**

5. Matters arising from the completion of the business combinations of the 2020 year end

The comparative financial information for 2020 has been restated, in accordance with IFRS 3, as a result of the completion of the purchase price allocation for Arqiva Acquisition, Nos Towering Acquisition, and for the CK Hutchison Transactions in respect of Austria, Denmark and Ireland (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 2020, 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 2020

Thousands of Euros

	31 December 2020 Approved	Impact of IFRS 3 (See Note 6)	31 December 2020 restated
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4,197,827	104,747	4,302,574
Goodwill	2,675,887	57,918	2,733,805
Other intangible assets	9,365,408	(141,227)	9,224,181
Right-of-use assets	2,133,560	13,830	2,147,390
Investments in associates	3,431	—	3,431
Financial investments	28,042	—	28,042
Derivative financial instruments	6,116	—	6,116
Trade and other receivables	35,671	2	35,673
Deferred tax assets	464,531	(3,714)	460,817
Total non-current assets	**18,910,473**	**31,556**	**18,942,029**
CURRENT ASSETS			
Inventories	2,158	—	2,158
Trade and other receivables	502,070	2,545	504,615
Receivables from associates	832	—	832
Financial investments	2,067	—	2,067
Cash and cash equivalents	4,652,027	—	4,652,027
Total current assets	**5,159,154**	**2,545**	**5,161,699**
TOTAL ASSETS	**24,069,627**	**34,101**	**24,103,728**

Thousands of Euros

	31 December 2020 Approved	Impact of IFRS 3 (See Note 6)	31 December 2020 restated
NET EQUITY			
Share capital and attributable reserves			
Share capital	121,677	—	121,677
Treasury shares	(8,078)	—	(8,078)
Share premium	7,769,936	—	7,769,936
Reserves	267,802	3	267,805
Profit for the year	(133,100)	(2,325)	(135,425)
	8,018,237	**(2,322)**	**8,015,915**
Non-controlling interests	914,504	—	914,504
Total net equity	**8,932,741**	**(2,322)**	**8,930,419**
NON-CURRENT LIABILITIES			
Bank borrowings and bond issues	9,315,830	—	9,315,830
Lease liabilities	1,478,759	3,895	1,482,654
Derivative financial instruments	9,743	—	9,743
Provisions and other liabilities	1,453,278	43,357	1,496,635
Employee benefit obligations	17,194	—	17,194
Deferred tax liabilities	1,790,830	(8,282)	1,782,548
Total non-current liabilities	**14,065,634**	**38,970**	**14,104,604**
CURRENT LIABILITIES			
Bank borrowings and bond issues	76,941	—	76,941
Lease liabilities	284,060	(10,669)	273,391
Derivative financial instruments	165	—	165
Employee benefit obligations	26,860	—	26,860
Payables to associates	116	—	116
Trade and other payables	683,110	8,122	691,232
Total current liabilities	**1,071,252**	**(2,547)**	**1,068,705**
TOTAL NET EQUITY AND LIABILITIES	**24,069,627**	**34,101**	**24,103,728**

Consolidated income statement for the year ended 31 December 2020

Thousands of Euros

	31 December 2020 Approved	Impact of IFRS 3 (See Note 6)	31 December 2020 restated
Services	1,562,262	—	1,562,262
Other operating income	42,510	—	42,510
Operating income	**1,604,772**	**—**	**1,604,772**
Staff costs	(165,861)	—	(165,861)
Other operating expenses	(301,799)	—	(301,799)
Change in provisions	(4,553)	1	(4,552)
Losses on fixed assets	(205)	—	(205)
Depreciation and amortisation	(974,064)	93	(973,971)
Operating profit	**158,290**	**94**	**158,384**
Financial income	4,969	—	4,969
Financial costs	(220,248)	—	(220,248)
Interest expense on lease liabilities	(142,523)	(2,412)	(144,935)
Net financial profit/(loss)	**(357,802)**	**(2,412)**	**(360,214)**
Profit of companies accounted for using the equity method	52	—	52
Profit/(loss) before tax	**(199,460)**	**(2,318)**	**(201,778)**
Income tax	48,724	(7)	48,717
Consolidated net profit/(loss)	**(150,736)**	**(2,325)**	**(153,061)**
Attributable to non-controlling interests	(17,636)	—	(17,636)
Net profit attributable to the Parent Company	**(133,100)**	**(2,325)**	**(135,425)**
Earnings per share (in euros per share):			
Basic	(0.35)		(0.35)
Diluted	(0.23)		(0.23)

Consolidated statement of changes in net equity for the year ended 31 December 2020

Thousands of Euros

Total Net Equity at 31/12/2020	Share capital	Treasury shares	Share premium	Reserves	Profit for the year	Non-controlling interests	Net equity
Net Equity before IFRS 3 impact	**121,677**	**(8,078)**	**7,769,936**	**267,802**	**(133,100)**	**914,504**	**8,932,741**
Impact of IFRS 3	—	—	—	3	(2,325)	—	**(2,322)**
Net Equity after IFRS 3 impact	**121,677**	**(8,078)**	**7,769,936**	**267,805**	**(135,425)**	**914,504**	**8,930,419**

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 2020

Thousands of Euros

	31 December 2020 Approved	Impact of IFRS 3 (See Note 6)	31 December 2020 restated
Profit/(loss) for the year before tax	**(199,460)**	**(2,318)**	**(201,778)**
Adjustments to profit-			
Depreciation	974,064	(93)	973,971
Gains/(losses) on derecognition and disposals of non-current assets	205	—	205
Changes in provisions	4,553	(1)	4,552
Interest and other income	(4,969)	—	(4,969)
Interest and other expenses	362,771	2,412	365,183
Share of results of companies accounted for using the equity method	(52)	—	(52)
Other income and expenses	2,909	—	2,909
Changes in current assets/current liabilities-			
Inventories	(9)	—	(9)
Trade and other receivables	(63,928)	—	(63,928)
Other current assets and liabilities	53,511	—	53,511
Cash flows generated by operations			
Interest paid	(259,977)	—	(259,977)
Interest received	1,048	—	1,048
Income tax received/(paid)	(38,577)	—	(38,577)
Current provisions and Employee benefit obligations	(40,440)	(1,369)	(41,809)
Total net cash flow from operating activities (I)	**791,649**	**(1,369)**	**790,280**

Thousands of Euros

	31 December 2020 Approved	Impact of IFRS 3 (See Note 6)	31 December 2020 restated
Business combinations and changes in the scope of consolidation	(5,113,152)	1,369	(5,111,783)
Purchases of property, plant and equipment and intangible assets	(759,648)	—	(759,648)
Payments for financial investments	(53,878)	—	(53,878)
Proceeds from financial investments	30,000	—	30,000
Total net cash flow from investing activities (II)	**(5,896,678)**	**1,369**	**(5,895,309)**
Acquisition of treasury shares	(6,509)	—	(6,509)
Issue of equity instruments	4,018,436	—	4,018,436
Proceeds from issue of bank borrowings	1,018,087	—	1,018,087
Bond issue	3,982,682	—	3,982,682
Repayment and redemption of bank borrowings	(1,061,142)	—	(1,061,142)
Repayment of bond issues and other loans	—	—	—
Net repayment of other borrowings	(1,014)	—	(1,014)
Net payment of lease liabilities	(487,078)	—	(487,078)
Dividends paid	(29,281)	—	(29,281)
Total net cash flow from financing activities (III)	**7,434,181**	**—**	**7,434,181**
Foreign exchange differences	**(28,680)**	**—**	**(28,680)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS (I)+(II)+(III)	**2,300,472**	**—**	**2,300,472**
Cash and cash equivalents at beginning of year	2,351,555	—	2,351,555
Cash and cash equivalents at end of year	**4,652,027**	**—**	**4,652,027**

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 year ended 31 December 2021 from the date of respective acquisition. The date of acquisition, and by extension the point at which the Group begins to recognise 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 to a business combination in accordance with IFRS 3 and the ESMA guidelines or if they correspond to a purchase of assets, irrespective 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 purchase price allocation process, the Group generally performs it 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 and 2020 are as follows: CK Hutchison Sweden 5.25%; Iliad Poland 6.00%; T-Mobile Infra 4.80%; CK Hutchison Italy 6.00%; Polkomtel 6.25%, Hivory 5.50%, Omtel 5.00%; Arqiva Services Limited 6.50%; NOS Towering 7.50%; CK Hutchison Austria 5.25%; CK Hutchison Denmark 5.25% and CK Hutchison Ireland 5.75%. The CAGRs fluctuate in range from 1.30% to 5.00%. T-Mobile Infra, Iliad Poland and Arqiva Services Limited 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 2021 and 2020, 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 depreciation or amortisation. Thus, the resulting goodwill corresponds in the vast majority to the net deferred tax recognised 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 (where the 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 2021

The main relevant business combinations for the 2021 year end are 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. ("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 shares representing 100% of the share capital of six companies (Networks Co Austria, On Tower Denmark, Networks Co Ireland, Networks Co Italy, Networks Co UK and On Tower Sweden) which operate 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 6,000 in the United Kingdom and approximately 2,500 in Sweden.

The CK Hutchison Holdings Transactions in respect of Austria, Denmark and Ireland were completed at the end of December 2020 following satisfaction or waiver of all applicable conditions precedent (the "CK Hutchison Holdings 2020 Completed Transactions") and, consequently, as of the end of December 2020, the Group fully owned On Tower Austria, On Tower Denmark and On Tower Ireland. In addition, 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 (the "Hutchison Sweden Acquisition" and the "Hutchison Italy Acquisition", respectively). Consequently, as of the end of December 2021, the Group fully owns On Tower Sweden and Networks Co Italy. Completion of the CK Hutchison Holdings Transaction in respect of the United Kingdom remains subject to satisfaction or waiver of certain remaining conditions precedent, including in connection with customary anti-trust and foreign investment clearances, which are expected to be satisfied or waived in 2022 (the "Hutchison United Kingdom Acquisition").

In accordance with IFRS 3, given that the Hutchison United Kingdom Acquisition had not been completed as of 31 December 2021, it was not accounted for in the consolidated financial statements for the year ended 31 December 2021.

Agreements in respect of Austria, Denmark, Ireland, Italy and Sweden

Although the CK Hutchison Holdings Transactions comprise six separate transactions (i.e. one transaction per country), the Group and Hutchison entered into one sale and purchase agreement in relation to the acquisition of the companies outside of the United Kingdom and a separate sale and purchase agreement in relation to the acquisition of the United Kingdom entity, as defined herein and in Note 21 of the accompanying consolidated financial statements.

Pursuant to a sale and purchase agreement dated 12 November 2020, companies within the Hutchison group agreed to sell 100% of the share capital of CK Hutchison Networks (Austria) GmbH ("On Tower Austria"), On Tower Denmark ApS ("On Tower Denmark"), CK Hutchison Networks (Ireland) Limited ("On Tower Ireland"), CK Hutchison Networks Italia S.p.A. ("Networks Co Italy") and HI3G Networks AB, which changed its name to On Tower Sweden AB ("On Tower Sweden"), to Cellnex Austria GmbH ("Cellnex Austria"), Cellnex Denmark ApS ("Cellnex Denmark"), Cellnex Ireland Limited ("Cellnex Ireland"), Cellnex Italy and Cellnex Sweden AB ("Cellnex Sweden"), respectively (fully-owned subsidiaries of Cellnex, which acts as guarantor) (the "CK Hutchison Europe SPA"), in consideration for the payment of an aggregate price of approximately EUR 6.3 billion (subject to certain adjustments).

Pursuant to the CK Hutchison Europe SPA, a company within the Hutchison group and each of On Tower Austria, On Tower Denmark, On Tower Ireland, Networks Co Italy and On Tower Sweden agreed to enter into a master services agreement upon completion of each corresponding transaction, whereby the relevant Group company will provide co-location and related services to a company within the Hutchison group at the sites managed by the Group (the "CK Hutchison Europe MSAs"). The CK Hutchison Europe MSAs in respect of Austria, Denmark and Ireland were entered into by the end of December 2020 upon completion of each of the relevant CK Hutchison Holdings 2020 Completed Transactions and the CK Hutchison Europe MSA in respect of Sweden and Italy were entered into in the first and second quarter of 2021, respectively. The price to be paid by the relevant company within the Hutchison group in exchange for the above services in accordance with the CK Hutchison Europe MSAs is subject to certain annual increases in connection with the local 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 each CK Hutchison 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 (except for the CK Hutchison Europe MSA in respect of Austria, where the agreement provides for an indefinite term, subject to termination rights as agreed by the parties).

Additionally, the CK Hutchison Europe MSAs set forth, among others, (i) certain restrictive covenants by which each of Cellnex Austria, Cellnex Denmark, Cellnex Ireland, Cellnex Sweden and Cellnex Italy agreed that none of them, nor their respective affiliates, shall carry on the business of, or own more than a certain level of interest in any mobile network operator or MVNO that offers mobile telecommunications in the relevant countries for a limited period and (ii) the terms on which the Group expects to be requested to build up to approximately 4,684 sites in aggregate at each due date, as appropriate, representing, together with further initiatives, an estimated total consideration of up to approximately EUR 811 million (which the Group expects to finance with cash generated by the acquired portfolio).

Finally, a company within the Hutchison group and each of On Tower Austria, On Tower Denmark, On Tower Ireland, Networks Co Italy and On Tower Sweden, agreed to enter into a separate transitional services agreement pursuant to which Hutchison, or a company within its group, will provide certain transitional services to each of these companies upon completion of each respective transaction. It was also agreed that a reverse transitional services agreement would be entered into between a company within the Hutchison group and On Tower Denmark pursuant to which On Tower Denmark will provide certain transitional services to Hutchison, or a company within its group of companies, upon completion of the transaction in Denmark. The transitional services agreements in respect of Austria, Denmark and Ireland, and the reverse transitional services agreement in respect of Denmark, were entered into upon completion of each of the relevant CK Hutchison Holdings 2020 Completed Transactions in respect of each of such countries. The transitional services agreements in respect of Sweden and Italy were entered into in the first and second quarters of 2021, respectively.

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) has 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, has been restated and now is considered to have been completed as of the date of signing these 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 has been 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

In the second quarter of 2021, 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, (the "Hutchison Italy Acquisition"). Additionally, Cellnex has agreed to the deployment of up to 860 sites in Italy by 2027. The total consideration for Cellnex in relation to this transaction (Enterprise Value) was EUR 3.3 billion. The transaction was completed in the second quarter of 2021, following the settlement of several administrative authorizations. Thus, the Hutchison Italy 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 loss contribution since acquisition amounted to EUR 161 million and EUR 24 million, respectively, corresponding to the impact of 100% of the financial results of the Hutchison Italy Acquisition in the accompanying consolidated income statement. If Hutchison Italy 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 loss for an amount of approximately EUR 300 million and EUR 41 million, respectively.

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	2,890,014
Resulting goodwill	**510,056**

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, Duff & Phelps, S.L.U., whose preliminary PPA report was issued on 22 December 2021 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	2,859,135	715,441	2,143,694
Right-of-use-assets	342,892	342,892	—
Property, plant and equipment	651,646	651,646	—
Trade and other receivables short term	19,511	19,511	—
Cash and cash equivalents	76,976	76,976	—
Lease liabilities long term	(212,967)	(212,967)	—
Provisions and other liabilities long term	(91,382)	(65,881)	(25,501)
Lease liabilities short term	(96,574)	(93,475)	(3,100)
Provisions and other liabilities short term	(905)	(905)	—
Trade and other payables	(50,051)	(50,051)	—
Net deferred tax assets /(liabilities)	(608,266)	543	(608,809)
Net assets acquired	**2,890,014**	**1,383,730**	**1,506,284**
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**	

Given the date on which the Hutchison Italy Acquisition has been completed, at the date of signing these consolidated financial statements for the year ended on 31 December 2021, 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.

Iliad Poland Acquisition

On 22 October 2020, Cellnex Poland sp. z.o.o. ("Cellnex Poland") reached an agreement with Iliad Purple SAS ("Iliad Purple"), a wholly-owned subsidiary of Iliad S.A. (jointly, "Iliad") to acquire 60% of the share capital of a new Polish telecommunications tower company (Elphin Sp. z o.o., renamed as On Tower Poland sp. z.o.o. ("On Tower Poland")) which subsequently owned the tower portfolio in Poland of P4 sp. z.o.o. ("P4"), a wholly owned subsidiary of Play Communications S.A. ("Play") (the "Iliad Poland Acquisition"). The transaction was signed in the context of the takeover bid launched by Iliad over Play on 21

September 2020 and completed on 25 November 2020. On 23 February 2021, Play and Cellnex Poland agreed to modify the structure of the Iliad Poland Acquisition and agreed that Play would sell to Cellnex Poland 60% of the share capital of On Tower Poland, with an initial portfolio of approximately 7,428 sites (including both telecommunications rooftops and towers), while the remaining 40% would be sold to Iliad Purple. Consequently, Cellnex's stake is owned through its subsidiary Cellnex Poland and the remaining share capital continues to be indirectly owned by Iliad, in line with the structure agreed between Cellnex and Iliad for the sites formerly operated indirectly by Iliad in France. The transaction was completed in the first quarter of 2021 (the "Iliad Poland Completion Date") following the receipt of customary regulatory authorizations.

On the Iliad Poland Completion Date, P4 sold the assets (and related liabilities) comprising its telecommunications passive infrastructures business unit to On Tower Poland, with an initial portfolio of approximately 7,428 sites (including the legacy 6,911 sites and 517 additional sites constructed and completed before the Iliad Poland Completion Date), for an estimated total consideration (Enterprise Value) of approximately EUR 1,458 million. The legacy 6,911 sites were funded by Cellnex Poland and Iliad 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).

Pursuant to the Iliad Poland SPA (as defined below), P4 and On Tower Poland agreed to enter into a master services agreement for the provision of hosting and certain power supply services, together with other ancillary services, by On Tower Poland to P4 for an initial term of 20 years (the "Iliad Poland MSA"). Pursuant to the Iliad Poland MSA, P4 has undertaken to propose to On Tower Poland the acquisition of a minimum of 1,871 sites on or before 31 December 2030, although the deployment of up to approximately 4,462 new sites is expected by the Group (the Group believes there is a strong economic incentive in place for the customer, so that the likelihood of completing the program in an amount greater than the minimum Build-to-suit contractual commitment is high in the opinion of the Group). The Iliad Poland MSA also envisages the construction by P4 and acquisition by On Tower Poland of additional sites.

Thus, the Iliad Poland Acquisition has been fully consolidated within the Cellnex Group as of Iliad Poland Completion 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 year ended on 31 December 2021. The operating income and net profit contribution since acquisition amounted to EUR 103 million and EUR 0 million, respectively, corresponding to the impact of 100% of the financial results of the Iliad Poland Acquisition in the accompanying consolidated income statement. If the Iliad Poland 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 131 million and EUR 1 million, respectively.

Iliad Poland agreements

In connection with the Iliad Poland Acquisition, the Group entered into the agreements explained below.

Iliad Poland SPA

On 22 October 2020, a sale and purchase agreement was originally entered into whereby Iliad Purple (subsequently replaced by Play) agreed to sell 60% of the share capital of On Tower Poland to Cellnex Poland. Following the execution of the takeover bid launched by Iliad over Play, on 26 November 2020, Iliad Purple assigned its rights and obligations under the Iliad Poland SPA to Play.

On 23 February 2021, Play and Cellnex Poland entered into an amended and restated sale and purchase agreement (the "Iliad Poland SPA") which regulated the sale by Play to Cellnex Poland of 60% of the share capital of On Tower Poland. The Iliad Poland SPA contains certain representations and warranties made by Play and certain indemnification obligations in case of a breach of such representations and warranties. Additionally, it also includes certain covenants with regards to the operation of the passive infrastructure.

Iliad Poland SHA

On the Iliad Poland Completion Date, Cellnex Poland and Iliad Purple entered into a shareholders' agreement, as amended on 22 December 2021, which sets forth, among other matters, certain rights and obligations of both parties as shareholders of On

Tower Poland, the procedures for the conduct of the affairs and the management of On Tower Poland and the regime applicable to the transfers of shares of On Tower Poland, including certain tag-along rights and rights of first offer (the "Iliad Poland SHA"). 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. Additionally, pursuant to the terms of the Iliad Poland SHA, 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 (i) a 10% (and not less than 10%) of the share capital and voting rights of On Tower Poland to Cellnex Poland during a 30-day period starting on 28 February 2022; and (ii) 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 2021, 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 2021. This situation will be revaluated in subsequent reporting periods, especially considering the facts described in Note 26.

Likewise, the Iliad Poland SHA provides Cellnex Poland with a right to buy from Iliad Purple (i) a 10% (and not less than 10%) interest held by Iliad Purple in On Tower Poland during a 30-day period after the lapse of the 30-day period during which Iliad Purple could exercise its first right as described in the paragraph above; and (ii) all of (and not less than all) Iliad Purple's interest in On Tower Poland during a three-year period starting on the fourth anniversary of the Iliad Poland Completion Date; in both cases subject to certain conditions and at a price to be calculated pursuant to said agreement, in similar terms and conditions to the referred right to sell (the price of this acquisition is uncertain and will undoubtedly expected to be inflationary given the favorable performance of such assets).

Iliad Poland MSA

On the Iliad Poland Completion Date, P4 and On Tower Poland entered into a master services agreement whereby On Tower Poland agreed to provide hosting and certain power supply services, together with other ancillary services, to P4. The initial term of the Iliad Poland MSA is 20 years from the Iliad Poland Completion Date, subject to automatic extensions for successive 10-year periods, on an "all-or-nothing" basis, with undefined maturity. The fees agreed in the Iliad Poland MSA are annually adjusted in accordance with the Polish CPI (Communications section) provided that the increase shall not exceed 4% per year, without having a minimum in case it is 0%.

Additionally, pursuant to the Iliad Poland MSA, P4 has undertaken to propose to On Tower Poland the acquisition of a minimum of 1,871 sites on or before 31 December 2030, although the deployment of up to approximately 4,462 new sites is expected by the Group (the Group believes there is a strong economic incentive in place for the customer, so that the likelihood of completing the program in an amount greater than the minimum Build-to-suit contractual commitment is high in the opinion of the Group). The MSA also sets forth the commitment from On Tower Poland to purchase such newly deployed sites, for an estimated total consideration of up to approximately EUR 1,222 million, if 4,462 new sites are built, which the Group expects to finance with cash flows generated by the portfolio.

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]	1,458,014
Fair value of the net assets acquired	1,227,492
Resulting goodwill	**230,522**

[1] Corresponds to the total amount paid by On Tower Poland for the 100% of the telecommunications passive infrastructures business unit of P4. 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 1,458,014 thousand.

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, Duff & Phelps, S.L.U., whose preliminary PPA report was issued on 13 January 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 [1]	Revaluation
Other intangible assets	1,017,954	—	1,017,954
Right-of-use-assets	112,048	—	112,048
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	(83,157)	—	(83,157)
Provisions and other liabilities long term	(18,647)	—	(18,647)
Lease liabilities short term	(28,716)	—	(28,716)
Trade and other payables	(31,888)	—	(31,888)
Net assets acquired	**1,227,492**	**—**	**1,227,492**

Total acquisition price	1,458,014
Cash in from other shareholders	(533,993)
Cash and cash equivalents	(33,787)
Cash outflow in the acquisition	**890,234**

[1] It is general practice to include in the notes to the consolidated financial statements relating to business combinations disclosures on the fair value of the assets and liabilities acquired prior to any valuation adjustments arising from the application of IFRS 3, although this disclosure is not required by IFRS 3. Since in this particular case no legal entity with accounting records was acquired (the acquisition took place in the form of the purchase of a group of elements that constituted a line of business), the aforementioned information was not available and, accordingly, it has not been presented. However, 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.

Given the date on which the Iliad Poland Acquisition has been completed, at the date of signing these consolidated financial statements for the year ended on 31 December 2021, 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.

T-Mobile Infra Acquisition

As detailed in Note 2.h. IV, 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 II SCSp (which on the second quarter of 2021 became an alternative investment fund, as described below, "DIV"), which sets forth among others, the conditions to 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"), who changed its name to Cignal Infrastructure Netherlands, which owned approximately 3,150 sites, and had EUR 253 million of debt upon closing, to Cellnex Netherlands in exchange for a stake of 37.65% in the share capital of Cellnex Netherlands (the "T-Mobile Infra Acquisition"). Additionally, pursuant to the T-Mobile Infra MLA (as defined below), 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. The transaction has been completed in the second quarter of 2021, following receipt of, among others, customary regulatory authorizations.

Thus, the T-Mobile Infra 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 loss contribution since acquisition amounted to EUR 35 million and EUR 6 million, respectively, corresponding to the impact of 100% of the financial results of the T-Mobile Infra Acquisition in the accompanying consolidated income statement. If the T-Mobile Infra Acquisition, had been completed on 1 January 2021 and it had been fully consolidated for the year ended 31 December 2021, it would have contributed an operating income and net loss for an amount of approximately EUR 60 million and EUR 13 million, respectively.

T-Mobile Infra agreements

In connection with the T-Mobile Infra Acquisition, the Group has entered or will enter into several agreements, including those explained below.

T-Mobile Infra Framework Agreement

The framework agreement entered into on 21 January 2021 between Cellnex, Cellnex Netherlands, DTAG, DTEU and DIV, *(inter alia)* sets out the terms and conditions with regard to (i) DTEU selling and transferring, and DIV purchasing 100% of the shares in T-Mobile Infra (the “T-Infra Shares”) and designating Cellnex Netherlands as the transferee of the T-Infra Shares and (ii) Cellnex Netherlands issuing shares in its capital to DIV and a Dutch foundation and DIV paying for the T-Infra Shares (representing 37.650% in Cellnex Netherlands’ share capital) by contributing the right of transfer of all of the T-Infra Shares to Cellnex Netherlands. T-Mobile Infra owned approximately 3,150 sites with an initial tenancy ratio of c.1.2 per site (the “T-Mobile Infra Framework Agreement”).

DIV is an investment fund managed by Digital Transformation Capital Partners Luxembourg GP S.à.r.l. and anchored by DTAG and Cellnex (through an investment vehicle) as initial limited partners (holding 67% and 33%, approximately, of DIV’s share capital, respectively), among others, with a mandate to invest mainly into European digital infrastructure assets such as towers, fiber and data centers. In the second quarter of 2021, DIV became an alternative investment fund. As part of the T-Mobile Infra Acquisition, Cellnex signed a commitment letter, pursuant to which it 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 (as defined herein), 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 part of Cellnex’s and DTAG’s, as initial limited partners, initial investment to adjust it to its resulting stake in DIV. Cellnex Netherlands, Towerlink Netherlands, B.V., Shere Masten, B.V., and Alticom (as guarantors), T-Mobile Infra (as initial borrower), and Banco Santander, S.A. (as initial lender) also signed on 12 February 2021 a facility agreement, amended on 12 March 2021, pursuant to which Banco Santander, S.A. made available to T-Mobile Infra, subject to certain conditions of utilization, a 5-year term-loan facility amounting to EUR 253 million (including arrangement fees), which T-Mobile Infra drew down and used to pay an extraordinary dividend prior to completion of the T-Mobile Infra Acquisition.

Upon closing of the T-Mobile Infra Acquisition, Cellnex and DIV signed a deal flow agreement which set forth Cellnex’s right to co-invest with a stake of 51%, subject to certain conditions, in opportunities originated by DIV in relation to towers, rooftops, masts, small cells or Build-to-suit programs.

T-Mobile Infra SPA

As part of the T-Mobile Infra Acquisition, DIV signed on 21 January 2021 a sale and purchase agreement with DTEU (and DTAG as guarantor) for 100% of the shares of T-Mobile Infra, for a consideration amounting to approximately EUR 397 million, financed by DIV with available cash obtained from its limited partners (the “T-Mobile Infra SPA”).

T-Mobile Infra SCA

In addition, on 21 January 2021 Cellnex, Cellnex Netherlands and DIV entered into a subscription and contribution agreement, pursuant to which Cellnex Netherlands agreed to issue new shares amounting to 37.65% of its share capital, to be fully subscribed by DIV and the mentioned Dutch fundation, which were paid in full by DIV through the contribution of the right to acquire the 100% of the shares of T-Mobile Infra to Cellnex Netherlands (the “T-Mobile Infra SCA”). Pursuant to the T-Mobile

Infra Framework Agreement, DIV agreed to assign its legal position under the T-Mobile Infra SPA to Cellnex Netherlands, which assignment was made effective pursuant to an assignment and transfer agreement signed in the second quarter of 2021. The T-Mobile infra SCA contained certain warranties made by Cellnex.

T-Mobile Infra SHA

Also as part of the T-Mobile Infra Acquisition, Cellnex, Cellnex Netherlands, DIV and a Dutch foundation entered into a shareholders' agreement upon closing of the T-Mobile Infra Acquisition which set forth, among other matters, certain rights and obligations of the parties as direct shareholders of Cellnex Netherlands and indirect shareholders of Cellnex Netherlands' subsidiaries, including T-Mobile Infra, as appropriate, and the procedures for the conduct of the affairs and the governance of Cellnex Netherlands and its subsidiaries (including T-Mobile Infra) (which include certain financial and business restrictions and policies) and which *(inter alia)* governs transfers of the shares of Cellnex Netherlands, including certain rights of first offer and tag-along and drag-along provisions, as well as the terms described below (the "T-Mobile Infra SHA").

As a result of this transaction, at 31 December 2021, Cellnex, through its wholly owned subsidiary Cellnex Netherlands and DIV, holds 74.90% of the share capital and voting and economic rights of T-Mobile Infra. Cellnex exercises effective control over T-Mobile Infra, as it holds ownership interests of over 50% and by virtue of the shareholders' agreement entered into with DIV, which gives Cellnex decision-making capacity over the investees' relevant activities and also the control over the returns of the investment, whereas DIV has certain protective rights. 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.

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. Thus, Cellnex, as a consequence of the terms set forth in paragraph 23 of IAS 32, recorded a liability of EUR 261 million as initial recognition in June 2021 closing, and an additional update of EUR 35 million during the second half of the year (see Note 19.b.VI.) corresponding to the contingent commitment to purchase the 25.10% of the Cellnex Netherlands' shares from third-party shareholders, whose interests in this consolidated company are reflected as of 31 December 2021 under "Non-controlling interests".

T-Mobile Infra MLA

Additionally, upon closing T-Mobile Infra entered into an amended and restated MLA with T-Mobile as anchor tenant setting forth, among other things, the terms and conditions of certain co-location services to be provided by T-Mobile Infra and the deployment of up to approximately 180 sites over a seven-year term, for an estimated total consideration of up to approximately EUR 10 million to be financed with cash generated by the portfolio (the "T-Mobile Infra MLA"). Pursuant to the T-Mobile Infra MLA, if T-Mobile Infra would cease to be an affiliate of T-Mobile, T-Mobile Infra will undertake not to (and shall procure that its affiliates shall not) carry on, or own interests in, any business that operates or provides electronic communications network or services during a 5-year period in any country in which T-Mobile or its affiliates provide fixed or mobile telecommunications and/or electronic communications services. In the event the T-Mobile Infra MLA is terminated by T-Mobile for cause or upon the occurrence of certain events, T-Mobile will have a buy-back right with respect to T-Mobile Infra's sites. The fees under the T-Mobile Infra MLA will be CPI-linked, taking into consideration that the increase shall not exceed 3.5% per year and the decrease cannot be less than 0%. The T-Mobile Infra MLA will have an initial duration of 15 years, to be automatically extended for additional 10-year periods, on an "all-or-nothing" basis, with undefined maturity.

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	215,152
Resulting goodwill	**181,348**

[(1)] Corresponds to the fair value of 25.10% of Cellnex Netherlands shares plus the initial contribution in DIV.

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, Duff & Phelps, S.L.U., whose preliminary PPA report was issued on 14 January 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	584,100	154,646	429,454
Right-of-use-assets	68,108	89,927	(21,819)
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	(55,601)	(77,420)	21,819
Provisions and other liabilities long term	(77,313)	(35,488)	(41,825)
Provisions and other liabilities short term	(2,112)	(2,112)	—
Trade and other payables	(1,656)	(1,656)	—
Net deferred tax assets /(liabilities)	(155,157)	520	(155,677)
Net assets acquired	**215,152**	**(55,408)**	**270,560**
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**	

Given the date on which the T-Mobile Infra Acquisition has been completed, at the date of signing these consolidated financial statements for the period ended on 31 December 2021, 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.

Polkomtel Acquisition

As detailed in Note 2.h. V, 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., renamed Towerlink Poland sp. z.o.o. ("Towerlink Poland"), for an estimated total consideration (Enterprise Value) of approximately EUR 1,531 million (the "Polkomtel Acquisition"). Towerlink Poland 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 (the "Polkomtel Completion Date") following the satisfaction of the relevant conditions precedent. The Group has financed this acquisition with available cash.

Thus, the Polkomtel Acquisition has been fully consolidated within the Cellnex Group as of the Polkomtel Completion 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 loss contribution since acquisition amounted to EUR 110 million and EUR 19 million, respectively, corresponding to the impact of 100% of the financial results of the Polkomtel Acquisition in the accompanying consolidated income statement. If the Polkomtel Acquisition, had been completed on 1 January 2021 and it had been fully consolidated for the year ended 31 December 2021, it would have contributed an operating income and net loss for an amount of approximately EUR 252 million and EUR 8 million, respectively.

Polkomtel agreements

Polkomtel SPA

On 26 February 2021, Cellnex Poland entered into an agreement with Cyfrowy and Polkomtel to acquire 99.99% of the share capital of Towerlink Poland (the "Polkomtel SPA"), for an estimated total consideration (Enterprise Value) of approximately EUR 1,531 million. In order to secure the performance by Towerlink Poland and Cellnex Poland of their respective obligations towards Cyfrowy and Polkomtel after completion of the transaction, Polkomtel retains ownership of 0.01% of Towerlink Poland's share capital and Towerlink Poland adopted new bylaws to give Polkomtel the benefit of certain personal rights. The Polkomtel SPA contains certain representations and warranties of Cyfrowy and Polkomtel and certain indemnification obligations in case of breach thereof.

Polkomtel Buyback Agreement

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 Towerlink Poland (sold pursuant to the Polkomtel SPA) to Polkomtel (or its nominee), in the event (i) shares in Towerlink Poland 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 Cellnex Poland, Towerlink Poland or any of its holding companies which is, from time to time, the controlling company of Towerlink Poland (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.

Polkomtel MSA

Upon completion of the Polkomtel Acquisition, Towerlink Poland, Polkomtel and Aero 2 sp. z.o.o., a MNO within the Polkomtel Group ("Aero", and together with Polkomtel, the "Polkomtel Customers"), entered into a master services agreement whereby Towerlink Poland provides access to its passive infrastructures, renders the services necessary to maintain the technical conditions that are necessary to provide the transmission of radio signals of a cellular telecommunication network and provide transmission "backhaul", among other ancillary services, to the Polkomtel Customers (the "Polkomtel MSA"). In the event any of the triggering events (i) to (ii) described in the above paragraph occurs, or Towerlink Poland sells or leases (or similar) its business or an organized part of its business without the prior written consent of Polkomtel, the fees of the Polkomtel MSA shall be reduced by 50% (unless Polkomtel exercises its rights pursuant to the Polkomtel Buyback Agreement). The initial term of the Polkomtel MSA is 25 years, subject to automatic extensions for successive 15-year periods on an "all-or-nothing" basis.

Additionaly, pursuant to the Polkomtel MSA, Polkomtel has undertaken to submit pre-orders requesting Towerlink Poland to construct a minimum of 1,000 sites before the tenth anniversary of the date of the Polkomtel MSA, although the deployment of up to approximately 1,500 sites is expected by the Group. Additionally, pursuant to the Polkomtel MSA, each of Polkomtel and Aero have undertaken to submit pre-orders requesting Towerlink Poland to provide them with an aggregate of 15,000 additional emission services during that same period. The estimated total consideration for all the above services amounts to approximately EUR 600 million.

The required level of services to be provided pursuant to the Polkomtel MSA are regulated in the services level agreements that form part of the Polkomtel MSA.

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	1,224,911
Resulting goodwill	**327,453**

(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 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, Duff & Phelps, S.L.U., whose preliminary PPA report was issued on 5 January 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	1,002,560	6,938	995,622
Right-of-use-assets	169,713	169,713	—
Property, plant and equipment	538,770	538,770	—
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	(125,511)	(125,511)	—
Provisions and other liabilities long term	(100,745)	(23,052)	(77,693)
Trade and other long term payables	(39,902)	(39,902)	—
Lease liabilities short term	(53,935)	(53,935)	—
Provisions and other liabilities short term	(11,701)	(11,701)	—
Trade and other short term payables	(39,439)	(39,439)	—
Net deferred tax assets /(liabilities)	(173,395)	15,773	(189,168)
Net assets acquired	**1,224,911**	**496,150**	**728,761**

Total acquisition price	1,552,364
Cash in from other shareholders	(155)
Cash and cash equivalents	(21,401)
Cash outflow in the acquisition	**1,530,808**

Given the date on which the Polkomtel Acquisition has been completed, at the date of signing these consolidated financial statements for the period ended on 31 December 2021, 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.

Infratower Acquisition

In the last quarter of 2021, Cellnex has acquired, (through its fully owned subsidiary CLNX Portugal) 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. The transaction involves an estimated total consideration (Enterprise Value) of approximately EUR 209 million[16].

Thus, the Infratower 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 loss contribution since acquisition amounted to EUR 0 million and EUR 3 million, respectively, corresponding to the impact of 100% of the financial results of the Infratower Acquisition in the accompanying consolidated income statement. If the Infratower Acquisition, had been completed on 1 January 2021 and it had been fully consolidated for the year ended 31 December 2021, it would have contributed an operating income and net profit for an amount of approximately EUR 18 million and EUR 3 million, respectively.

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	206,013
Resulting goodwill	**9,233**

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 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 Infratower Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	**Carrying value**	**Revaluation**
Other intangible assets	205,925	23,283	182,642
Property, plant and equipment	3,174	185,817	(182,642)
Trade and other receivables short term	5,558	5,558	—
Provisions and other liabilities long term	(8,973)	(2,086)	(6,888)
Trade and other payables	(109)	(109)	—
Net deferred tax assets /(liabilities)	438	438	—
Net assets acquired	**206,013**	**212,901**	**(6,888)**
Total acquisition price	215,246	215,246	
Cash outflow in the acquisition	**215,246**	**215,246**	

Given the date on which the Infratower Acquisition has been completed, at the date of signing these consolidated financial statements for the period ended on 31 December 2021, 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.

[16] The final equity price corresponds to the 209 million plus working capital adjustments of 6 million.

Hivory Acquisition

As detailed in Note 2.h. VII, on 3 February 2021, the Group (through Cellnex France Groupe) 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 Cellnex France Groupe 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"). The Group financed this acquisition with available cash. Altice and Starlight BidCo, S.A.S. ("Starlight BidCo"), a wholly-owned subsidiary of Starlight HoldCo, owned 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, 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 Groupe for the sale and purchase, directly or indirectly of approximately 100% of Hivory's share capital.

Hivory owns and operates approximately 10,500 sites in France. In particular, Hivory is a party to a master services agreement with Société Française du Radiotéléphone ("SFR"), entered into on 30 November 2018, for the provision of certain services by Hivory to SFR (the "Hivory MSA"). Pursuant to an amendment letter to the Hivory MSA between Altice and the Group entered into on 3 February 2021 (the "Hivory MSA Amendment"), the parties have a commitment to execute an amendment to the Hivory MSA providing for, among other things, a revised build-to-suit program, including the commitment of SFR to require Hivory to construct up to 2,500 new sites in France until 31 December 2028 with a minimum of 1,000 sites, for an estimated investment of approximately EUR 0.9 billion. 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 agreed to deliver a prepayment in 2022 in respect of the investment relating to the construction of these sites.

The Hivory Acquisition was completed in the last quarter of 2021 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 and other sites in urban areas 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 financially 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 would remain unaffected on a consolidated run rate basis. As of 31 December 2021, the sites to be disposed have not yet been identified. Thus, no accounting impact under IFRS 5 has been registered.

The Hivory 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 year ended on 31 December 2021. The operating income and net loss contribution since acquisition amounted to EUR 53 million and EUR 19 million, respectively, corresponding to the impact of 100% of the financial results of the Hivory Acquisition in the accompanying consolidated income statement. If the Hivory 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 loss for an amount of approximately EUR 312 million and EUR 54 million, respectively.

Cellnex France Groupe, Altice and Starlight HoldCo entered into the following agreements in the context of the Hivory Acquisition:

Hivory SPA

In accordance with the above, pursuant to the Hivory SPA, Altice and Starlight HoldCo sold to Cellnex France Groupe respectively 50.01% ownership of Altice in Hivory and 100% ownership of Starlight BidCo, itself owning 49.99% of the share capital of Hivory, as well as all rights of Starlight HoldCo towards Starlight BidCo under a shareholder's loan agreement entered into between Starlight HoldCo and Starlight Bidco. As consideration thereof, the Group paid approximately EUR 5.2 billion, after certain price adjustments to account for the financial debt, cash, working capital position, a warranty liability insurance and certain balance sheet items of Hivory and Starlight BidCo.

The Hivory SPA contained certain representations and warranties by Altice and Starlight HoldCo and certain indemnification obligations in case of breach thereof. It also included certain covenants regarding the management of Hivory and Starlight BidCo until closing of the Hivory Acquisition, as well as certain specific indemnities provided by Altice.

Hivory MSA

Hivory is a party to a master services agreement with SFR, entered into on 30 November 2018, for the provision of certain services by Hivory to SFR, (the "Hivory MSA"). Pursuant to an amendment letter to the Hivory MSA between Altice and the Group entered into on 3 February 2021 (the "Hivory MSA Amendment"), the parties have a commitment to execute an amendment to the Hivory MSA providing for, among other things, a revised build-to-suit program, including the commitment of SFR to require Hivory to construct up to 2,500 new sites in France until 31 December 2028 with a minimum commitment of 1,000 new sites, for an estimated investment of approximately EUR 0.9 billion. 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 capital expenditures to facilitate the construction of up to 2,500 sites at the earliest possible date. Thus, the Group has agreed to deliver a prepayment in 2022 in respect of the capital expenditure relating to the construction of these sites. Hivory also has the possibility to propose, and SFR to elect at its sole discretion, an existing site of Hivory's portfolio in France instead of having to build a new site. The Hivory MSA Amendment further provides for an annual increase of 2% of the hosting fees to be paid by SFR as from 1st January 2022. This amendment to the Hivory MSA was executed on the last quarter of 2021.

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	5,282,011
Fair value of the net assets acquired	3,661,379
Resulting goodwill	**1,620,632**

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, Duff & Phelps, S.L.U., whose preliminary PPA report was issued on 3 January 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	4,137,963	46,463	4,091,500
Right-of-use-assets	240,356	240,356	—
Property, plant and equipment	458,641	458,641	—
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	(148,374)	(148,374)	—
Provisions and other liabilities long term	(60,236)	(31,185)	(29,051)
Lease liabilities short term	(75,325)	(75,325)	—
Provisions and other liabilities short term	(62,616)	(62,616)	—
Trade and other payables	(79,213)	(79,213)	—
Net deferred tax assets /(liabilities)	(1,023,903)	(1,028)	(1,022,875)
Net assets acquired	**3,661,379**	**621,806**	**3,039,574**
Total acquisition price	5,282,011	5,282,011	
Cash and cash equivalents	(69,679)	(69,679)	
Cash outflow in the acquisition	**5,212,332**	**5,212,332**	

Given the date on which the Hivory Acquisition has been completed, at the date of signing these consolidated financial statements for the period ended on 31 December 2021, 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 2020

The initial accounting for the business combination involving Arqiva Acquisition, NOS Towering Acquisition, Hutchison Austria Acquisition, Hutchison Ireland Acquisition and Hutchison Denmark Acquisition described in Note 6 of the consolidated financial statements for the 2020 financial year has been restated and now are 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 2020 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).

As regards the business combination of Omtel Acquisition described in Note 6 of the consolidated financial statements for the 2020 financial year, this business combination was considered to have been completed as of the date of signing of the 2020 consolidated financial statements, since one year was elapsed since the date of acquisition (in accordance with IFRS 3).

Omtel Acquisition

The breakdown of the net assets acquired and goodwill generated by the Omtel Acquisition, at the completion date, is as follows:

	Thousands of Euros
Total acquisition price [1]	762,384
Fair value of the net assets acquired	733,930
Resulting goodwill	**28,454**

[1] Relating to the payment of EUR 300,000 thousand made on the acquisition date plus EUR 462,384 thousand corresponding to the present value (at a market discount rate of 2.65%) at the acquisition date of the deferred purchase price of all the shares Belmont Infra Holding and its subsidiaries, amounting to EUR 570,000 thousand, payable in 2027 (see Note 19.b.).

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 Omtel Acquisition, the Group decided to perform a purchase price allocation with the participation of an independent third party expert, Duff & Phelps, .L.U., whose final PPA report was issued on 19 January 2021 and the report did not contain any limitations. The assets and liabilities arising from the Omtel are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	**Carrying value**	**Revaluation**
Other intangible assets	1,006,075	12,008	994,067
Right-of-use-assets	44,232	47,994	(3,762)
Property, plant and equipment	98,258	608,758	(510,500)
Financial investments long term	6	6	—
Trade and other receivables short term	12,261	12,261	—
Cash and cash equivalents	42,588	42,588	—
Bank borrowings and derivative financial instruments long term	(243,259)	(233,017)	(10,242)
Lease liabilities long term	(23,178)	(35,055)	11,877
Provisions and other liabilities long term	(56,724)	(15,724)	(41,000)
Lease liabilities short term	(16,975)	(10,265)	(6,710)
Trade and other payables	(8,303)	(8,303)	—
Net deferred tax assets /(liabilities)	(121,051)	—	(121,051)
Net assets acquired	**733,930**	**421,251**	**312,679**
Total acquisition price	762,384	762,384	
Deferred payment (see Note 19.b.)	(462,384)	(462,384)	
Cash and cash equivalents	(42,588)	(42,588)	
Cash outflow in the acquisition	**257,412**	**257,412**	

Arqiva Acquisition

The breakdown of the net assets acquired and goodwill generated by the Arqiva Acquisition, at the completion date, is as follows:

	Thousands of Euros
Total acquisition price [(1)]	2,210,544
Fair value of the net assets acquired	1,577,024
Resulting goodwill	**633,520**

[(1)] Corresponds to the cash paid (GBP 1,987,675 thousand) with the impacts of natural hedge accounting as disclosed in Note 11, which has been treated as the hedge of a "transaction highly probable in accordance with the provisions of IAS 39, totalling an amount equivalent to EUR 2,210,544 thousand.

The review of the purchase price allocation of the Arqiva Acquisition gave rise to a EUR 14,304 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 2,023,910 thousand (EUR 2,059,624 thousand in the 2020 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 205,464 thousand (EUR 167,087 thousand in the 2020 consolidated financial statements). Finally, the acquisition price has increased slightly by EUR 704 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 Arqiva Acquisition, the Group decided to perform a purchase price allocation with the participation of an independent third party expert, Ernst & Young Servicios Corporativos, S.L., whose final PPA report was issued on 27 July 2021 and the report did not contain any limitations. The assets and liabilities arising from the Arqiva Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	Carrying value	Revaluation
Other intangible assets	2,023,910	—	2,023,910
Right-of-use-assets	290,672	307,515	(16,843)
Property, plant and equipment	205,464	167,087	38,377
Trade and other receivables short term	37,113	37,113	—
Cash and cash equivalents	113	113	—
Lease liabilities long term	(188,213)	(200,337)	12,124
Provisions and other liabilities long term	(321,135)	(89,310)	(231,825)
Lease liabilities short term	(29,189)	(33,909)	4,720
Provisions and other liabilities short term	(80,548)	(80,548)	—
Trade and other payables	(28,706)	(28,706)	—
Net deferred tax assets /(liabilities)	(332,457)	59,377	(391,834)
Net assets acquired	**1,577,024**	**138,395**	**1,438,629**
Total acquisition price	2,210,544	2,210,544	
Cash and cash equivalents	(113)	(113)	
Cash outflow in the acquisition	**2,210,431**	**2,210,431**	

NOS Towering Acquisition

The breakdown of the net assets acquired and goodwill generated by the NOS Towering Acquisition, at the completion date, is as follows:

	Thousands of Euros
Total acquisition price [(1)]	398,452
Fair value of the net assets acquired	308,707
Resulting goodwill	**89,745**

[(1)] Corresponds to the final consideration, in accordance with the NOS Towering SPA.

The review of the purchase price allocation of the NOS Towering Acquisition gave rise to a EUR 4,952 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 279,600 thousand (EUR 280,400 thousand in the 2020 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 97,733 thousand (EUR 96,942 thousand in the 2020 consolidated financial statements). Finally, the acquisition price has decreased slightly by EUR 103 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 Nos Towering 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 17 December 2021 and the report did not contain any limitations. The assets and liabilities arising from the Nos Towering Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	Carrying value	Revaluation
Other intangible assets	279,600	—	279,600
Right-of-use-assets	27,229	36,242	(9,013)
Property, plant and equipment	97,733	102,333	(4,600)
Trade and other receivables short term	3,432	4,077	(645)
Cash and cash equivalents	45,030	45,030	—
Lease liabilities long term	(22,007)	(29,482)	7,475
Provisions and other liabilities long term	(21,121)	(21,121)	—
Lease liabilities short term	(4,577)	(6,761)	2,183
Trade and other payables	(24,411)	(24,411)	—
Net deferred tax assets /(liabilities)	(72,201)	4,799	(77,000)
Net assets acquired	**308,707**	**110,706**	**198,000**

Total acquisition price	398,452	398,452
Cash and cash equivalents	(45,030)	(45,030)
Cash outflow in the acquisition	**353,422**	**353,422**

CK Hutchison Holdings Transaction

Hutchison Austria Acquisition

The breakdown of the net assets acquired and goodwill generated by the Hutchison Austria Acquisition, at the completion date, is as follows:

	Thousands of Euros
Total acquisition price (1)	932,883
Fair value of the net assets acquired	621,585
Resulting goodwill	**311,299**

(1) In addition to the acquisition price paid for the shares of the acquired company (EUR 933 million), at the acquisition date, an additional EUR 224 million were paid to cancel the existing debt that Networks Co. Austria had with companies of the Hutchison Group at that date.

The review of the purchase price allocation of the Hutchison Austria Acquisition gave rise to a EUR 36,245 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 757,247 thousand (EUR 883,962 thousand in the 2020 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 201,091 thousand (EUR 118,629 thousand in the 2020 consolidated financial statements). Finally, the acquisition price has decreased slightly by EUR 1,624 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 Hutchison Austria 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 19 January 2022 and the report did not contain any limitations. The assets and liabilities arising from the Hutchison Austria Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	Carrying value	Revaluation
Other intangible assets	757,247	547	756,700
Right-of-use-assets	118,754	96,268	22,486
Property, plant and equipment	201,091	139,091	62,000
Trade and other receivables short term	2,160	3,079	(919)
Cash and cash equivalents	20,549	20,549	—
Loans from group companies long term	(223,642)	(223,642)	—
Lease liabilities long term	(103,049)	(73,216)	(29,833)
Provisions and other liabilities long term	(74,662)	(20,462)	(54,200)
Lease liabilities short term	(14,786)	(23,052)	8,266
Provisions and other liabilities short term	(143)	(143)	—
Trade and other payables	(1,830)	(1,830)	—
Net deferred tax assets /(liabilities)	(60,104)	144,571	(204,675)
Net assets acquired	**621,585**	**61,760**	**559,825**
Total acquisition price	932,883	932,883	
Cash and cash equivalents	(20,549)	(20,549)	
Cash outflow in the acquisition	**912,334**	**912,334**	

Hutchison Ireland Acquisition

The breakdown of the net assets acquired and goodwill generated by the Hutchison Ireland Acquisition, at the completion date, is as follows:

	Thousands of Euros
Total acquisition price (1)	612,667
Fair value of the net assets acquired	371,969
Resulting goodwill	**240,698**

(1) Corresponds to the final consideration, in accordance with the Hutchison Ireland SPA.

The review of the purchase price allocation of the Hutchison Ireland Acquisition gave rise to a EUR 11,690 thousand increase in goodwill following the recognition of a higher revaluation of other intangible assets ("Customer Network Services Contracts" and "Network Location") which ultimately amounted to EUR 490,500 thousand (EUR 481,109 thousand in the 2020 consolidated financial statements), and a step down in property plant, and equipment resulting from an accurate appraisal of fixed assets, which ultimately amounted to EUR 60,248 thousand (EUR 68,918 thousand in the 2020 consolidated financial statements). Finally, the acquisition price has increased slightly by EUR 471 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 Hutchison Ireland 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 19 January 2022 and the report did not contain any limitations. The assets and liabilities arising from the Hutchison Ireland Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	**Carrying value**	**Revaluation**
Other intangible assets	490,500	64,194	426,306
Right-of-use-assets	52,305	96,760	(44,455)
Property, plant and equipment	60,248	78,448	(18,200)
Trade and other receivables short term	989	989	—
Cash and cash equivalents	14	14	—
Lease liabilities long term	(38,861)	(82,931)	44,070
Provisions and other liabilities long term	(122,230)	(9,530)	(112,700)
Lease liabilities short term	(11,003)	(11,387)	384
Trade and other payables	(864)	(864)	—
Net deferred tax assets /(liabilities)	(59,129)	(91)	(59,038)
Net assets acquired	**371,969**	**135,602**	**236,367**
Total acquisition price	612,667	612,667	
Cash and cash equivalents	(14)	(14)	
Cash outflow in the acquisition	**612,653**	**612,653**	

Hutchison Denmark Acquisition

The breakdown of the net assets acquired and goodwill generated by the Hutchison Denmark Acquisition, at the completion date, is as follows:

	Thousands of Euros
Total acquisition price (1)	436,959
Fair value of the net assets acquired	328,847
Resulting goodwill	**108,112**

(1) Corresponds to the final consideration, in accordance with the Hutchison Denmark SPA.

The review of the purchase price allocation of the Hutchison Denmark Acquisition gave rise to a EUR 9,295 thousand decrease in goodwill following the recognition of a higher revaluation of other intangible assets ("Customer Network Services Contracts" and "Network Location") which ultimately amounted to EUR 338,615 thousand (EUR 326,847 thousand in the 2020 consolidated financial statements), and a step down in property plant, and equipment resulting from an accurate appraisal of fixed assets, which ultimately amounted to EUR 57,793 thousand (EUR 59,898 thousand in the 2020 consolidated financial statements). Finally, the acquisition price has decreased slightly by EUR 818 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 Hutchison Denmark 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 19 January 2022 and the report did not contain any limitations. The assets and liabilities arising from the Hutchison Denmark Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	Carrying value	Revaluation
Other intangible assets	338,615	—	338,615
Right-of-use-assets	41,032	26,828	14,204
Property, plant and equipment	57,793	60,593	(2,800)
Trade and other receivables long term	1,446	1,446	—
Trade and other receivables short term	803	803	—
Cash and cash equivalents	718	718	—
Lease liabilities long term	(33,289)	(17,753)	(15,536)
Provisions and other liabilities long term	(46,195)	(695)	(45,500)
Lease liabilities short term	(6,701)	(8,033)	1,332
Trade and other payables	(3,954)	(3,954)	—
Net deferred tax assets /(liabilities)	(21,421)	52,458	(73,879)
Net assets acquired	**328,847**	**112,411**	**216,436**

Total acquisition price	436,959	436,959
Cash and cash equivalents	(718)	(718)
Cash outflow in the acquisition	**436,241**	**436,241**

7. Property, plant and equipment

The changes in this heading in the consolidated balance sheet during 2021 and 2020 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 2021 restated				
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)	1,990,291	83,420	36,610	**2,110,321**
Additions	1,013,296	159,969	500,349	**1,673,614**
Disposals (net)	(3,474)	(953)	(3,619)	**(8,046)**
Transfers	204,409	(45,744)	(158,665)	**—**
Foreign exchange differences	17,124	1,006	2,275	**20,405**
Depreciation charge	(407,233)	(59,328)	—	**(466,561)**
Carrying amount at close	**6,295,190**	**612,249**	**724,868**	**7,632,307**
At 31 December 2021				
Cost	7,491,044	1,105,004	724,868	**9,320,916**
Accumulated depreciation	(1,195,854)	(492,755)	—	**(1,688,609)**
Carrying amount	**6,295,190**	**612,249**	**724,868**	**7,632,307**

Thousands of Euros

	Land and buildings	Plant and machinery and other fixed assets	Property, plant and equipment under construction	Total
At 1 January 2020				
Cost	2,967,951	697,550	153,243	**3,818,744**
Accumulated depreciation	(540,661)	(378,544)	—	**(919,205)**
Carrying amount	**2,427,290**	**319,006**	**153,243**	**2,899,539**
Carrying amount at beginning of period	2,427,290	319,006	153,243	**2,899,539**
Changes in the consolidation scope (Note 6)	608,829	109,071	21,039	**738,939**
Additions	627,694	104,679	249,415	**981,788**
Disposals (net)	(1,689)	(1,379)	(3,516)	**(6,584)**
Transfers	70,489	1,341	(71,830)	**—**
Foreign exchange differences	(3,876)	(3,956)	(433)	**(8,265)**
Depreciation charge	(247,960)	(54,883)	—	**(302,843)**
Carrying amount at close	**3,480,777**	**473,879**	**347,918**	**4,302,574**
At 31 December 2020 restated				
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**

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 2021 and 2020 due to changes in the scope of consolidation and business combinations mainly correspond to the impact of:

<u>2021</u>

- the On Tower Sweden Acquisition (EUR 138,115 thousand, see Notes 2.h and 6).
- the On Tower Poland Acquisition (EUR 226,090 thousand, see Notes 2.h and 6).
- the Cignal Infrastructure Netherlands Acquisition (EUR 90,626 thousand, see Notes 2.h and 6).
- Network Co Italy Acquisition (EUR 651,646 thousand, see Notes 2.h and 6).
- Towerlink Poland Acquisition (EUR 538,770 thousand, see Notes 2.h and 6).
- Infratower Acquisition (EUR 3,174 thousand, see Notes 2.h and 6).
- Hivory Acquisition (EUR 458,641 thousand, see Notes 2.h and 6).

2020 Restated

- the Omtel Acquisition (EUR 98,258 thousand, see Notes 2.h and 6).
- the Arqiva Acquisition (EUR 205,464 thousand, see Notes 2.h and 6).
- the NOS Towering Acquisition (EUR 97,733 thousand, see Notes 2.h and 6).
- the Hutchison Austria Acquisition (EUR 201,091 thousand, see Notes 2.h and 6).
- the Hutchison Ireland Acquisition (EUR 60,248 thousand, see Notes 2.h and 6).
- the Hutchison Denmark Acquisition (EUR 57,793 thousand, see Notes 2.h and 6).

Signed acquisitions and commitments

France

As of 31 December 2021, 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 5,400 sites that will be gradually transferred to Cellnex until 2027, of which 4,535 have been transferred to Cellnex as of 31 December 2021 (4,078 as of 31 December 2020), 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 2021, 457 sites were acquired (572 sites in 2020), optic fibre network was deployed and 27 data processing centers were created in relation to the aforementioned agreements, for an amount of approximately EUR 447 million (EUR 160 million during 2020). In addition, the investment in fixed assets in progress corresponding to those sites, fibre network and data processing centres, which were under construction during 2021, amounted to EUR 175 million (EUR 147 million during 2020). Therefore, the total investment during 2021 and 2020, in relation to the agreements described above, amounted to approximately EUR 622 million and EUR 307 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 2,500 sites that will be gradually transferred to Cellnex until 2026, of which 1,303 and 548 have been transferred to Cellnex as of 31 December 2021 and 2020 for an amount of approximately EUR 243 million and EUR 103 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 2028, of which 155 sites have been transferred as of 31 December 2021 for an amount of approximately EUR 36 million.

Therefore, the total investment in France during 2021 and 2020, in relation to the agreements described above, amounted to approximately EUR 893 million and EUR 409 million, respectively.

Poland

During 2021 Cellnex reached an agreement in Poland with Illiad 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 Illiad 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 188 and 35 have been transferred as of 31 December 2021, as well as other updates in active equipment in Towerlink Poland, for a total amount of approximately EUR 44 million and EUR 61 million, respectively.

Spain

On 3 December 2019, Cellnex (through its fully owned subsidiary On tower Telecom Infraestructuras, S.A.U.) reached an agreement with Orange Espagne, S.A.U. (“Orange Spain”) for the acquisition of 1,500 telecom sites in Spain for a total amount of EUR 260 million. As of 31 December 2019, 1,067 sites were transferred to Cellnex for an amount of EUR 185 million, while the remaining 433 sites were transferred during January 2020 for the remaining amount.

Orange Spain will be the main customer of this portfolio of telecom sites, with whom Cellnex 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 undefined periods of 1 year on an all-or-nothing basis, and which presents an initial tenancy ratio of c.1.8x.

This project is fully aligned with Cellnex's growth strategy and is also fully compliant with the Group's strict value creation criteria.

Italy

During 2021 and 2020, in the context of the Iliad Italy Acquisition, 413 sites have been transferred for an amount of approximately EUR 85 million and EUR 0 million, respectively.

In addition to the movements described above, during 2021 and 2020 investments have also been carried out by the Group in relation to "built-to-suit" agreements reached with several anchor tenants in the Netherlands, Switzerland, Portugal, Ireland, Austria, Denmark and Sweden, and other additions related to the business expansion and maintenance of the Group's operations, for a total amount of approximately EUR 411 million and EUR 263 million, respectively.

Furthermore, during 2021 and 2020 investments have also been 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), for a total amount of approximately EUR 154 million and EUR 76 million, respectively.

At 31 December 2021 and 2020 the Group had not entered into additional relevant framework agreements with other customers.

Property, plant and equipment abroad

At 31 December 2021 and 2020 the Group had the following investments in property, plant and equipment located abroad:

Thousands of Euros

	31 December 2021	31 December 2020 restated
Italy	1,280,899	507,655
France	3,153,484	1,815,502
UK	324,705	235,587
Switzerland	209,462	193,190
Portugal	247,382	218,038
Austria	207,763	201,282
Poland	826,194	—
Others	531,705	266,002
TOTAL	**6,781,594**	**3,437,256**

Fully depreciated assets

At 31 December 2021, fully depreciated property, plant and equipment amounted to EUR 916 million (EUR 630 million at 31 December 2020).

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, 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. Finally, in relation with transaction with Hutchison in the United Kingdom (see Note 21, the "CK Hutchison Holdings Transaction") and the portion of the price that Hutchison shall receive in Cellnex shares, if as a result of a takeover bid prior to closing of CKH UK transaction a third party (alone or in concert with another shareholder) acquires the majority of the votes in Cellnex, Cellnex shall procure that Hutchison receives at closing such equivalent consideration as Hutchison would have received had it been a shareholder of Cellnex at the time of the takeover bid.

Purchase commitments at year-end

At 2021 year-end the Group held purchase agreements for property, plant and equipment assets amounting to EUR 6,108 million (EUR 5,992 million in 2020). 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 (regular 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 Illiad Poland and Polkomtel, where, Cellnex, though its subsidiaries On Tower Poland and Towerlink Poland, has committed to acquire or for Illiad 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 and Sweden, the transactions already completed, and the United Kingdom, which transaction is pending to be completed as of the date of this Consolidated Financial Statements, as well as other "build-to-suit" agreements reached with several anchor tenants in Italy, Switzerland, Portugal, Ireland and the Netherlands.

Impairment

At 2021 and 2020 year-end, 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 fair value, which has been determined in accordance with the general criteria and assumptions described in Notes 3.c and 8 of the accompanying consolidated financial statements, of the corresponding cash generating unit prepared. The carrying amount of these assets stands at approximately EUR 4,946 million at 2021 year-end (EUR 2,968 million at 2020 year-end).

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 2021 and 2020. 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 (determined based on the fair value as indicated previously) 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, 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 in the assets recognised by the Group at 31 December 2021 and 2020. 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 (above 20%) to changes in the key assumptions used.

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 2021 and 2020, the Group's Directors considered that the insurance coverage was sufficient to cover the risks relating to its activities.

Other disclosures

At 31 December 2021 and 2020, the Group did not have significant property, plant and equipment subject to restrictions or pledged as collateral on liabilities.

8. Intangible assets

The changes in this heading in the consolidated balance sheet during 2021 and 2020 were as follows:

Thousands of Euros

	Goodwill	Intangible assets for telecom infrastructure services	Computer software and other intangible assets	Total
At 1 January 2021 restated				
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)	3,193,828	10,221,523	79,156	**13,494,507**
Additions	—	—	52,714	**52,714**
Transfers	—	—	(2,049)	**(2,049)**
Foreign exchange differences	52,438	179,496	8,191	**240,125**
Amortisation charge	—	(699,226)	(30,333)	**(729,559)**
Carrying amount at close	**5,980,071**	**18,723,113**	**310,540**	**25,013,724**
At 31 December 2021				
Cost	5,980,071	20,062,194	403,271	**26,445,536**
Accumulated amortisation	—	(1,339,081)	(92,731)	**(1,431,812)**
Carrying amount	**5,980,071**	**18,723,113**	**310,540**	**25,013,724**

Thousands of Euros

	Goodwill	Intangible assets for telecom infrastructure services	Computer software and other intangible assets	Total
At 1 January 2020				
Cost	1,291,003	4,684,036	248,841	**6,223,880**
Accumulated amortisation	—	(297,591)	(39,666)	**(337,257)**
Carrying amount	**1,291,003**	**4,386,445**	**209,175**	**5,886,623**
Carrying amount at beginning of period	1,291,003	4,386,445	209,175	**5,886,623**
Changes in the scope of consolidation (Note 6)	1,438,708	4,971,799	2,641	**6,413,148**
Additions	—	—	21,556	**21,556**
Transfers	—	—	—	**—**
Foreign exchange differences	4,094	5,340	(7,779)	**1,655**
Amortisation charge	—	(342,264)	(22,732)	**(364,996)**
Carrying amount at close	**2,733,805**	**9,021,320**	**202,861**	**11,957,986**
At 31 December 2020 restated				
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**

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 2021	**31 December 2020 restated**
Concession intangible assets	67,420	71,527
Customer network services contracts	15,127,071	7,316,035
Network location	3,528,622	1,633,758
Total	**18,723,113**	**9,021,320**

Goodwill

Gross goodwill and the accumulated losses in value recognised at 31 December 2021 and 2020, respectively, are detailed as follows:

		Thousands of Euros
	31 December 2021	**31 December 2020 restated**
Gross goodwill	5,980,071	2,733,805
Accumulated valuation adjustments	—	—
Net goodwill	**5,980,071**	**2,733,805**

The detail of goodwill, classified by cash-generating unit, at 31 December 2021 and 2020 is as follows:

		Thousands of Euros
	31 December 2021	31 December 2020 restated
Cellnex Italia SpA	224,551	224,551
Tradia Telecom	42,011	42,011
Towerlink Netherlands	35,307	35,307
Shere Masten	66,089	66,089
Shere Group UK (1)	29,998	28,038
Swiss Towers (1)	163,456	156,329
Infracapital Alticom subgroup	75,431	60,019
On Tower Netherlands BV	10,525	10,525
Swiss Infra Services (1)	161,412	154,372
Cignal Infrastrucsture subgroup	40,066	40,066
On Tower France	471,528	471,528
On Tower UK subgroup (1)	678,708	634,572
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)	108,178	108,112
On Tower AT	311,299	311,299
On Tower SE (1)	293,377	—
On Tower Poland (1)	233,203	—
Cignal infrastructure Netherlands	181,348	—
Towerlink Poland (1)	322,104	—
Hivory, SAS	1,620,632	—
CK Hutchison Italy	510,056	—
Others	26,974	17,169
Goodwill	**5,980,071**	**2,733,805**

(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 2021 and 2020 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 2021 and 2020 due to changes in the scope of consolidation and business combinations in intangible assets for telecom infrastructure services mainly correspond to the impact of:

2021

- the On Tower Sweden Acquisition (EUR 471,960 thousand, see Notes 2.h and 6).
- the On Tower Poland Acquisition (EUR 1,017,954 thousand, see Notes 2.h and 6).
- the Cignal Infrastructure Netherlands Acquisition (EUR 584,100 thousand, see Notes 2.h and 6).
- Network Co Italy Acquisition (EUR 2,859,135 thousand, see Notes 2.h and 6).
- Towerlink Poland Acquisition (EUR 1,002,560 thousand, see Notes 2.h and 6).
- Infratower Acquisition (EUR 205,925 thousand, see Notes 2.h and 6).
- Hivory Acquisition (EUR 4,137,963 thousand, see Notes 2.h and 6).

2020 Restated

- the Omtel Acquisition (EUR 1,006,075 thousand, see Notes 2.h and 6).
- the Arqiva Acquisition (EUR 2,023,910 thousand, see Notes 2.h and 6).
- the NOS Towering Acquisition (EUR 279,600 thousand, see Notes 2.h and 6).
- the Hutchison Austria Acquisition (EUR 757,247 thousand, see Notes 2.h and 6).
- the Hutchison Ireland Acquisition (EUR 490,500 thousand, see Notes 2.h and 6).
- the Hutchison Denmark Acquisition (EUR 338,615 thousand, see Notes 2.h and 6).

Signed acquisitions and commitments

During 2021 and 2020, the Group had not entered into additional relevant framework agreements with customers, other than those included in the Business Combinations. During 2019, the main addition corresponded to the agreement described below, which is still in force:

Agreement with British Telecommunications PLC ("BT") in the UK

In June 2019, Cellnex Telecom (through its subsidiary Cellnex Connectivity Solutions Limited) and BT signed a long-term strategic agreement according to which Cellnex acquired the rights to operate and market 220 high towers located throughout the United Kingdom for a period of 20 years. The acquisition price amounted to GBP 70 million, approximately, (with a Euro value of EUR 79 million). The aforementioned rights were totally transferred to Cellnex as of 31 December 2019.

The agreement additionally included a commitment to explore further opportunities between the two companies in the UK, which consists of the pre-emptive right of acquisition of up to 3,000 sites from BT during the next six years (The "Right of First Offer"). In addition, according to the agreement, Cellnex will have a period of time in which to make a further and final offer, to match with a third party offer (The "Right to Match"), that BT could receive regarding these 3,000 sites. The corresponding value assigned by Cellnex in relation to both Right of First Offer and Right to Match, amounted to GBP 30 million, approximately (with a Euro value of EUR 34 million).

Intangible assets abroad

At 31 December 2021 and 2020, the Group had the following net book value of intangible assets located in the following countries:

		Thousands of Euros
	31 December 2021	**31 December 2020 restated**
Italy	4,294,987	1,045,363
Netherlands	1,293,503	533,922
France	7,727,590	2,088,353
United Kindom	2,907,072	2,831,424
Portugal	1,504,440	1,349,723
Switzerland	1,419,044	1,418,588
Ireland	882,971	910,241
Austria	1,030,221	1,068,546
Poland	2,508,675	—
Others	1,191,818	473,877
TOTAL	**24,760,321**	**11,720,037**

Fully depreciated assets

At 31 December 2021, fully depreciated intangible assets amounted to EUR 44,442 thousand (EUR 33,923 thousand at 31 December 2020).

Purchase commitments at year-end

At 31 December 2021, the Group held purchase agreements for intangible assets, excluding those intangible assets that may arise as a result of business combinations (see Note 21.b), amounting to EUR 1,223 thousand (EUR 333 thousand at 31 December 2020).

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 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 the review of the 2020 impairment tests with regard to the 2021 results, no significant variances were detected.

The fair value was calculated as follows:

- The period over which the related investment is expected to generate cash flows was 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 cash-generating unit of the consumer price index (CPI) in each country (with the exception of a fix escalator in Cellnex France) in which the assets are used or the business operates.

  - For expenses, trends were considered in light of expected changes in the respective CPIs and the projected performance of the business.

  - 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.5-10%, respectively.

  - Taxes have been also considered in the projections in a country-by-country basis.

The cash inflow 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 closing 2021 and on the most recent medium-term projection and, after approximately year ten, on the activity growth rate evident from the service contracts. Projections covers a period higher than five years of cash flows after closing, due to the duration of the existing service contracts with customers.

Finally, in relation to the cash-generating units (CGUs) assets 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 connection, 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 fair value of the main cash-generating units in 2021 and 2020 with the most relevant intangible assets and goodwill were as follows:

The discount rate considered 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. The discount rate considered in 2020 for Tradia Telecom, On Tower, Towerco, Cellnex Italia, Towerlink Netherlands, Cellnex UK, Shere Masten, Swiss Towers, Alticom, Cellnex France, On Tower France, Swiss Infra and Cignal was 5.9%, 5.5%, 6.2%, 6.2%, 4.9%, 5.5%, 4.9%, 4.5%, 4.9%, 5.0%, 5.0%, 4.5% and 5.3%, respectively.

The activity growth rate considered for all CGUs in 2021 and 2020 was 3.5% and 3.0% per annum, respectively, apart from Tradia Telecom which was 1.5% per annum in both periods.

The 'terminal g', considered for all CGUs in 2021 and 2020 was 2.5% apart from Tradia Telecom, which represented 1.0% due to the broadcasting component, which was in line with a general inflation rate.

As indicated above, there have been no significant variations in the discount rate considered between 2021 and 2020.

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 2021 and 2020. 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 fair 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 2021 and 2020. Thus, the recoverable amount obtained exceeds the carrying amount of the assets, although the sensitivity analyses conducted on the projections evidence clearly a high tolerance (above 20%) to changes in the key assumptions used.

Other disclosures

At 31 December 2021 and 2020, the Group did not have significant intangible assets subject to restrictions or pledged as collateral on liabilities.

9. Investments in associates

The changes in this heading in the consolidated balance sheet are as follows:

	Thousands of Euros	
	2021	**2020**
At 1 January	**3,431**	**2,832**
Profit of the year	(3,222)	52
Changes in perimeter	—	172
Others	3,056	375
At 31 December	**3,265**	**3,431**

The shareholdings in associates accounted for using the equity method are detailed as follows:

	Thousands of Euros	
	Value of the shareholding	
	31 December 2021	**31 December 2020**
Torre Collserola, S.A.	1,958	1,957
Nearby Sensors	280	314
Nearby Computing	249	368
Consorcio de Telecomunicaciones Avanzadas, S.A. (COTA)	778	792
Total	**3,265**	**3,431**

In addition to the impairment indication analysis referred to above, the Group carried out also an impairment indication 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 indicated in Note 7, and no indication was found for the 2021 financial year.

10. Current and non-current financial investments

The breakdown of this heading in the accompanying consolidated balance sheet at 31 December 2021 and 2020 is as follows:

	Thousands of Euros					
	31 December 2021			**31 December 2020**		
	Non-current	**Current**	**Total**	**Non-current**	**Current**	**Total**
Advances to customers	26,406	3,151	29,557	28,042	2,067	**30,109**
Current and non-current financial investments	**26,406**	**3,151**	**29,557**	**28,042**	**2,067**	**30,109**

Advances to customers

The changes in “advances to customers” during 2021 and 2020 were as follows:

	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**

	Thousands of Euros		
			2020
	Non-current	Current	Total
At 1 January	**26,909**	**2,015**	**28,924**
Additions	4,914	—	4,914
Charge to the consolidated income statement	—	(2,909)	(2,909)
Transfer	(2,909)	2,909	—
Others	(872)	52	(820)
At 31 December	**28,042**	**2,067**	**30,109**

Current and non-current financial investments 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 2021 and 2020, 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 2021 and 2020 this amount was recorded as a reduction to revenues amounting to EUR 3,269 thousand and EUR 2,909 thousand, respectively.

Transfers

The transfers from the 2021 and 2020 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.

11. Derivative financial instruments

The detail of the fair value of the derivative financial instruments at 31 December 2021 and 2020 is as follows:

	31 December 2021		31 December 2020	
Thousands of Euros	Assets	Liabilities	Assets	Liabilities
Interest rate swaps:				
Cash flow hedges	3,764	2,622	—	9,908
Interest rate and/or cross currency swaps and/or forwards:				
Cash flow hedges	26,352	—	—	—
Hedges of a net investment in a foreign operation	—	9,210	6,116	—
Derivatives not designated as hedges	77	—	—	—
Derivative financial instruments	**30,193**	**11,832**	**6,116**	**9,908**
Interest rate and/or cross currency swaps and/or forwards:				
Cash flow hedges	30,116	2,622	—	9,743
Hedges of a net investment in a foreign operation	—	9,210	6,116	—
Derivatives not designated as hedges	—	—	—	—
Non-current	**30,116**	**11,832**	**6,116**	**9,743**
Current	**77**	**—**	**—**	**165**

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 2021 and 2020, by type of instrument, showing their notional or contractual values, expiry dates and fair values, is as follows:

Thousands of Euros

31 December 2021	Notional amount	2022	2023	2024	2025	2026	Subsequent years	Net fair value
Interest rate swaps:								
Cash flow hedges	635,914	6,173	6,822	7,580	7,821	8,115	(14,391)	27,494
Interest rate and/or cross currency swaps:								
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**

Thousands of Euros

	31 December 2020							
	Notional amount	2021	2022	2023	2024	2025	Subsequent years	Net fair value
Interest rate swaps:								
Cash flow hedges	131,097	(1,447)	(1,684)	(1,847)	(1,972)	(1,921)	(1,341)	(9,908)
Interest rate and/or cross currency swaps:								
Hedges of a net investment in a foreign operation	450,000	(5,930)	(4,549)	(4,517)	(5,077)	(4,762)	31,436	6,116
Total	**581,097**	**(7,377)**	**(6,233)**	**(6,364)**	**(7,050)**	**(6,682)**	**30,095**	**(3,792)**

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).

Cross currency interest rate swaps

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 2020, the following transactions were performed:

i. Cellnex Telecom, S.A. arranged a CCS 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 described in Note 15 as a natural hedge of the net investment made in United Kingdom Group's subsidiaries.

ii. Cellnex Telecom, S.A. arranged three CCS for a total amount of USD 328 million and an equivalent total euro value of EUR 300 million to hedge three deposits amounting to a total of USD 328 million. As at 31 December 2020, these three CCS were cancelled.

Additionally, Cellnex designated the cash maintained in pounds sterling (GBP) (see Note 13 of the annual consolidated financial statements of the 2020 financial year) amounting to GBP 1,200 million, to hedge the disbursement envisaged in relation to the investment commitment acquired in October 2019 in relation to the Arqiva Acquisition (see Note 6 of the annual consolidated financial statements of the 2020 financial year) which became effective on 8 July 2020. It should be noted that available cash in GBP was classified as a hedge since the requirements for such classification were met given, inter alia, that the aforementioned investment commitment was considered to constitute a highly probable transaction. Consequently, exchange differences EUR-GBP amounting to EUR 3,316 thousand were recognised in the total acquisition price of the business combination (see Notes 6 and 14.c.iii of the annual consolidated financial statements of the 2020 financial year).

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 has become 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).

Additionally, the amount recognised as a financial asset/liability with a balancing entry in the consolidated income statement for the period corresponding to the ineffective portion of the cash flow hedges and hedges of a net investment in a foreign operation amounted to EUR 0 thousands (EUR 3,788 thousand as of 31 December 2020).

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 2021 and 2020, 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

	2021		2020	
	1% change	-1% change	1% change	-1% change
Interest rate swaps:				
Cash Flow Hedges	21,557	(20,952)	12,593	(35,190)

As of 31 December 2021 and 2020, 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

	2021		2020	
	10% change	-10% change	10% change	-10% change
Interest rate and/or cross currency swaps:				
Cash Flow Hedges	93,551	(50,392)	—	—
Hedges of a net investment in a foreign operation	(57,967)	39,421	(40,436)	57,554

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.

12. Trade and other receivables

The breakdown of this heading in the accompanying consolidated balance sheet at 31 December 2021 and 2020 is as follows:

Thousands of Euros

	31 December 2021			31 December 2020 restated		
	Non-current	Current	Total	Non-current	Current	Total
Trade receivables (gross)	—	826,913	**826,913**	—	357,247	**357,247**
Allowances for doubtful debts (impairments)	—	(20,021)	**(20,021)**	—	(19,424)	**(19,424)**
Trade receivables	**—**	**806,892**	**806,892**	**—**	**337,823**	**337,823**
Current tax assets	—	280,734	**280,734**	—	136,509	**136,509**
Receivables with other related parties (Note 24.d)	—	—	**—**	—	207	**207**
Other receivables	50,830	64,453	**115,283**	35,673	30,076	**65,749**
Trade and other receivables	**50,830**	**1,152,079**	**1,202,909**	**35,673**	**504,615**	**540,288**

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 2021 and 2020, the account had no significant past-due balances that were not provided for.

The balance of public-sector debtors as at 31 December 2021 and 2020, amounted to EUR 13,007 thousand and EUR 17,421 thousand, respectively.

At 2021 year-end, there is no balance drawn down under the non-recourse factoring agreements (no balance drawn as at 2020 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 2021 the limit under the non-recourse factoring agreements stood at EUR 262.5 million (EUR 238 million as at 2020 year-end).

Allowances for doubtful debts (write-downs)

The changes in the allowance for doubtful debts during 2021 and 2020 were as follows:

Thousands of Euros

	2021	2020
At 1 January	**19,424**	**13,609**
Disposals	(3,615)	(466)
Change in scope	1,024	5,339
Net changes	3,188	942
At 31 December	**20,021**	**19,424**

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 2021	**31 December 2020**
Corporate income tax	31,437	22,236
VAT receivable	243,932	111,878
Other taxes	5,365	2,395
Current tax assets	**280,734**	**136,509**

At 31 December 2021, this line mainly included VAT receivable derived from the acquisition of mobile telecom infrastructures in France (see Note 7) for an amount of EUR 124 million (EUR 62 million at 31 December 2020), as well as the VAT receivable amounting to EUR 34 million (EUR 34 million at 31 December 2020) corresponding to the payment in advance in consideration for the cancellation of certain outstanding lease payments.

Other receivables

At 31 December 2021 and 2020 “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 and cash equivalents

The breakdown of “Cash and cash equivalents” is as follows:

	Thousands of Euros	
	31 December 2021	**31 December 2020**
Cash on hand and at banks	2,726,713	1,478,027
Term deposits at credit institutions	1,199,865	3,174,000
Total	**3,926,578**	**4,652,027**

14. Net equity

a) Share capital and treasury shares

Share capital

At 31 December 2020, the share capital of Cellnex Telecom, S.A. amounted to EUR 121,677 thousand, represented by 486,708,669 cumulative and indivisible ordinary registered shares of EUR 0.25 par value each, fully subscribed and paid.

At 31 December 2021, in accordance with the capital increase detailed below, the share capital of Cellnex Telecom increased by EUR 48,155 thousand to EUR 169,832 thousand, represented by 679,327,724 cumulative and indivisible ordinary registered shares of EUR 0.25 par value each, fully subscribed and paid.

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 will be used to support the acquisition of Cellnex's active 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.

Changes in 2020

July 2020 Capital Increase

On 21 July 2020, the Parent Company's Board of Directors, in accordance with the authorization granted by the Annual General Shareholders' Meeting of Cellnex, held on 21 July 2020, 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 101,382,140 ordinary registered shares (hereinafter, "New Shares") at a subscription price (nominal plus share premium) of EUR 39.45 per each new share. Thus, the Capital Increase amounted to approximately EUR 4,000 million, which has been fully subscribed.

- Preferential subscription rights were assigned to all Cellnex shareholders who acquired shares up to 24 July 2020 and whose transactions were registered in Iberclear up to 28 July 2020 (both inclusive). Each share in circulation at that time granted the right to receive a preferential subscription right (19 rights were required to subscribe 5 new shares). The pre-emptive subscription period ended on 6 August 2020.

The New Shares offer the same political and economic rights as the ordinary shares of the Parent Company.

The funds from the capital increase will be used to support the acquisition of Cellnex's active projects pipeline.

On 14 August 2020, the public deed for the Capital Increase, was duly registered.

On 19 August 2020, the 101,382,140 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 2021 and 2020, are as follows:

	% ownership	
Company	**31 December 2021**	**31 December 2020**
Edizione, S.r.l. (1)	8.53%	13.03%
GIC Private Limited (2)	7.03%	7.03%
Blackrock, Inc.	5.21%	3.80%
The Children's Investment Master Fund (3)	5.00%	—
Canada Pension Plan Investment Board	5.00%	3.16%
Fundación Bancaria Caixa D' Estalvis i Pensions de Barcelona	4.77%	4.77%
Wellington Management Group LLP (4)	4.28%	4.28%
FMR, LLC. (5)	3.22%	3.05%
Norges Bank	3.00%	3.03%
Capital Research and Management Company (6)	3.88%	3.02%
Abu Dhabi Investment Authority (7)	—	6.97%
GQG Partners, LLC.	—	3.22%
	49.92%	**55.36%**

Source: Comisión Nacional del Mercado de Valores ("CNMV").

(1) Edizione S.r.l. ("Edizione") controls Sintonia S.p.A. ("Sintonia") which in turn controls ConnecT Due S.r.l.

(2) 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.

(3) 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.

(4) 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.

(5) At the end of 2021, FMR, LLC. controlled 3.22% of the rights to vote across several investment funds and other accounts. None of the above mentioned funds and/or accounts had a shareholding higher than 3%.

(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.

(7) Azure Vista C 2020, S.r.l. ("Azure") is a wholly owned subsidiary of Infinity Investments S.A. ("Infinity") which is, in turn, a wholly owned subsidiary of Silver Holdings S.A., which is a wholly owned subsidiary of Abu Dhabi Investment Authority.

Additionally to the significant shareholdings detailed above, Atlantia, S.p.A. holds a shareholding through financial instruments amounting to 0% (4.73% at 31 December 2020).

At 31 December 2021 and 2020, Edizione was positioned as a reference shareholder in Cellnex Telecom, S.A., holding a 8.53% and 13.03% stake in its share capital.

In addition, as partial consideration for the CK Hutchison Holdings Pending Transaction with regards to the United Kingdom and subject to the adjustment events, Hutchison is expected to hold upon closing of the transaction an interest of between approximately 3.4% and 4.8% in Cellnex, assuming that no adjustment events occur. See Note 21 of the accompanying consolidated financial statements.

As at 31 December 2021 and 2020, none of the significant shareholders, whether individually or together, controls the Company.

Shareholders' agreement entered into between Sintonia, Infinity and Raffles

On 22 May 2020, Edizione announced that Sintonia, Infinity and Raffles Infra Holdings Limited ("Raffles") had entered into a framework agreement (the "Shareholders' Agreement") in relation to the full non-proportional spin-off of ConnecT resulting in the allocation of the shares of Cellnex formerly held by ConnecT to ConnecT Due, Azure and Prisma Holdings, S.r.L. ("Prisma"). As provided in the Shareholders' Agreement, the term "Raffles" includes any affiliates of Raffles holding the shares of Cellnex assigned through the spin-off of ConnecT. Following the execution of the Shareholders' Agreement, Prisma sold its 6.730% stake in the share capital of Cellnex to Lisson, who is the current holder of the stake as of the date of these consolidated financial statements. Each of Raffles, Prisma and Lisson are 100% owned by GIC Infra Holdings Private Limited.

The Shareholders Agreement regulates, among other matters, certain obligations in relation to the initial appointment of their respective proprietary directors in Cellnex following completion of ConnecT spin-off in order to allow a proportional representation in the Board of Directors.

On 10 June 2020, Edizione published certain clauses of the Shareholders' Agreement which qualify as a disclosable shareholder agreement (pacto parasocial) under Spanish law. In accordance with the information made public by Edizione, the Shareholders' Agreement foresees, among other matters:

- Once Raffles informs Infinity and Sintonia of its request to have a person nominated by it appointed as a proprietary director of Cellnex, the obligation of Infinity and Sintonia to formally request, and do their best efforts to cause, any proprietary director of Cellnex nominated by them to, subject to their fiduciary duties as members of the Board of Directors, support the appointment of the person nominated by Raffles as a new director of Cellnex.

- Sintonia's obligation to have ConnecT Due to attend, either by being present or by proxy, the shareholders' meeting of Cellnex where the person nominated by Raffles will be appointed or (if appointed by the Board of Directors as director by co-optation) re-elected as a director of Cellnex and cast its votes for the appointment or re-election, as appropriate, of the person nominated by Raffles as a director of Cellnex, subject to certain conditions.

- Infinity's obligation, at the request of Raffles and provided that a proprietary director of Raffles has been appointed in accordance with the above, upon the appointment as a proprietary director of Cellnex of the person nominated by Raffles, to formally request, and do its best efforts to cause, its proprietary director to resign from his current position as member of Cellnex's Nominations and Remuneration Committee on 9 May 2022 and each of Sintonia, ConnecT Due, Infinity and Azure to formally request, and do its best efforts to cause, any proprietary director of Cellnex nominated by them to, subject to their fiduciary duties, support the appointment of the proprietary director nominated by Raffles as a new member of Cellnex's Nominations and Remuneration Committee.

The above obligations will cease to be effective and applicable as soon as the provisions regarding the appointment of the person nominated by Raffles as new proprietary director of Cellnex (or, as the case may be, his/her ratification and re-election) by the shareholders' meeting of Cellnex has been complied with or on the date on which the 2021 ordinary general shareholders' meeting of Cellnex is held, whatever occurs first. By way of exception, the provisions described on the last bullet will survive until 30 June 2022.

Shareholders' agreement entered into between Edizione, Atlantia, Sintonia and ConnecT Due

On 17 July 2020, Edizione announced the amendment of the Co-investment Agreement entered into on 24 July 2018 in relation to Cellnex between Edizione, Atlantia, Sintonia and ConnecT (the "Co-investment Agreement"). The amendments made to the Co-investment Agreement are: (i) the replacement of Connect by Connect Due as a consequence of the spin-off of the former; (ii) the extension of the term for exercising the co-investment option (extended for a further 12 months and, therefore, until 12 July 2021) on a stake of 5.98% in Cellnex; (iii) the option of exercising the ROFO and the Right to Match provided in the original Co-investment Agreement for no more than 10% of Cellnex's issued capital until 12 July 2025, rather than the entire stake in Cellnex indirectly held by Edizione; and (iv) the grant to Atlantia of a right of first refusal on all or part of the (unexercised) options attributed to Connect Due resulting from any future rights issues approved by Cellnex until 12 July 2025 (the "ROFR").

According to the public announcement, the combined result of Atlantia's exercise of its ROFO and Right to Match, on the one hand, and of the co-investment option, on the other, may not lead to Atlantia acquiring a stake in Cellnex in excess of 10% of its issued share capital.

Treasury shares

Pursuant to the authorisation granted by the Board of Directors in its meeting of 26 May 2016, Cellnex has made various purchases and sales of 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.

On 21 November 2021, Cellnex communicated the termination of the purchase programme, having reached the maximum number of shares to be acquired. In execution of the said treasury shares purchase programme, 820,000 shares have been acquired equivalent to 0.12% of the Company's share capital.

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 2021, Cellnex carried out discretional purchases of treasury shares for an amount of EUR 57,755 thousand (6,509 thousand during 2020). 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 2021 and 2020, 123,969 and 125,623 treasury shares have been transferred to employees in relation to employee remuneration payable in shares, respectively. At 31 December 2021, the Parent Company has registered a profit of EUR 634 thousand (a profit of EUR 3,236 thousand at the end of 2020), 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 2021 and 2020 amounts to 1,202,351 and 200,320 shares, respectively and represents 0.177% of the share capital of Cellnex Telecom, S.A. (0.041% as at 31 December 2020).

The movement in the portfolio of treasury shares during 2021 and 2020 has been as follows:

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**

2020

	Number (Thousands of Shares)	Average Price	Purchases/Sales (Thousands of Euros)
At 1 January 2020	**200**	**21.117**	**4,222**
Purchases	126	51.658	6,509
Sales / Others	(126)	21.120	(2,653)
At 31 December 2020	**200**	**40.326**	**8,078**

b) Share premium

As at 31 December 2021 the share premium of Cellnex Telecom increased by EUR 6,811 million to EUR 14,581 million (EUR 7,770 million at the end of 2020) mainly due to the capital increase described in Note 14.a. During 2020 the share premium of Cellnex Telecom increased by EUR 3,884 million to EUR 7,770 million mainly due to the capital increase described in Note 14.a.

During 2021, a cash pay out to shareholders of EUR 32,216 thousand (29,281 thousand at 31 December 2020) 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 2021	31 December 2020 restated
Legal reserve	19,000	19,000
Reserves from retained earnings and other reserves	48,460	117,157
Reserves of consolidated companies	(268,724)	159,306
Hedge reserves	(2,142)	(19,553)
Foreign exchange differences	73,076	(8,105)
Reserves	**(130,330)**	**267,805**

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 2021 and 2020, because of the capital increases carried out during 2021 and 2020, 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 230,692 thousand as of 31 December 2021 and 2020.

During 2020 the convertible bond reserve increased by EUR 100,745 thousand to EUR 230,692 thousand due to the issuance of a new convertible bond in November 2020 (see Note 15).

The 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 change in “Reserves of consolidated companies” during 2021 is due to the impact recognised in equity due to: i) transaction with non-controlling interests of Swiss Infra in relation with the 10% of the share capital acquired from Matterhorn (see Notes 2.h-II and 14.f), ii) the transaction with non-controlling interests of Cellnex Netherlands in relation with the acquisition of Cignal Infrastructure Netherlands (formerly T-Mobile Infra B.V.) (see Notes 2.h-IV and 14.f), and iii) the negative impact on reserves amounting to EUR 296,452 thousand in relation with the contingent commitment to purchase shares of Cellnex Netherlands in the framework of the T-Mobile Infra Acquisition, considering an initial recognition of EUR 261 million in June 2021 closing, and an additional update of EUR 35 million during the second half of the year (see Note 6 (section "T-Mobile Infra SHA") and Note 19 b) VI).

At 31 December 2021 and 2020, there are no significant non-distributable reserves from both the parent company and the subsidiaries, except from the Legal reserve described above.

IV) 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 2021 and 2020 is as follows:

		Thousands of Euros
	31 December 2021	**31 December 2020 restated**
Cellnex UK (GBP)	92,854	(19,671)
Cellnex Telecom (USD)	610	—
Cellnex Switzerland (CHF)	15,001	10,847
Cellnex Denmark (DKK)	(192)	719
Cellnex Sweden (SEK)	(15,067)	—
Cellnex Poland (PLN)	(20,130)	—
Total	**73,076**	**(8,105)**

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.

The dividends to distribute to the shareholders are recorded as liabilities in the consolidated financial statements as soon as the dividends are approved by the Board of Directors and until their payment, as 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 installments 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, the shareholder remuneration corresponding to the fiscal year 2020 will be equivalent to that of 2019 (EUR 26.6 million) increased by 10% (to EUR 29.3 million); the shareholder remuneration corresponding to the fiscal year 2021 will be equivalent to that of 2020, increased by 10% (to EUR 32.2 million); and (iii) the shareholder remuneration corresponding to the fiscal year 2022 will be equivalent to that of 2021, increased by 10% (to EUR 35.4 million).

During the first half of 2021, 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 0.01740 for each existing and outstanding share with the right to receive such cash pay-out. In addition, during the second half of 2021, the Board of Directors approved the distribution of a dividend charged to the share premium reserve of EUR 20,396 thousand, which represented 0.03004 euros for each existing and outstanding share with the right to receive such cash pay-out.

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 Meeting (AGM) the following proposal for the distribution of the results of the year ended 31 December 2021:

	Thousands of Euros
Basis of distribution (Profit and Loss)	**(92,971)**
Distribution:	
Reserves from retained earnings	(92,971)
Total	**(92,971)**

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 2021	31 December 2020 restated
Profit/(loss) attributable to the Parent Company	(351,365)	(135,425)
Weighted average number of shares outstanding (Note 14.a)	610,542,810	385,191,395
Basic EPS attributable to the Parent Company (euros per share)	(0.58)	(0.35)
Diluted EPS attributable to the Parent Company (euros per share)	(0.44)	(0.23)

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 2021 and 2020 is as follows:

Thousands of Euros

Non-controlling interests	Country	%(*) owned by Cellnex as of 31/12/2021	%(*) owned by Cellnex as of 31/12/2020	31 December 2021	31 December 2020 restated
Cellnex Switzerland	Switzerland	72%	72%	215,939	206,894
Swiss Towers	Switzerland	72%	72%	(12,927)	(10,806)
Swiss Infra	Switzerland	72%	65%	60,001	80,291
Grid Tracer	Switzerland	40%	40%	616	63
Adesal Telecom	Spain	60%	60%	2,514	2,350
OnTower France (1)	France	70%	70%	583,148	592,552
Nexloop (2)	France	51%	51%	12,958	14,609
Metrocall	Spain	60%	60%	28,039	28,551
Cellnex Netherlands (3)	Netherlands	75%	100%	199,724	—
Towerlink Netherlands (3)	Netherlands	75%	100%	11,595	—
Breedlink (3)	Netherlands	75%	100%	(307)	—
Shere Masten (3)	Netherlands	75%	100%	(1,167)	—
Alticom (3)	Netherlands	75%	100%	47	—
On Tower Netherlands subgroup (3)	Netherlands	75%	100%	10,972	—
Cignal Infrastructure Netherlands (3)	Netherlands	75%	—%	(2,028)	—
On Tower Poland (4)	Poland	60%	—%	524,312	—
Towerlink Poland (5)	Poland	99.99%	—%	155	—
Total				**1,633,591**	**914,504**

(*) Corresponds to the stake owned by Cellnex in each subsidiaries, directly or indirectly.

(1) In relation to the agreement in force as 31 December 2021 between Cellnex and Illiad, S.A. to purchase the 70% of On Tower France, Cellnex France and Iliad, S.A., as shareholders of On Tower France, which sets out the conditions for Iliad, S.A.'s right to sell its 30% (and not less than 30%) non-controlling interest in On Tower France to Cellnex France Groupe, at a price to be calculated pursuant to said agreement. According to the shareholders agreement terms, as of 31 December 2021 and 2020, Cellnex France Groupe has the right, but not the obligation to purchase this non-controlling interest, and therefore, no liability has been recorded in the accompanying consolidated balance sheet. This situation will be revaluated in subsequent reporting periods, especially considering the facts described in Note 26.

(2) 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 a call option over Nexloop's shares held by Cellnex France Group, upon the expiry of a given period of time (for instance, a 20-year period from the execution of the shareholders' agreement) and subject to certain conditions which the Group believes makes challenging its execution. The signed 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.

(3) As detailed in Note 6, 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. Consequently, Cellnex, as a consequence of the terms set forth in paragraph 23 of IAS 32, recorded a liability in the amount of EUR 296 million (see Note 19.b.) corresponding to the contingent commitment to purchase the 25.10% of the Cellnex Netherlands' shares from third-party shareholders, whose interests in this consolidated company are reflected as of 31 December 2021 under "Non-controlling interests".

(4) In relation to the Iliad Poland SHA, as amended on 22 December 2021 (as detailed in Note 6), 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 (i) a 10% (and not less than 10%) of the share capital and voting rights of On Tower Poland to Cellnex Poland during a 30-day period following the first anniversary of the Iliad Poland Completion Date; and (ii) 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 2021, 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 2021. This situation will be revaluated in subsequent reporting periods, especially considering the facts described in Note 26.

Likewise, the Iliad Poland SHA provides Cellnex Poland with a right to buy from Iliad Purple (i) a 10% (and not less than 10%) interest held by Iliad Purple in On Tower Poland during a 30-day period after the lapse of the 30-day period during which Iliad Purple could exercise its first right as described in the paragraph above; and (ii) all of (and not less than all) Iliad Purple's interest in On Tower Poland during a three-year period starting on the fourth anniversary of the Iliad Poland Completion Date; in both cases at a fair market value to be calculated pursuant to said agreement, in similar terms and conditions to the referred right to sell (the price of this acquisition is uncertain and will undoubtedly expected to be inflationary given the favorable performance of such assets).

(5) 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	2021	2020
At 1 January	**914,504**	**889,644**
Profit/(loss) for the period	(23,708)	(17,636)
Dividends	—	—
Changes in the scope of consolidation	733,934	43,223
Exchange differences	8,861	(727)
Hedges	—	—
Others	—	—
At 31 December	**1,633,591**	**914,504**

"Changes in the scope of consolidation" for 2021 amounting to EUR 733,934 thousand, mainly relates to the impact of:

I) Acquisition of an additional stake in Swiss Infra Services

As detailed in Note 2.h-II, in the first quarter of 2021, Cellnex entered into an agreement with Matterhorn to acquire 10% of the share capital of Swiss Infra, after which Cellnex now indirect holds a 72.22% shareholding in Swiss Infra. Following the aforementioned, a decrease amounting to EUR 15,829 thousand 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 Swiss Infra, the transaction has led to the recognition of a negative impact of EUR 117,171 thousand 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 On Tower Poland

As detailed in Note 6, in the first quarter of 2021, Cellnex, (through its fully owned subsidiary Cellnex Poland sp z.o.o.) has 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, for an estimated total consideration (Enterprise Value) of approximately EUR 1,458 million. This has led the recognition of a non-controlling interest of EUR 528,891 thousand in the accompanying consolidated balance sheet.

III) Acquisition of Cignal Infrastructure Netherlands (formerly T-Mobile Infra B.V.)

As detailed in Note 6, in the first quarter of 2021, Cellnex and Cellnex Netherlands signed a framework agreement with DTAG, DTEU and DIV which sets forth among others, the conditions and the steps and arrangements, to allow Cellnex to acquire the 100% of the share capital of T-Mobile Infra, B.V. (“T-Mobile Infra”) in exchange for a stake of 37.65% in the share capital of Cellnex Netherlands (owned as of 31 December 2021 by DIV in which Cellnex has a 33,33% interest as detailed in Notes 2.h-IV and 6). Consequently, as a result of the T-Mobile Infra Acquisition, the Group recognised an equity transaction carried out with a non-controlling interest in Cellnex Netherlands that did not modify the controlling position in Cignal Infrastructure Netherlands for the effective 25,11%. This has led the recognition of a non-controlling interest of EUR 220,872 thousand and a positive impact of EUR 39,098 thousand under “Reserves of consolidated companies” in the 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. Upon initial recognition of the redemption liability, the risks and rewards not transferred to the parent were recognised as non-controlling interests.

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 2021

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.

31 December 2020

Thousands of Euros

	Cellnex Switzerland	Swiss Towers	Swiss Infra	On Tower France	Nexloop [1]
Non-current assets	722,944	1,031,216	213,352	713,802	130,154
Current assets	5,631	28,524	57,724	116,345	35,580
Total assets	**728,575**	**1,059,740**	**271,076**	**830,147**	**165,734**
Non-current liabilities	1,373	682,577	161,623	229,657	118,365
Current liabilities	3,474	56,155	37,319	174,386	21,037
Total liabilities	**4,847**	**738,732**	**198,942**	**404,043**	**139,402**
Net assets	**723,729**	**321,008**	**72,134**	**426,104**	**26,333**
Income	3,572	69,674	75,038	173,158	3,829
Expenses	(4,151)	(7,537)	(8,404)	(13,385)	(1,072)
Gross operating profit	**(579)**	**62,137**	**66,634**	**159,773**	**2,757**
Profit attributable to the shareholders	**(550)**	**4,705**	**27,783**	**40,516**	**(685)**
Operating activities	1,021	44,299	65,076	121,220	(21,317)
Investment activities	(26)	(68,231)	(21,722)	(42,094)	(86,680)
Financing activities	599	23,610	(11,787)	—	92,508
Cash flows	**1,594**	**(322)**	**31,567**	**79,126**	**(15,489)**

[1] Company which was incorporated in May 2020 (see Note 2.h); hence, only seven 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	
	2021	2020 restated
Cellnex Telecom, S.A.	(191,226)	(137,932)
Cellnex Telecom España, S.L.U.	(3,122)	(3,834)
Retevisión-I, S.A.U.	40,558	83,179
Tradia Telecom, S.A.U.	6,709	21,384
On Tower Telecom Infraestructuras, S.A.U.	4,117	1,548
Towerco, S.p.A.	6,654	1,739
Cellnex Italia, S.p.A.	112,341	18,369
Cellnex Netherlands, Group	(2,705)	551
Cellnex France, S.A.S.	(13,628)	(14,940)
Cellnex UK subgroup (formerly Shere Group subgroup)	(27,801)	(17,900)
Cellnex Switzerland AG	(1,264)	(343)
Swiss Towers AG	(4,960)	(6,070)
Cellnex France Groupe, S.A.S.	26,313	1,668
Xarxa Oberta de Comunicació i Tecnología de Catalunya, S.A.	3,237	2,266
Swiss Infra Services AG	(9,263)	(11,012)
Cignal subgroup	2,072	598
On Tower Netherlands subgroup	2,082	1,902
On Tower France	(21,943)	(21,186)
OMTEL, Estruturas de Comunicaçoes	2,874	(417)
On Tower Portugal	3,652	(3,933)
CLNX Portugal	(28,057)	(24,704)
Nexloop France, S.A.S.	(1,719)	(349)
On Tower UK subgroup	(92,959)	(15,572)
Finland subgroup	(2,963)	(779)
Cellnex Finance Company, S.A.	(14,306)	(3,712)
Metrocall, S.A.	(769)	(202)
Cellnex Austria Subgroup	(22,020)	(6)
Cellnex Denmark Subgroup	(8,547)	—
Cellnex Sweden Subgroup	(2,352)	—
Cellnex Poland Subgroup	(27,610)	(316)
Cellnex Ireland Subgroup	(15,259)	—
Cignal Infrastructure NL	(6,050)	—
Towerlink France	(14,202)	—
CK Hutchison Italia, S.p.A	(23,596)	—
Hivory	(18,893)	—
Spanish companies accounted using equity method	(18)	52
Others	(6,742)	(5,474)
Net profit attributable to the Parent Company	**(351,365)**	**(135,425)**

15. Borrowings

The breakdown of borrowings at 31 December 2021 and 2020 is as follows:

Thousands of Euros

	31 December 2021			31 December 2020		
	Non-current	Current	Total	Non-current	Current	Total
Bond issues and other loans	12,865,039	700,651	**13,565,690**	7,478,501	56,456	**7,534,957**
Loans and credit facilities	2,045,779	18,572	**2,064,351**	1,835,135	19,353	**1,854,488**
Other financial liabilities	3,242	772	**4,014**	2,194	1,132	**3,326**
Borrowings	**14,914,060**	**719,995**	**15,634,055**	**9,315,830**	**76,941**	**9,392,771**

During the year ended at 31 December 2021, the Group increased its borrowings from bond issues and 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 6,240,596 thousand to EUR 15,630,041 thousand.

The increase in "Bond issues and other loans" is mainly due to the five issuances of bonds (composed of a total of eight tranches) that have been carried out during 2021, as detailed in section "Bond issues and other loans" below, net of term loans which were cancelled during the year for amounts of CHF 183,000 thousand and EUR 56,500 thousand. Additionally, the Group also cancelled undrawn credit facilities for EUR 200,000 thousand and GBP 360,000 thousand.

The net increase in "Loans and credit facilities" is mainly due to:

- On 12 February 2021, as amended on 12 March 2021, the Group entered into a 5-year facility agreement amounting to EUR 253 million, in relation to the T-Mobile Infra Acquisition (see Note 6). On 8 November 2021, the facility agreement was amended and the debt was assigned to Cellnex Netherlands. Moreover, the facility amount was increased by EUR 27 million.

- On 17 March 2021, Swiss Towers drew down CHF 35,000 thousand of the Facility B Agreement signed on 17 July 2019 to acquire 10% of the share capital of Swiss Infra Services ("Swiss Infra") (see Note 2.h).

- During 2021, the total amounts drawn down of the facilities were EUR 143,550 thousand and EUR 2,358 thousand respectively. 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.

In relation with undrawn credit facilities, 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. Such financing bears interest at a margin above EURIBOR, is unsecured and unsubordinated. On 24 February 2021, the Group amended and restated the facilities agreement and, among others, cancelled EUR 1,600,000 thousand out of the EUR 7,500,000 thousand bridge loan facility granted thereunder, amended the maturity of said bridge loan facility to 2 years, and amended its purpose to, among other things, contemplate the financing of the Hivory Acquisition (see Note 6.). On 14 September 2021, the remaining EUR 5,900,000 thousand from the bridge loan facility were cancelled, as Cellnex had enough existing cash to fund the Hivory Acquisition. As of 31 December 2021, no amounts from the term loan facilities had been drawn. Additionally, the Group also cancelled undrawn credit facilities for EUR 200,000 thousand and GBP 360,000 thousand.

During the year ended at 31 December 2021, the Group has also amended certain facility agreements for a total amount of approximately EUR 2,920,000 thousand in order to adapt such contracts to the LIBOR discontinuation. Such changes did not have a significant impact on the overall cost of the facilities.

As of 31 December 2021 and 2020, the Group's fixed rate notional debt amounted to EUR 13,855,768 thousand, representing 87% of its Gross Financial Debt excluding lease liabilities (EUR 2,836,084 thousand), whereas the Group's variable rate notional debt amounted to EUR 1,990,470 thousand, representing 13 % of its Gross Financial Debt excluding lease liabilities. As of 31 December 2021 and 2020, 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 14,332 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 3,156 thousand in the event of a 1% interest rate decrease, as some of the Group's financing contracts include a EURIBOR/LIBOR floor.

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 2021

Thousands of Euros

	1/1/2021	Cash flows	Changes in the scope of consolidation (1)	Exchange rate	Other (2)	12/31/2021
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.

31 December 2020

Thousands of Euros

	1/1/2020	Cash flows	Changes in the scope of consolidation (1)	Exchange rate	Other (2)	12/31/2020
Bond issues	3,501,124	3,982,682	—	(3,349)	54,500	**7,534,957**
Loans and credit facilities and other financial liabilities(1)	1,640,998	(44,069)	243,259	(3,943)	21,569	**1,857,814**
Borrowings	**5,142,122**	**3,938,613**	**243,259**	**(7,292)**	**76,069**	**9,392,771**

(1) It corresponds to the repayment, during 2020, by Cellnex of the financial debt initially incorporated in the net assets acquired on the acquisition date, in relation to the Omtel 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 2021 and 2020, 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 14,446 million and EUR 8,426 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 2021 and 2020, 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 2021 and 2020 are shown in the table below:

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".

31 December 2020

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 (*)	7,729,340	69,534	602,358	2,394	752,431	593,189	5,603,452	**7,623,358**
Arrangement expenses	—	(13,078)	(12,856)	(12,392)	(11,134)	(10,242)	(28,699)	**(88,401)**
Loans and credit facilities (*)	14,783,431	24,481	169,347	2,500	171,913	669,885	847,656	**1,885,782**
Arrangement expenses	—	(5,128)	(6,351)	(6,078)	(5,004)	(4,274)	(4,459)	**(31,294)**
Other financial liabilities	—	1,132	643	483	472	323	273	**3,326**
Total	**22,512,771**	**76,941**	**753,141**	**(13,093)**	**908,678**	**1,248,881**	**6,418,223**	**9,392,771**

(*) 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 2021 (*)			Notional as of 31 December 2020 (*)		
	Limit	Drawn	Undrawn	Limit	Drawn	Undrawn
Bond issues and other loans	13,766,317	13,766,317	—	7,729,340	7,729,340	—
Loans and credit facilities	6,814,615	2,079,919	4,734,696	14,783,431	1,864,215	12,919,216
Total	**20,580,932**	**15,846,236**	**4,734,696**	**22,512,771**	**9,593,555**	**12,919,216**

(*) Includes the notional value of each borrowing type, and are not the gross or net value of the caption. See "Borrowings by maturity".

As of 31 December 2021, the total limit of loans and credit facilities available was EUR 6,814,615 thousand (EUR 14,783,431 thousand as of 31 December 2020), of which EUR 2,740,059 thousand in credit facilities and EUR 4,074,556 thousand in loans (EUR 3,324,205 thousand in credit facilities and EUR 11,459,225 thousand in loans as of 31 December 2020).

Furthermore, of the EUR 6,814,615 thousand of loans and credit facilities available (EUR 14,783,431 thousand as of 31 December 2020), EUR 3,221,290 thousand (EUR 1,864,215 thousand as of 31 December 2020) 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 2021 the total amount drawn down of the loans and credit facilities was EUR 2,079,919 thousand (EUR 1,864,215 thousand drawn down as of 31 December 2020).

Borrowings by currency

Thousands of Euros

	31 December 2021	31 December 2020
Euro	13,486,192	7,698,417
GBP	825,994	840,443
USD	539,675	—
CHF	992,733	973,606
Borrowings	**15,844,594**	**9,512,466**

(*) 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, 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 2021 and 2020, 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 145,194 thousand as of 31 December 2021), which add up to the two CHF bonds issued by the Group in 2020 (CHF 100,000 thousand (EUR 96,796 thousand) and CHF 185,000 thousand (EUR 179,073 thousand). The maturity of these bonds are in 2026, 2025 and 2027, respectively. Furthermore, as of 31 December 2021, the Group cancelled a term loan for CHF 183,000 thousand (CHF 183,000 thousand with a Euro value of EUR 169,413 thousand as of 31 December 2020). These non-derivative financial instruments are assigned as net investment hedges against the net assets of Swiss subsidiaries.

As of 31 December 2021 and 2020, the Group maintains several Cross Currency Swap ("CCS") with reputable 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.

Furthermore, the Group has also drawn down through its subsidiary Swiss Towers additional borrowings in CHF amounting to CHF 585,000 thousand with a Euro value of EUR 566,256 thousand (CHF 535,669 thousand with a Euro value of EUR 502,928 thousand as of 31 December 2020).

Bond issues and other loans

The detail of the bonds and other financing instruments at 31 December 2021 and 2020 is as follows:

		Thousands of Euros
	31 December 2021	**31 December 2020**
Bond issues	13,565,690	7,534,953
Promissory notes and commercial paper	—	4
Bond issues and other loans	**13,565,690**	**7,534,957**

I) EMTN Programme and the Guaranteed EMTN Programme

Since 2015, the Group established and subsequently renewed until May 2020 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 was last renewed in August 2021 for a period of 12 months with a maximum aggregate amount of EUR 15,000 million.

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 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	08/06/2028	BBB-/BB+	XS2348237871	1.50%	1,000,000
Guaranteed EMTN	06/09/2021	6 years	06/09/2027	BBB-/BB+	XS2385393405	1.00%	1,000,000
Guaranteed EMTN	06/09/2021	11 years	06/09/2032	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), plc. 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.

31 December 2020

Programme	Issue	Initial duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Initial Notional (Thousands of Euros)	Notional as of 31 December 2020 (Thousands of Euros)
EMTN Programme	27/07/2015	7 years	27/07/2022	BBB-/BB+	XS1265778933	3.13 %	600,000	600,000
EMTN Programme	10/08/2016	8 years	16/01/2024	BBB-/BB+	XS1468525057	2.38 %	750,000	750,000
EMTN Programme	16/12/2016	16 years	20/12/2032	BBB-/NA	XS1538787497	3.88 %	65,000	65,000
EMTN Programme	18/01/2017	8 years	18/04/2025	BBB-/BB+	XS1551726810	2.88 %	335,000	335,000
EMTN Programme	07/04/2017	9 years	07/04/2026	BBB-/NA	XS1592492125	Eur 6M+2,27%[1]	80,000	80,000
EMTN Programme	03/08/2017	10 years	03/08/2027	BBB-/NA	XS1657934714	Eur 6M+2,20%	60,000	60,000
EMTN Programme	31/07/2019	10 years	31/07/2029	BBB-/NA	XS2034980479	1.90 %	60,500	60,500
EMTN Programme	20/01/2020	7 years	20/04/2027	BBB-/BB+	XS2102934697	1.00 %	450,000	450,000
EMTN Programme	29/01/2020	7 years	18/02/2027	BBB-/NA	CH0506071148	0.78 %	171,265	171,265
EMTN Programme	26/06/2020	5 years	18/04/2025	BBB-/BB+	XS2193654386	2.88 %	165,000	165,000
EMTN Programme	26/06/2020	9 years	26/06/2029	BBB-/BB+	XS2193658619	1.88 %	750,000	750,000
EMTN Programme	17/07/2020	5 years	17/07/2025	BBB-/BB+	CH0555837753	1.10 %	92,575	92,575
EMTN Programme	23/10/2020	10 years	14/10/2030	BBB-/BB+	XS2247549731	1.75 %	1,000,000	1,000,000
Total							**4,579,340**	**4,579,340**

[1] Coupon rate hedged by Interest Rate Swaps (see Note 11).

Bond issuances during 2020

On 9 January 2020, the Group completed the pricing of an Euro-denominated bond issuance (with ratings of BBB- by Fitch Ratings and BB+ by Standard&Poor's) aimed at qualified investors for an amount of EUR 450,000 thousand, maturing in April 2027 and with a coupon of 1.0%. Simultaneously, the Group entered into several Cross-Currency Swaps with reputable financial counterparties by which Cellnex lent the EUR 450,000 thousand received and borrowed the equivalent amount in GBP at an agreed exchange rate, enabling Cellnex to obtain approximately GBP 382,455 thousand at a cost of 2.2%. In addition, on 29 January 2020, the Group completed the pricing of a CHF-denominated bond issuance (with a rating of BBB- by Fitch Ratings) for an amount of CHF 185,000 thousand, maturing in February 2027 and with a coupon of 0.775%. On 16 June 2020, the Group completed the pricing of a dual-tranche Euro-denominated bond issuance (with ratings of BBB- by Fitch Ratings and BB+ by Standard&Poor's) aimed at qualified investors, including a tap of the bond maturing in April 2025 for an amount of EUR 165,000 thousand, and with an equivalent coupon of 1.4%; and a new bond for an amount of EUR 750,000 thousand, maturing in June 2029 and with a coupon of 1.875%. In addition, on 22 June 2020, the Group completed the pricing of a CHF-denominated bond issuance (with a rating of BBB- by Fitch Ratings) for an amount of CHF 100,000 thousand, maturing in July 2025 and with a coupon of 1.1%. On 14 October 2020, the Group completed the pricing of a Euro-denominated bond issuance (with ratings of BBB- by Fitch Ratings and BB+ by Standard&Poor's) for an amount of EUR 1,000,000 thousand, maturing in October 2030 and with a coupon of 1.75%.

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 123,262 thousand as of 31 December 2021 (EUR 59,175 thousand as of 31 December 2020), 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 190,907 thousand and EUR 88,401 thousand was deducted from bond issues in the consolidated balance sheet as of 31 December 2021 and 31 December 2020, respectively. The arrangement expenses and advisor's fees accrued in the consolidated income statement for the period ended 31 December 2021 in relation to the bond issues amounted to EUR 20,756 thousand (EUR 9,376 thousand as of 31 December 2020).

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 2021 (Thousands of Euros)
07/07/2021	20 years	07/07/2041	BBB-/BB+	US15118JAA34 Reg S: USE2943JAA72	3.875%	529,754
Total						**529,754**

III) Convertible Bonds

The Group has issued the Convertible Bonds described in the table below, all of them addressed to qualified investors:

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**

31 December 2020

Issue	Initial Duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Balance as at 31 December 2020 (Thousands of Euros)
16/01/2018	8 years	16/01/2026	BBB-/NA	XS1750026186	1,50%	558,469
21/01/2019	7 years	16/01/2026	BBB-/NA	XS1750026186	1,50%	183,964
05/07/2019	9 years	05/07/2028	BBB-/NA	XS2021212332	0,50%	823,711
20/11/2020	11 years	20/11/2031	BBB-/NA	XS2257580857	0,75%	1,400,343
Total						**2,966,487**

These convertible bonds have been treated as a compound instrument and have been split into its two components: a debt component amounting EUR 3,009 million (EUR 2,966 million as of 31 December 2020), 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.

Clauses regarding changes of control

The terms and conditions of the bonds 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.

For the bonds issued under the EMTN Programme, the Guaranteed EMTN Programme and, the USD Bonds, the 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 only 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 2021 and 2020, 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.

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. As of 31 December 2021, the ECP Programme has not been renewed as it has been established by Cellnex Finance in the fourth quarter of 2021, (the “Guaranteed ECP Programme”), following the same steps as the Guaranteed EMTN Programme. The limit of the Guaranteed ECP Programme is EUR 750 million or its equivalent in GBP, USD and CHF.

Bonds obligations and restrictions

As at 31 December 2021 and 2020, the Parent Company and Cellnex Finance had no restrictions regarding the use of capital resources nor had it guarantees and the bonds rank pari passu with the rest of the 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.

Loans and credit facilities

As of 31 December 2021, the total limit of loans and credit facilities available was EUR 6,814,614 thousand (EUR 14,783,431 thousand as of 31 December 2020), of which EUR 2,740,058 thousand in credit facilities and EUR 4,074,556 thousand in loans (EUR 3,324,205 thousand and EUR 11,459,225 thousand respectively as of 31 December 2020).

During the period ended on 31 December 2021, the Group cancelled two term loans, amounting to EUR 56.500 thousand and CHF 183,000 thousand respectively. The CHF loan was cancelled with the proceeds of the bond issued in CHF in March 2021 for an amount of CHF 150,000 thousand and several Swiss franc ("CHF") purchases. Additionally, the Group also cancelled undrawn credit facilities for EUR 200,000 thousand. and GBP 360,000 thousand.

On 17 March 2021, Swiss Towers drew down CHF 35,000 thousand of the Facility B, corresponding to the Agreement signed on 17 July 2019 to acquire 10% of the share capital of Swiss Infra Services Sa ("Swiss Infra") (see Note 2.h).

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. Such financing bears interest at a margin above EURIBOR, will be unsecured and unsubordinated. On 24 February 2021, the Group amended and restated the facilities agreement by virtue of which the M&A Financing was granted and, among others, cancelled EUR 1,600,000 thousand out of the EUR 7,500,000 thousand bridge loan facility granted thereunder, amended the maturity of said bridge loan facility to 2 years, and amended its purpose to, among other things, contemplate the financing of the Hivory Acquisition. On 14 September 2021, the remaining EUR 5,900,000 thousand from the bridge loan facility were cancelled, as Cellnex had enough existing cash to fund the Hivory Acquisition. As of 31 December 2021, no amounts from the term loan facilities had been drawn down.

On 12 February 2021, as amended on 12 March 2021, T-Mobile Infra entered into a 5-year facility agreement amounting to EUR 253 million, which was draw down and used to pay an extraordinary dividend prior to completion of the T-Mobile Infra Acquisition. Subsequently, on 1 June 2021, the Group acquired T-Mobile Infra as part of the T-Mobile Infra Acquisition. On 8 November 2021, the facility agreement was amended and the debt was assigned to Cellnex Netherlands. Moreover, the facility amount was increased by EUR 27 million.

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. During 2021, the total amounts drawn down of the facilities were EUR 143,550 thousand and EUR 2,358 thousand, respectively.

Clauses regarding changes of control

For the loans and credit facilities entered into by Cellnex, the change of control trigger is at the Cellnex 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 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). A "change of control event" is generally triggered when a third party, alone or together with others, acquires either 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.

Loans and credit facilities obligations and restrictions on use of available funds

As at 31 December 2021 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 EUR 10 billion, impose restrictions on the use of drawn amounts. For example, the latter can only be utilized to pay for acquisitions.

Security interests and other covenants and undertakings

As of 31 December 2021 and 2020, 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, 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 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).

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 Senior Facility and the syndicated facilities agreement entered into by Cellnex Netherlands and Swiss Towers, which include covenants restricting the distribution of dividends by Nexloop, 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.

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 2021, 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 19 January 2022 and a long-term "BB+" with stable outlook according to the international credit rating agency Standard & Poor's Financial Services LLC as confirmed by a report issued on 28 June 2021.

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 2021 and 2020, the amounts recognised in the consolidated balance sheet related to lease agreements are:

Right of use

Thousands of euros

		Net book value
	31 December 2021	31 December 2020 restated
Right of use		
Sites	3,174,212	2,058,646
Offices	31,449	10,904
Satellites	72,799	72,998
Vehicles	1,062	1,802
Concessions	3,119	3,040
Total	**3,282,641**	**2,147,390**

The additions of rights of use during 2021 amounted to EUR 1,624,960 thousand (EUR 1,192,425 thousand in 2020), of which EUR 357,717 thousand (EUR 323,826 thousand in 2020) related to reassessments of existing lease contracts at the year end, and EUR 966,908 thousand corresponded to changes in the scope of consolidation during 2021 (EUR 596,399 thousand during 2020) (see Notes 2.h and 6).

Lease liabilities

Thousands of euros

	31 December 2021	31 December 2020 restated
Maturity analysis – Contractual undiscounted cash flows		
Less than one year	598,716	401,098
One to five years	2,464,514	1,478,048
More than five years	1,255,894	956,349
Total undiscounted lease liabilities at 31 December	**4,319,124**	**2,835,495**
Lease liabilities included in the statement of financial position		
Current	529,894	273,391
Non-Current	2,306,190	1,482,654
Total	**2,836,084**	**1,756,045**

Amounts recognised in the consolidated income statement

As of 31 December 2021 and 2020, the amounts recognised in the consolidated income statement related to lease agreements are:

	Thousands of euros	
	2021	**2020 restated**
Depreciation and amortisation		
Depreciation Right of Use:		
Sites	(472,358)	(288,686)
Offices	(5,250)	(3,671)
Satellites	(10,885)	(12,153)
Vehicles	(2,872)	(1,354)
Concessions	(79)	(268)
Total	**(491,444)**	**(306,132)**
Financial costs		
Interest expense on lease liabilities	**(216,644)**	**(144,935)**
Other operating expenses		
Expense related to contracts with low value asset	(2,336)	(3,708)
Expense related to variable lease payments	(7,721)	(7,410)
Total	**(10,057)**	**(11,118)**

During 2021 and 2020, 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 2021 amounts to EUR 664,238 thousand (EUR 629,601 thousand in 2020), of which EUR 70,640 thousand (EUR 264,118 thousand in 2020) relates to cash advances to landlords, EUR 216,644 thousand (EUR 142,523 thousand in 2020) relates to interest payments on lease liabilities and EUR 376,954 thousand (EUR 222,960 thousand in 2020) 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 2021 and 2020 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.

In the majority of areas in which the Group operates, the lease term reflected in measuring the lease liability includes unilateral options to extend the contract, since the customer contracts have the same or a longer term and do not allow the early termination of the lease. In those cases where the customer contract does allow early termination and the Group is required to assess whether it is reasonably certain to exercise an extension or termination option, the effect of revising lease terms to reflect the exercise of extension options or not exercising termination options would be to increase recognised lease liabilities by a maximum of EUR 17 million as at 31 December 2021 (EUR 132 million as at 31 December 2020). It should be noted that Group management consider it highly improbable that these maximum terms would be reached.

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 2021 and 2020, no significant sale-and-leaseback transactions have been performed.

17. Trade and other payables

The detail of this heading at 31 December 2021 and 2020 is as follows:

		Thousands of Euros
	31 December 2021	31 December 2020 restated
Trade payables	512,540	315,477
Current tax liabilities	277,239	101,023
Other payables to related parties (Note 24.d)	2,634	1,107
Other payables	610,461	273,625
Trade and other payables	**1,402,874**	**691,232**

There is no significant difference between the fair value and the carrying amount of these liabilities.

At 31 December 2021 and 2020, “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 non-current asset suppliers.

Information on deferral of payment to suppliers

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
	2021	2020
Total payments in the year	317,706	380,650
Total payments outstanding	31,257	30,634
Average payment period to suppliers (days)	18 days	24 days
Ratio of transactions paid (days)	19 days	25 days
Ratio of transactions outstanding (days)	12 days	5 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.

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 consolidated Italian corporation tax returns. In addition, the Group companies resident in the Netherlands file consolidated Dutch tax returns. The UK companies file Group Relief claims and surrenders as appropriate. Cellnex France Group 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 file Group Relief claims and surrenders as appropriate. The Group companies resident in Portugal file consolidated Portuguese corporation tax returns except for companies acquired during 2020. The Group companies resident in Denmark file consolidated corporation tax returns from 2021. The Group companies resident in Austria shall file consolidated corporation tax returns from 2022. 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 2021, 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.

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 has 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 have considered that the Group's approach was reasonable and they have expressly stated that no penalties will be proposed.

In January 2020, the Irish Tax Authorities requested a tax meeting in relation to corporate income tax and VAT for fiscal years 2016, 2017 and 2018. The first visit at Cellnex Ireland's offices was originally scheduled for March 2020. However, due to the Coronavirus Pandemic it was postponed until April 2021. The Group provided the Irish Tax Authorities with a set of information and documentation for their analysis. In June 2021, the Irish Tax Authorities informed the Group of the completion of the review process with no relevant impact and without further comments or requests.

At the beginning of 2020 the Swiss Tax Authorities notified the initiation of a tax audit in relation to corporate income tax for 2017 and 2018. In January 2021 the Swiss Tax Authorities has closed the audit process with no relevant impact for the Swiss companies.

In October 2020, the Italian Tax Authorities requested a copy of Transfer Pricing documentation relating to fiscal year 2016. Following this request, in May 2021, the Italian Tax Authorities and the Group met and additional documentation was provided in response to additional requests from the Italian Tax Authorities. The dialogue remains on-going as of 31 December 2021. 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.

b) Corporation tax expense

The standard corporation tax rate in the main countries in which Cellnex conducts its operations is as follows:

	2021	2020
Spain	25%	25%
Italy (1)	28.82%	28.82%
Netherlands (2)	25%	25%
United Kingdom (3)	19%	19%
France (4)	28%/31%	28%/31%
Switzerland (5)	18.23%	18.36%
Ireland (6)	12.5%/25%	12.5%/25%
Portugal (7)	21%	21%
Finland	20%	20%
Austria	25%	25%
Denmark	22%	22%
Sweden	20.6%	n/a
Poland	19%	n/a

(1) The standard income tax rate was 28.82% 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 4.82%.

(2) On 15 December 2020, the Senate approved the 2021 Tax Plan package, approving a progressive decrease of the Dutch lower CIT rate from 19% to 16,5% by 2020 and 15% by 2021. The Dutch standard CIT rate of 25% remains unchanged. The lower CIT rate for 2021 is 15% (2020: 16,5%) for taxable income up to EUR 245 thousand (EUR 200 thousand in 2020) and EUR 395 thousand for 2022 and the standard rate of 25% (2020: 25%) 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 2020 approved the Finance Law for 2021 which does not modify the delayed implementation of reduced corporate income tax rate for large entities previously enacted in 2019 consisting in a progressive decrease of the French standard corporate income tax (CIT) rate from 33.3% to 25% by 2022. For financial years beginning on or after 1 January 2020, a 28% CIT rate applied, except for larger entities for which a 28% CIT rate applied on the first EUR 500 thousand of taxable income and a 31% rate applied on the taxable income in excess of EUR 500 thousand. For financial years beginning on or after 1 January 2021, a 26.5% CIT rate will apply for entities with revenues lower than EUR 250 million or a 27.5% rate for larger entities. For financial years beginning on or after 1 January 2022, a 25% CIT rate will apply for all entities.

(5) The standard income tax rate was 18.23% in Switzerland, which is made up of federal, cantonal and communal (municipal) taxes. Lower rates are available for privileged companies.

[6] The standard trading profit tax rate is 12.5% and the standard passive profit rate is 25%.

[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.

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 SpA (becoming Cellnex Italia SpA), and b) reverse merger of Cellnex Italia Srl into Cellnex Italia SpA (The "Reverse Merger Transaction"), with Cellnex Italia SpA 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 SpA's individual financial statements, which are prepared under Italian generally accepted accounting standards (GAAP).

With regards to the goodwill generated by the Reverse Merger Transaction, Cellnex Italia SpA 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 consolidated financial statements of Cellnex Telecom, S.A., under IFRS, 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 has been recognized as it is probable that future taxable profits will be available against which the deductible temporary difference will be utilized.

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

	2021	2020 restated
Consolidated profit/(loss) before tax	(534,104)	(201,778)
Theoretical tax [1]	105,442	34,848
Impact on tax expense from (permanent differences):		
Non-deductible expenses	(11,358)	(6,509)
Other deductions	10,728	11,273
Income from transfer of know-how	—	2,087
Income tax (expense)/credit for the year	**104,812**	**41,699**
Tax loss carryforwards	10,952	8,635
Changes in tax rates	(101,546)	(8,241)
Other tax effects	144,813	6,624
Other tax effects	**54,219**	**7,018**
Income tax (expense)/credit	**159,031**	**48,717**

[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 2021 and 2020 include items that, in accordance with the tax legislation of the respective consolidated companies, are not taxable or deductible.

"Income from transfer of know-how" for the 2021 and 2020 financial years includes the reduction of income from certain intangible assets (Patent Box) in accordance with the provisions of Law 27/2014, of 27 November, regarding Corporation Tax.

"Changes in tax rate" in 2021 included the impact of updating the tax rate in certain subsidiaries, which has resulted in a negative impact of EUR 102 million (negative impact of EUR 8 million in 2020), in the accompanying consolidated income statement, and "Other tax effects", in 2021 include the net impact of the Reverse Merge transaction described above of approximately EUR 60 million, as well as the reversion of tax provisions associated with Business Combinations of approximately EUR 85 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
	2021	**2020 restated**
Current tax	(120,725)	(31,828)
Deferred tax	271,666	77,452
Tax from prior years / other	8,090	3,093
Income tax expense	**159,031**	**48,717**

"Deferred tax" in 2021 and 2020 mainly relates to the impact of the deferred tax liabilities associated with the business combinations detailed below (Note 18.d).

Tax withholdings and payments on account totalled EUR 66,637 thousand (EUR 29,816 thousand in 2020).

c) Current tax liabilities

The breakdown of "Current tax liabilities" is as follows:

		Thousands of Euros
	31 December 2021	**31 December 2020**
VAT payable	181,786	45,276
Corporate income tax	79,295	44,195
Social security payable	5,201	3,455
Personal income tax withholdings	3,532	3,406
Other taxes	7,425	4,691
Current tax liabilities	**277,239**	**101,023**

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

	2021		2020 restated	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
At 1 January	**460,817**	**(1,782,548)**	**133,723**	**(881,764)**
Debits/(credits) in income statement	135,646	236,378	64,804	58,077
Debits/(credits) due to incorporation into scope and business combinations	51,147	(2,099,711)	270,391	(961,366)
Debits/(credits) to equity	9,435	(5,634)	(8,655)	—
Transfers	(3,256)	898	2,818	(1,601)
Changes in tax rates	16,438	(116,796)	—	8,241
Exchange differences and others	2,797	(37,636)	(2,264)	(4,135)
At 31 December	**673,024**	**(3,805,049)**	**460,817**	**(1,782,548)**

Deferred tax assets

The breakdown of the deferred tax assets is as follows:

Thousands of Euros

	31 December 2021	31 December 2020 restated
Deferred tax assets:		
Business combinations [1]	88,610	48,477
Provision for third-party liabilities	61,165	10,219
Limit on depreciation and amortisation of fixed assets	17,110	4,820
Employee benefit obligations	8,832	7,636
Other provisions	103,384	69,405
Timing differences in revenue and expense recognition	4,696	7,050
Asset revaluation	216,160	210,093
IFRS 16	—	11,788
Tax credits recognised:		
Tax loss carry forwards	79,272	68,319
Limit on deductibility of financial expenses	93,795	23,010
Total	**673,024**	**460,817**

(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).

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

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 mainly to unused tax credit carryforwards in the UK stemming from investments in property, plant and equipment.

Asset revaluation

On 27 December 2012, Act 16/2012 was approved, which allowed the carrying amount of the assets to be recalculated in order to adjust such values for the effect of inflation and bring them closer to their actual value for Spanish companies. The Group adjusted the carrying amount of its assets in companies on an individual basis, initially assumed the tax cost of all assets and generated a future income tax savings which translated into deferred tax assets. This revaluation has not been included in these consolidated financial statements and only the future tax saving is reflected.

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 caption 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” caption 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 2021 and 2020 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 11.3 million (EUR 10.9 million at 2020 year-end) which related to GBP 9.7 million (GBP 9.8 million at 2020 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 7.4 million (EUR 6.5 million at 2020 year-end) which related to GBP 6.4 million (GBP 5.8 million at 2020 year-end) which is available to offset against future trading profits generated by the same company that incurred the loss.

In addition, as at 31 December 2021, tax losses from Spanish, French, Irish, Austrian, Portuguese, Finnish, Swiss and Polish companies available for carry forward against future profits, amounted to EUR 172 million, EUR 96.4 million, EUR 11.1 million, EUR 9 million, EUR 5.6 million, EUR 24 million, EUR 10.5 million and EUR 0.9 million. As at 31 December 2020, tax losses from Spanish, French, Irish, Austrian, Portuguese, Finish, Swiss and Dutch companies available for carry forward against future profits, amounted to EUR 184.1 million, EUR 77.1 million, EUR 12.8 million, EUR 2 million, EUR 19.8 million and EUR 20 million, EUR 9 million and EUR 0.8 million. Thus, as at 31 December 2021, the total amount of tax losses available for carry forward against future profits amounted to EUR 348.2 million (EUR 343.1 million at 2020 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 2021 amounting to EUR 43 million and EUR 36.3 million, respectively (EUR 46 million and EUR 22.3 million, respectively at 2020 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 2021 and 2020 (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). As regards the limit on the deductibility of finance costs, the finance costs will foreseeably be deducted in full by 2025. Also, 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 creation of a Cellnex France consolidated tax group with OnTower France from 2022 onwards and, therefore, from the date on which the tax consolidation takes place, the tax loss carryforwards will be able to be deducted by all the companies that are included in the tax group. The tax loss carryforwards generated prior to the creation of the consolidated tax group could only be deducted by Cellnex France.

In the case of Spain, the incorporation of Cellnex Finance Co, S.L. 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 from 2024 onwards.

Thus, as at 31 December 2021, the deferred tax asset arising on the losses carried forward in the group companies, recognised in the accompanying consolidated balance sheet, amounted to EUR 79.3 million (EUR 68.3 million at 2020 year-end).

Limit on deductibility of financial expenses

The CIT legislation limits the deductibility of the net financial expenses, for the periods beginning on 1 January 2012. This act established 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 tax periods ending in the immediate and subsequent 18 years, together with those of the corresponding tax period and with the limit established above. As of 1 January 2015, the temporary deduction limit has been eliminated.

Deferred tax liabilities

The breakdown of the deferred tax liabilities is as follows:

	Thousands of Euros	
	31 December 2021	**31 December 2020 restated**
Deferred tax liabilities:		
Business combinations [(1)]	(3,764,873)	(1,777,410)
Accelerated depreciation and amortisation	(5,730)	(5,342)
Amortization goodwill in Spanish companies and others	(34,446)	204
Total	**(3,805,049)**	**(1,782,548)**

[(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 2021 and 2020 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 2021	31 December 2020 restated
Towerco	2014	19,079	20,263
Galata	2015	—	106,508
Cellnex Netherlands subgroup	2016	56,375	60,481
Shere Group subgroup	2016	23,856	16,443
Swiss Towers	2017	54,607	55,577
Infracapital Alticom subgroup	2017	10,592	11,280
Xarxa Oberta de Catalunya	2019	4,684	5,177
Zenon Digital Radio	2019	561	594
On Tower Netherlands	2020	4,835	5,111
Cignal subgroup	2020	10,633	11,235
Swiss Infra Services	2020	148,308	149,911
Iliad 7	2020	371,160	391,780
Edzcom	2020	3,359	3,540
On Tower UK	2020	497,890	382,676
OMTEL, Estruturas de Comunicaçoes	2020	121,544	128,472
On Tower Portugal	2020	72,123	76,038
Metrocall	2020	13,991	14,737
On Tower IE	2020	56,086	59,038
On Tower DK	2020	70,228	73,874
On Tower AT	2020	194,441	204,675
Cignal Infrastructure Netherlands	2021	151,136	—
CK Hutchison Italy	2021	588,527	—
Towerlink Poland	2021	181,442	—
Hivory, SAS	2021	1,014,351	—
On Tower SE	2021	94,522	—
Others	2021	543	—
Total		**3,764,873**	**1,777,410**

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 2021 and 2020 will be used as follows:

			Thousands of Euros
			31 December 2021
	Less than one year	More than one year	**Total**
Deferred tax assets	15,482	657,542	**673,024**
Deferred tax liabilities	3,914	3,801,135	**3,805,049**

			Thousands of Euros
			31 December 2020 restated
	Less than one year	More than one year	**Total**
Deferred tax assets	72,982	387,835	**460,817**
Deferred tax liabilities	86,010	1,696,538	**1,782,548**

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 2021, the Group has guarantees with third parties amounting to EUR 93,548 thousand (EUR 84,050 thousand at the end of 2020). 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.

Also, 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. On 29 September 2016 the CNMC issued a decision recalculating the aforementioned amount (EUR 18.7 million), which was appealed to the Spanish High Court on 9 December 2016. Furthermore, on 4 April 2017 Cellnex filed a claim which was responded by the Spanish State Attorney. Based on the opinion of its legal advisers, the provision recorded in this regard at 31 December 2021, amounted to EUR 18.7 million in "non-current provisions and other liabilities" of the consolidated balance sheet (EUR 18.7 million at the end of 2020).

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 2021, 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 2020).

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 2021, Cellnex Telecom, S.A. has provided three guarantees amounting to EUR 32.5 million (EUR 32.5 million at the end of 2020) to cover the disputed rulings with the CNMC explained above.

On 19 June 2013, the European Commission (the "EC") issued a decision concluding that Retevisión and other terrestrial platform operators had received state aid in the form of a EUR 260 million scheme to finance the digitalisation and extension of the terrestrial TV network in remote areas of Spain (other than Castile-La Mancha) during the digital switch-over process and that such state aid was incompatible with the EU rules. The decision ordered the Kingdom of Spain to recover the aid, which according to the EC amounted to an aggregate of EUR 40 million for Retevisión. In October 2013 and February 2016, the Group filed appeals with the General Court of the EU and the European Court of Justice, respectively. On 20 December 2017, the European Court of Justice issued a judgment by means of which it immediately annulled the EC's decision, with the consequence that as of such date the recovery obligations incumbent upon the public administrations and the obligations of the terrestrial platform operators to return the relevant amounts lapsed.

Following the European Court of Justice's annulment of its 2013 decision, the EC reopened its investigation, and on 10 June 2021 issued a new decision concluding that the state aid scheme was incompatible with EU rules and the aid should be recovered by the Kingdom of Spain. On this basis, the governments of Extremadura, Catalunya, Comunidad Valenciana, Principado de Asturias and other Spanish regions have begun separate aid recovery proceedings amounting in the aggregate to approximately EUR 88 million, which the Group has either appealed or expects to appeal in the near future. No provisions have been recorded by the Group in connection with such recovery proceedings.

On 5 November 2021, the Group filed an appeal with the General Court of the EU requesting the annulment of the EC's decision. As of the date of this consolidated financial statements, the General Court of the EU has not yet issued a judgment on the subject.

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 lodged 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.

b) Current and non-current employee benefit obligations

The detail of "Employee benefit obligations" at 31 December 2021 and 2020 is as follows:

						Thousands of Euros
	31 December 2021			31 December 2020		
	Non-current	Current	Total	Non-current	Current	Total
Defined benefit obligations	3,724	—	**3,724**	6,114	49	**6,163**
Employee benefit obligations	66,729	70,634	**137,363**	11,080	26,811	**37,891**
Employee benefit obligations	**70,453**	**70,634**	**141,087**	**17,194**	**26,860**	**44,054**

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 3,724 thousand (EUR 6,114 thousand in 2020) under "Non-current provisions" and EUR 0 thousand (EUR 49 thousand in 2020) 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 2021 and 2020 for these obligations as a decrease in staff costs were EUR -2,444 thousand and EUR 1,726 thousand and, as a finance cost, were EUR 5 thousand and EUR 10 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
	2021	2020
At 1 January	**6,163**	**4,571**
Current service cost	1,060	876
Interest cost	5	10
Actuarial losses/(gains)	(3,504)	850
Benefits paid	—	(144)
Changes in the consolidation scope	—	—
At 31 December	**3,724**	**6,163**

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
	2021	2020
At 1 January	**2,829**	**1,237**
Sponsor contributions	(2,439)	1,736
Benefits paid	—	(144)
Changes in the consolidation scope	—	—
At 31 December	**390**	**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:

	2021	2020
Annual discount rate	0.19%-0.25%	0.10%-0.25%
Salary increase rate	0.77%-2.00%	2.00%

II) Current and non-current employee benefit obligations

Long Term Incentive Plan ("LTIP")

Rolling Long-term Incentive Plan (2018-2020)

On 27 September 2018 Cellnex's Board of Directors approved the LTIP (2018-2020). The beneficiaries of this Plan are the CEO, the Deputy CEO, the Senior Management and key employees (approximately 55 employees). This plan had similar characteristics to the LTIP 2017-2019 described in the 2020 consolidated annual accounts. This plan accrued from 1 January 2018 until 31 December 2020 and the amounts due were paid following the approval of the Group's financial statements corresponding to the 2020 financial year.

The amount to be received by the beneficiaries was determined by the degree of fulfilment of two objectives, each with a weight of 50%:

- 50%; the attainment of a certain RLFCF per share figure according to the market consensus and a constant scope of consolidation. The scale of attainment was: 50% if the figure was 5% below the target, 100% if figure matched the target, and 150% if the target was above by 5% or more; and

- 50%; the share price increase calculated using the initial starting price of the period and the average price in the last quarter of 2020, weighted by the volume ("vwap"). The scale of attainment was from 75% to 125% depending on the share price performance compared to IBEX 35 and certain European and American peers.

The cost of the LTIP (2018-2020) was EUR 10.6 million, which has been paid during the first half of 2021.

For the 2018–2020 LTIP, the CEO and Deputy CEO received a minimum amount of 50% of their LTIP remuneration in shares. The rest of the Senior Management and certain employees received a minimum amount of 40% of their LTIP remuneration in shares. For the rest of the beneficiaries, this minimum percentages varies depending on the position of the employee. The decision to receive shares or cash rested in an agreement between the Group and the employee. The share based compensation of this LTIP was grossed up to partially offset the tax impact on the beneficiaries.

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 3.7 million and EUR 3.6 million in the short-term employee benefit obligations and reserves, respectively, of the accompanying consolidated balance sheet as at 31 December 2020. Thus, the impact on the accompanying consolidated income statement for the 2021 year-end amounted to EUR 3.3 million.

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 will be 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 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.

As at 31 December 2021, the estimated cost of the 2019-2021 LTIP is approximately EUR 11.0 million, which will be paid once the Group's financial statements corresponding to the 2021 financial year are approved.

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 11.0 million in reserves of the accompanying consolidated balance sheet as at 31 December 2021 (EUR 6.4 million in reserves as at 31 December 2020). Thus, the impact on the accompanying consolidated income statement for 2021 amounted to EUR 4.6 million (EUR 3.5 million in 2020).

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 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 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 2021, the estimated cost of the 2020-2022 LTIP is approximately EUR 11.6 million. The cost of the 2020-2022 LTIP assuming full achievement of the Group's objectives is estimated at approximately EUR 14.4 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 7.5 million in reserves of the accompanying consolidated balance sheet as at 31 December 2021 (EUR 3.4 million in reserves as at 31 December 2020). The impact on the accompanying consolidated income statement for the 2021 year-end amounted to EUR 4.1 million (EUR 3.4 million in 2020).

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 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 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 2021, the estimated cost of the 2021-2023 LTIP amounts to approximately EUR 14.8 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 4.9 million in reserves of the accompanying consolidated balance sheet as at 31 December 2021. The impact on the accompanying consolidated income statement for 2021 amounted to EUR 4.9 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 fulfilment 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 period end on 31 December 2024, by the General Shareholders' Meeting.

For the CEO 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 equivalent to two years' fixed remuneration. The decision to receive the options part in additional shares or in cash rests in an agreement between the Group and the employee.

The estimated cost of the 2022-2024 LTIP amounts to approximately EUR 18 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 180 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 collective redundancy procedure, with an estimated cost of EUR 55 million. At 31 December 2020, the impact on the accompanying consolidated income statement for the period amounted to EUR 3.4 million (EUR 5 million in 2019). During 2020, following execution of part of this agreement, 18 employees were made redundant for a cost of EUR 3.4 million (65 employees were made redundant during 2019 for a cost of EUR 19 million). The aforementioned impact in 2020 corresponds to the Incentive Plan, which was contemplated in the initial agreement of 2018, for this 2020 period. As of 31 December 2020, the Reorganisation Plan has already been finalized.

The balance payable at 31 December 2021 associated with this collective redundancy procedure carried out by the Group represents expected payments related to this process, amounting to EUR 9.9 million and EUR 0.3 million recorded in the long and short term, respectively, of the accompanying consolidated balance sheet (EUR 9.9 million and EUR 0.3 million recorded in the long and short term, respectively, at 31 December 2020).

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 252 employment contracts in the period from 2022 to 2025 as detailed below.

On 16 December these Group companies reached an agreement with the workers' legal representatives consisting, 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 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 (TIS) 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 collective redundancy procedure, with an estimated cost of EUR 81 million.

c) Provisions and other liabilities

The detail of “Provisions and other liabilities” at 31 December 2021 and 2020 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 2021, the provisions for other responsibilities amounted to EUR 668,298 thousand (EUR 622,608 thousand at 2020 year-end). The increase compared to the previous year, derives entirely from the increase in the consolidation perimeter of the Cellnex Group during 2021 (see Note 6). 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. This analysis has led the Group to register a provision of approximately EUR 180 million (see Note 6) in accordance with IFRS 3.22-23 (EUR 470 million in 2020 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 149 million (EUR 44 million in 2020) as the risks became remote, expired or the amounts were settled. The expectations of the Group are that the provisions recognised will either be settled or will expire within the coming years, at a rate similar to this year.

The caption also includes the contractual obligation to dismantle and decommission the mobile telecom infrastructures. (See Note 3.o.). As at 31 December 2021, the provision for asset retirement obligation, amounted to EUR 494,895 thousand (EUR 218,470 thousand at 2020 year-end).

Moreover, the caption includes the possible sanctions levied by the National Competition Committee (Note 19.c), which have been recorded in the consolidated balance sheet as of 31 December 2021 and 2020 for an amount of EUR 32,473 thousand, as the cash flow outflow has been estimated as probable.

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: Presentation. 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 component. In this connection, at 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 expected to be inflationary, as given the favourable performance of such assets (see Note 14.f.). Thus, as at 31 December 2021, based on the best estimation of the T-Mobile Infra Put Option and taking into account all the available information, the Group recognised a provision of EUR 296 million 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 2021, this caption amounted to EUR 143,204 thousand (EUR 103,892 thousand at 2020 year-end). The increase compared to the previous year, derives mainly from the increase in the consolidation perimeter of the Cellnex Group during 2021 (see Note 6).

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 2021, the present value of the deferred payment amounted to EUR 489,288 thousand (EUR 475,836 thousand at 2020 year-end). Thus, the impact on "financial costs" of the accompanying consolidated income statement for 2021 amounted to EUR 13,452 thousand (EUR 13,452 thousand in 2020).

20. Revenue and expenses

a) Operating income

The detail of operating income by item for the 2021 and 2020 financial years is as follows:

		Thousands of Euros
	2021	**2020**
Services	2,441,669	1,565,921
Other operating income	94,399	42,510
Advances to customers (Note 10)	(3,269)	(3,659)
Operating income	**2,532,799**	**1,604,772**

"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 amortisation 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 2021 and 2020 are as follows:

Thousands of Euros

Contracted revenue	Broadcasting infrastructure	Telecom Infrastructure Services	Other Network Services	Total (*)
				2021
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 7). 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.

Contracted revenue				Thousands of Euros 2020
	Broadcasting infrastructure	Telecom Infrastructure Services	Other Network Services	Total (*)
Spain	168,337	192,735	70,223	431,295
Italy	—	332,216	—	332,216
Netherlands	—	65,576	—	65,576
France	—	276,953	—	276,953
United Kingdom	—	197,432	—	197,432
Switzerland	—	129,944	—	129,944
Ireland	—	53,113	—	53,113
Portugal	—	93,456	—	93,456
Austria	—	72,638	—	72,638
Denmark	—	26,829	—	26,829
Less than one year	**168,337**	**1,440,892**	**70,223**	**1,679,452**
Spain	379,400	644,609	128,507	1,152,515
Italy	—	1,212,970	—	1,212,970
Netherlands	—	199,310	—	199,310
France	—	1,162,789	—	1,162,789
United Kingdom	—	629,200	—	629,200
Switzerland	—	503,256	—	503,256
Ireland	—	202,542	—	202,542
Portugal	—	373,705	—	373,705
Austria	—	290,550	—	290,550
Denmark	—	107,318	—	107,318
Between one and five years	**379,400**	**5,326,249**	**128,507**	**5,834,156**
Spain	30,164	1,747,384	44,019	1,821,567
Italy	—	5,164,618	—	5,164,618
Netherlands	—	106,073	—	106,073
France	—	10,921,224	—	10,921,224
United Kingdom	—	568,833	—	568,833
Switzerland	—	4,209,534	—	4,209,534
Ireland	—	1,134,930	—	1,134,930
Portugal	—	2,188,030	—	2,188,030
Austria	—	1,815,938	—	1,815,938
Denmark	—	659,365	—	659,365
More than five years	**30,164**	**28,515,929**	**44,019**	**28,590,112**
Domestic	**577,901**	**2,584,728**	**242,749**	**3,405,378**
International	**—**	**32,698,341**	**—**	**32,698,341**
Total	**577,901**	**35,283,069**	**242,749**	**36,103,719**

(*) At 31 December 2020, 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 7). If this effect were to be considered the contracted revenue of the Group as of 31 December,2020 would increase to EUR 86 billion approximately, on a run rate basis.

b) Staff costs

The detail of staff costs by item is as follows:

	Thousands of Euros	
	2021	**2020**
Wages and salaries	(164,621)	(122,163)
Social Security contributions	(33,769)	(25,790)
Retirement fund and other contingencies and commitments	(86,413)	(8,735)
Other employee benefit costs	(15,554)	(9,173)
Staff costs	**(300,357)**	**(165,861)**

At 31 December 2021 the impact on the accompanying consolidated income statement, in relation to the Reorganisation Plans (see Note 19.b), amounted to EUR 81 million (EUR 3.4 million in 2020).

The average number of employees at the Cellnex Group, its subsidiaries and associates in 2021 and 2020, broken down by job category and gender, is as follows:

			2021			2020
	Male	Female	Total	Male	Female	Total
Chief Executive Officer	1	-	**1**	1	-	**1**
Senior Management	8	1	**9**	7	1	**8**
Middle management	301	80	**381**	230	76	**306**
Other employees	1,642	730	**2,372**	1,149	491	**1,640**
Average number of employees	**1,952**	**811**	**2,763**	**1,387**	**568**	**1,955**

The number of employees at the Cellnex Group at the end of the 2021 and 2020 financial years, broken down by job category and gender, was as follows:

			2021			2020
	Male	Female	Total	Male	Female	Total
Chief Executive Officer	1	-	**1**	1	-	**1**
Senior Management	7	1	**8**	7	1	**8**
Middle management	309	91	**400**	240	75	**315**
Other employees	1,699	769	**2,468**	1,166	518	**1,684**
Number of employees at year-end	**2,016**	**861**	**2,877**	**1,414**	**594**	**2,008**

At 31 December 2021, the Board of Directors of the Parent Company is formed of 11 members, 6 of which are male, and 5 are female. At 31 December 2020, the Board of Directors of the Parent Company was formed of 11 members, 7 of which were male, and 4 were female.

c) Other operating expenses

The detail of other operating expenses by item for the 2021 and 2020 financial years is as follows:

	Thousands of Euros	
	2021	**2020**
Repairs and maintenance	(79,708)	(50,783)
Utilities	(159,080)	(102,359)
Other operating costs	(246,616)	(148,657)
Other operating expenses	**(485,404)**	**(301,799)**

The detail of lease expense by class included in "Other operating costs" for the 2021 and 2020 financial years is as follows

	Thousands of Euros	
	2021	**2020 restated**
Leases of low-value assets	(2,336)	(3,708)
Variable lease payments	(7,721)	(7,410)
Lease expense	**(10,057)**	**(11,118)**

At 31 December 2021 and 2020, 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 2021 and 2020, 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 3,880 thousand (5,620 thousand at 2020 year-end).

ii. Redundancy provision, which mainly includes the impact in 2021 and 2020 year-end derived from the reorganisation plans detailed in Note 19.b of the accompanying consolidated financial statements (non-recurring item), amounted to EUR 80,870 thousand (EUR 4,912 thousand at 2020 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.a of the accompanying consolidated financial statements, non-cash item), amounted to EUR 10,724 thousand (EUR 8,455 thousand at 2020 year-end), and extra compensation and benefits costs, which corresponds to extra non-conventional bonus for the employees (non-recurring item), amounted to EUR 1,731 thousand (EUR 316 thousand at 2020 year-end).

iv. Costs and taxes related to acquisitions, which mainly includes taxes and anciliary costs incurred during the business combination processes (non-recurring item), amounted to EUR 75,735 thousand (EUR 26,409 thousand at 2020 year-end).

e) Depreciation and amortisation charge

The detail of “Depreciation and amortisation” in the consolidated income statement for the 2021 and 2020 financial years is as follows:

		Thousands of Euros
	2021	**2020 restated**
Property, plant and equipment (Note 7)	(466,561)	(302,843)
Right-of-use assets	(491,444)	(306,132)
Intangible assets (Note 8)	(729,559)	(364,996)
Total	**(1,687,564)**	**(973,971)**

f) Net interest expense

The detail of net interest expense by item for the 2021 and 2020 financial years is as follows:

		Thousands of Euros
	2021	**2020**
Finance income and interest from third parties	4,339	1,181
Changes in fair value of financial instruments	77	3,788
Exchange gains/(losses)	—	—
Total interest income	**4,416**	**4,969**

		Thousands of Euros
	2021	**2020 restated**
Interest expense on lease liabilities (Note 14)	(216,644)	(144,935)
Finance costs and interest arising from third parties	(33,009)	(20,817)
Bond interest expense	(183,378)	(89,246)
Arrangement expenses and Convertible Bond Accretion	(93,748)	(69,366)
Exchange gains/(losses)	(907)	(6,302)
Interest cost relating to provisions	(27,698)	(19,745)
Derivative financial instruments	(11,344)	(903)
Other finance costs	(25,507)	(13,869)
Total interest expense	**(592,235)**	**(365,183)**

21. Contingencies, commitments and obligations

a) Contingencies

As at 31 December 2021, the contingent liabilities of the Cellnex group are those detailed in Note 19.c of these consolidated financial statements.

b) Commitments and obligations

CK Hutchison Holdings Transaction in respect of the United Kingdom

In the second half of 2020, the Group announced it had reached an 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 6 and 21 to the Consolidated Financial Statements for the year ended on 31 December 2020.

The CK Hutchison Holdings Transactions in respect of Austria, Denmark and Ireland were completed at the end of December 2020 following satisfaction or waiver of all applicable conditions precedent (the "CK Hutchison Holdings 2020 Completed Transactions". In addition, 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 (the "Hutchison Sweden Acquisition" and the "Hutchison Italy Acquisition", respectively).

Completion of the CK Hutchison Holdings Transactions in respect of the United Kingdom remains subject to certain remaining conditions precedent, including in connection with customary anti-trust and foreign investment clearances, which are expected to be satisfied or waived in 2022 (the "Hutchison United Kingdom Acquisition"). In accordance with IFRS 3, given that the Hutchison United Kingdom Acquisition had not been completed as of 31 December 2021, it was not accounted for in the accompanying consolidated financial statements for the year ended 31 December 2021.

The CK Hutchison Holdings Transactions contemplates a total consideration (subject to certain adjustments) of approximately EUR 10 billion, of which approximately EUR 1.4 billion is expected to be paid in new and/or treasury Shares.

As of the date of these consolidated financial statements, the Group has paid aggregate cash consideration to Hutchison of approximately EUR 2.2 billion pursuant to the CK Hutchison Holdings 2020 Completed Transactions and approximately EUR 0.8 billion and EUR 3.4 billion pursuant to the Hutchison Sweden Acquisition and the Hutchison Italy Acquisition, respectively, all of which were financed with the Group's available cash.

The consideration for the CK Hutchison Holdings Transaction in respect of the United Kingdom is expected to be settled upon closing partly in cash and partly by the issue to Hutchison of new Shares and (if applicable) the transfer to Hutchison of treasury Shares. On 29 March 2021, 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 to be settled in Shares. Hutchison is expected to receive approximately EUR 1.4 billion in Shares (with the exact number of Shares to be received by Hutchison based on the Cellnex Share price at closing(1)). Hutchison is expected to receive approximately 27 million new Shares, with Cellnex expecting to transfer such number of additional treasury Shares as is necessary to reach the number of the Shares consideration payable to Hutchison pursuant to the CK Hutchison Holdings Transaction in respect of the United Kingdom. The aggregate number of Shares to be delivered to Hutchison at completion is also subject to adjustment in the event that certain events (same adjustments events as in the EUR 850 million 2028 convertible bond) relating to Cellnex's share capital occur prior to completion of the CK Hutchison Holdings Transaction in respect of the United Kingdom, including, among others, issues of Shares in Cellnex by way of conferring subscription or purchase rights (such as the issuance of Shares by Cellnex that occurred on 23 April 2021). As described in item 10, paragraph 10, of the resolutions passed by the 2021 Ordinary General Shareholder's Meeting, the Ordinary General Shareholders' Meeting acknowledged that the potential differences in value between (i) the implicit value attributed to Cellnex's shares which will be issued in the context of the share capital increase; and (ii) the volume weighted average price of Cellnex's shares on a date which is close to the date where the share capital increase will be executed (subject to a collar mechanism limiting, exclusively to this purpose, the potential fluctuations in the share price) will be adjusted. Such adjustment, which has a purely contractual significance and does not affect in any way the terms of the share capital Increase, will be effected, if applicable, by means of Cellnex's shares transfer and/or, if agreed between Cellnex and Hutchison, by cash payment. Hutchison is expected to hold at closing of the CK Hutchison Holdings Transaction in respect of the United Kingdom an interest of between approximately 3.4% and 4.8% in Cellnex's share capital, depending on the Cellnex's share price(1) as explained in the presentation to the market of 12 November 2021 as well as the capital increase prospectus of 30 March 2021, assuming that no further adjustment events occur. However, in the event that the Cellnex shareholder approval to issue new Shares expires and is not renewed before completion, payment of the total consideration for the CK Hutchison Holdings Transaction in respect of the United Kingdom can be made fully in cash unless otherwise agreed between the parties. In relation to the consideration for the CK Hutchison Holdings Transaction in respect of the United Kingdom that is expected to be partially settled through the issuance to Hutchison of new Shares and (if applicable) the transfer to Hutchison of treasury Shares, if as a result of a takeover bid prior to closing of such transaction a third party (alone or in concert with another person) acquires the majority of the votes in Cellnex, instead of delivering Shares, Cellnex shall procure that Hutchison receives at completion such equivalent consideration as Hutchison would have received had it been a shareholder of Cellnex at the time of the takeover bid.

(1) As such, the minimum and the maximum number of shares to be issued and delivered to Hutchison amounts to 23.7 million and 34.1 million, respectively, in the event the arithmetic average of the Volume Weighted Average Price on each of the 20 consecutive trading days ending on and including the date which is five trading days prior to the completion date of the CKH Hutchison Holdings Transactions in respect of the United Kingdom equals to or is above €57.0 per share and equals to or is below €39.6 per share, respectively.

Agreements in respect of the United Kingdom

Pursuant to a sale and purchase agreement dated 12 November 2020, Hutchison agreed to sell to Cellnex UK (a fully-owned subsidiary of Cellnex, which acts as guarantor) 100% of the share capital of CK Hutchison Networks (UK) Limited ("Networks Co UK") and to the Group the debt rights in respect of certain amounts owed to Hutchison by Networks Co UK (the "CK Hutchison UK SPA").

Under the terms of the CK Hutchison UK SPA, the parties agreed that upon completion of the acquisition contemplated thereby, 2,167 sites will be transferred to the Group, and a Hutchison group company and a Group company will enter into certain agreements (including, among others, an enhanced economic benefit agreement (the "CK Hutchison EEBA"), services agreement and advisory agreement) (the "CK Hutchison New Agreements"). Pursuant to the CK Hutchison New Agreements, Hutchison irrevocably will make available to On Tower UK the rights and obligations in relation to 7,324 of the sites and accompanying passive infrastructures currently managed by a joint operation between Hutchison and a third party (such joint operation currently manages both active and passive infrastructures), as well as up to 342 sites that Hutchison may acquire from that third party, in return for On Tower UK undertaking certain financial obligations in relation to those sites. 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 CK Hutchison EEBA will be transferred to a member of the Group. The execution of the CK Hutchison New Agreements at closing is conditional upon On Tower UK or Hutchison 3G UK Limited receiving from the HM Revenue and Customs a positive VAT ruling in relation to the initial consideration under the CK Hutchison EEBA or the parties agreeing on and implementing an alternative structure to the CK Hutchison EEBA (the "EEBA VAT Condition") unless the EEBA VAT Condition is waived, subject to the terms and conditions set forth in the CK Hutchison UK SPA.

The consideration payable upon closing by the Group under the CK Hutchison UK SPA and the CK Hutchison EEBA is expected to amount to approximately EUR 3.7 billion, of which approximately EUR 2.3 billion is expected to be paid to Hutchison in cash. The remaining consideration is expected to be satisfied by the issuance and/or (if applicable) transfer of approximately EUR 1.4 billion in new and (if applicable) treasury Shares, as applicable (with the exact number of Shares to be received by Hutchison based on the Share price at closing, amounting to between approximately 3.4% and 4.8% in Cellnex's share capital, depending on the Cellnex's share price(1). The Shares subscribed by Hutchison in connection thereto will be subject to a 12-month lock-up on customary terms.

(1) As such, the minimum and the maximum number of shares to be issued and delivered to Hutchison amounts to 23.7 million and 34.1 million, respectively, in the event the arithmetic average of the Volume Weighted Average Price on each of the 20 consecutive trading days ending on and including the date which is five trading days prior to the completion date of the CKH Hutchison Holdings Transactions in respect of the United Kingdom equals to or is above €57.0 per share and equals to or is below €39.6 per share, respectively.

The completion of the CK Hutchison Holdings Transaction in respect of the United Kingdom is subject to the satisfaction or waiver of applicable conditions precedent, including in relation to anti-trust and national security clearances, as required. As of the date hereof, certain conditions precedent are pending to be satisfied or waived, and are expected to be satisfied during 2022. On 16 December 2021, the United Kingdom Competition and Markets Authority ("CMA"), published its provisional findings and notice of possible remedies in relation to the CK Hutchison Holdings Transaction in respect of the United Kingdom, whereby it provisionally found that the CK Hutchison Holdings Transaction in respect of the United Kingdom would lead to a substantial lessening of competition in the market for the supply of access to developed macro sites and ancillary services to mobile network operators and other wireless communication providers in the United Kingdom. The Group publicly responded to the provisional findings and notice of possible remedies in January 2022 and, whilst the Group maintains that the CK Hutchison Holdings Transaction in respect of the United Kingdom will not result in any substantial lessening of competition, it has proposed a divestment remedy comprised of a limited subset of the infrastructures currently operated by Cellnex in the United Kingdom to resolve any potential concerns the CMA may continue to have at the time of its final decision. The deadline for publication of the CMA's final decision is 7 March 2022. If the CK Hutchison Holdings Transaction in respect of the United Kingdom is cleared subject to remedies, the deadline for implementation of remedies is 30 May 2022 (which may be extended by the CMA to 11 July 2022). If the CK Hutchison UK SPA terminates due to the failure to obtain antitrust authorization, the CK Hutchison UK SPA contemplates a break fee payable by the Group to Hutchison in certain circumstances.

Pursuant to the CK Hutchison UK SPA, it was also agreed that a Hutchison group company and a Group company would enter 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 600 sites by 2022, 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, it was agreed that Cellnex UK (or another Group company) and/or Networks Co UK will also enter into a transitional services agreement with a Hutchison group company, both substantially in the same form as those signed in the context of the CK Hutchison Europe agreements, as contemplated above.

Agreements with MEO in Portugal

In addition to the transaction closed with MEO in the second half of 2021 (see Note 2.h and 6), in November 2021, PT Portugal has reached an agreement on another tower business unit consisting of a portfolio of 102 sites to be acquired by Cellnex for an implied enterprise value of approximately EUR 70 Million, subject to working capital and finance debt adjustments, if any. The closing of this transaction, which remains subject to satisfaction of certain conditions precedent, is expected to occur in the first quarter of 2022.

Other purchase commitments

As at 31 December 2021, the purchase commitments for tangible and intangible assets are those detailed in Notes 7 and 8 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 in 2021 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 will be included in the Environmental functional unit so that they 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) organizational (level of involvement in the organization for monitoring and resolution) 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. 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 vast 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 2021 amounted to EUR 14,768 thousand (EUR 7,447 thousand in 2020), with accumulated depreciation and amortisation of EUR 8,567 thousand (EUR 3,312 thousand in 2020).

Expenses incurred to protect and improve the environment recognised directly in the income statement amounted to EUR 471 thousand (EUR 507 thousand in 2020) 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, 2021 and

2020, 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 liability insurance policies.

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 2021 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 and other Engineering Services). The perimeter, therefore the number of tenants, may also be increased as a result of both acquisitions and BTS programs executions.

  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 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 2021 and 2020 are as follows:

Thousands of Euros

											31 December 2021
	Spain [1]	Italy	France	UK	Switzerland	Portugal	Austria	Poland	Netherlands	Other countries	Total
Intangible assets	253,403	4,294,987	7,727,590	2,907,072	1,419,044	1,504,440	1,030,221	2,508,675	1,293,503	2,074,789	25,013,724
Right-of-use assets	348,263	758,415	860,720	431,655	245,372	80,944	101,628	273,771	68,650	113,223	3,282,641
Tangible fixed assets	850,711	1,280,899	3,153,484	324,705	209,462	247,382	207,763	826,194	152,665	379,042	7,632,307
Other non-current assets	282,873	73,897	91,918	70,625	5,213	20,327	139,670	44,637	2,611	51,870	783,641
Total non-current assets	**1,735,250**	**6,408,198**	**11,833,712**	**3,734,057**	**1,879,091**	**1,853,093**	**1,479,282**	**3,653,277**	**1,517,429**	**2,618,924**	**36,712,313**
Total current assets	**3,705,049**	**172,327**	**567,407**	**201,406**	**67,204**	**114,333**	**19,212**	**124,259**	**35,690**	**78,147**	**5,085,034**
TOTAL ASSETS	**5,440,299**	**6,580,525**	**12,401,119**	**3,935,463**	**1,946,295**	**1,967,426**	**1,498,494**	**3,777,536**	**1,553,119**	**2,697,071**	**41,797,347**
Borrowings and bond issues	13,154,150	—	208,920	708,527	564,473	—	—	—	277,989	1	14,914,060
Lease liabilities	269,496	487,580	738,258	122,734	221,814	54,129	89,195	198,187	42,298	82,499	2,306,190
Other non-current liabilities	890,113	755,979	1,523,470	840,440	323,860	293,422	268,555	333,079	358,122	424,903	6,011,943
Total non-current liabilities	**14,313,759**	**1,243,559**	**2,470,648**	**1,671,701**	**1,110,147**	**347,551**	**357,750**	**531,266**	**678,409**	**507,403**	**23,232,193**
Borrowings and bond issues	717,402	—	—	1,789	1,565	70	(236)	(128)	(323)	(144)	719,995
Lease liabilities	42,758	104,842	175,022	23,639	17,003	18,347	16,635	90,772	18,012	22,864	529,894
Other current liabilities	(5,992,356)	664,343	4,761,022	393,525	175,061	506,891	198,281	252,092	(10,687)	525,405	1,473,577
Total current liabilities	**(5,232,196)**	**769,185**	**4,936,044**	**418,953**	**193,629**	**525,308**	**214,680**	**342,736**	**7,002**	**548,125**	**2,723,466**
TOTAL LIABILITIES	**9,081,563**	**2,012,744**	**7,406,692**	**2,090,654**	**1,303,776**	**872,859**	**572,430**	**874,002**	**685,411**	**1,055,528**	**25,955,659**

[1] In addition to the Spanish business, it also includes the Corporation and the finance company.

Thousands of Euros

									31 December 2020 restated
	Spain [1]	**Italy**	**France**	**UK**	**Switzerland**	**Portugal**	**Austria**	**Other countries**	**Total**
Intangible assets	237,948	1,045,363	2,088,353	2,831,424	1,418,587	1,349,723	1,068,546	1,918,042	11,957,986
Right-of-use assets	319,216	347,960	535,857	428,232	231,937	64,076	118,754	101,358	2,147,390
Tangible fixed assets	865,317	507,655	1,815,502	235,587	193,190	218,038	201,282	266,003	4,302,574
Other non-current assets	165,411	29,978	58,249	57,763	5,295	16,339	144,571	56,473	534,079
Total non-current assets	**1,587,892**	**1,930,956**	**4,497,961**	**3,553,006**	**1,849,009**	**1,648,176**	**1,533,153**	**2,341,876**	**18,942,029**
Total current assets	**4,487,285**	**148,245**	**180,401**	**90,526**	**82,955**	**108,614**	**28,240**	**35,433**	**5,161,699**
TOTAL ASSETS	**6,075,177**	**2,079,201**	**4,678,362**	**3,643,532**	**1,931,964**	**1,756,790**	**1,561,393**	**2,377,309**	**24,103,728**
Borrowings and bond issues	8,062,637	—	62,742	658,104	532,346	—	—	1	9,315,830
Lease liabilities	245,533	182,116	500,798	117,458	213,334	41,327	103,049	79,039	1,482,654
Other non-current liabilities	541,083	215,582	512,466	687,068	321,105	296,054	279,337	453,425	3,306,120
Total non-current liabilities	**8,849,253**	**397,698**	**1,076,006**	**1,462,630**	**1,066,785**	**337,381**	**382,386**	**532,465**	**14,104,604**
Borrowings and bond issues	73,036	—	(734)	2,946	1,622	71	—	—	76,941
Lease liabilities	46,463	51,454	72,811	32,065	20,481	16,395	14,786	18,936	273,391
Other current liabilities	(1,937,583)	703,361	684,404	320,678	74,767	395,321	214,831	262,594	718,373
Total current liabilities	**(1,818,084)**	**754,815**	**756,481**	**355,689**	**96,870**	**411,787**	**229,617**	**281,530**	**1,068,705**
TOTAL LIABILITIES	**7,031,169**	**1,152,513**	**1,832,487**	**1,818,319**	**1,163,655**	**749,168**	**612,003**	**813,995**	**15,173,309**

[1] In addition to the Spanish business, it also includes the Corporation and the finance company.

Segmental reporting is set out below:

Thousands of Euros

										2021
	Spain [1]	**Italy**	**France**	**Switzerland**	**UK**	**Portugal**	**Poland**	**Netherlands**	**Other countries**	**Total (*)**
Operating income	530,052	512,454	413,586	146,141	311,814	103,254	212,754	96,704	206,040	2,532,799
Operating expenses	(324,488)	(139,305)	(58,054)	(18,462)	(91,683)	(15,953)	(70,249)	(26,571)	(43,533)	(788,298)
Depreciation and amortization	(177,586)	(298,456)	(369,448)	(120,548)	(210,304)	(95,588)	(159,324)	(75,480)	(180,830)	(1,687,564)
Net Interest	(235,768)	(76,729)	(120,937)	(31,919)	(37,241)	(20,162)	(18,465)	(9,189)	(37,409)	(587,819)
Profit of companies accounted for using the equity method	(19)	—	—	—	—	—	—	(3,203)	—	(3,222)
Income tax	53,239	97,505	79,328	4,002	(93,348)	2,716	3,096	5,827	6,666	159,031
Consolidated net profit	**(154,570)**	**95,469**	**(55,525)**	**(20,786)**	**(120,762)**	**(25,733)**	**(32,188)**	**(11,912)**	**(49,066)**	**(375,073)**
Attributable non-controlling interest	(349)	—	(11,056)	(5,689)	—	—	(4,579)	(2,035)	—	(23,708)
Net profit attributable to the Parent Company	**(154,221)**	**95,469**	**(44,469)**	**(15,097)**	**(120,762)**	**(25,733)**	**(27,609)**	**(9,877)**	**(49,066)**	**(351,365)**

(*) 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.

(1) In addition to the Spanish business, it also includes the Corporation and the finance company.

Thousands of Euros

	2020 restated							
	Spain (1)	Italy	France	Switzerland	UK	Portugal	Other countries	Total (*)
Operating income	530,328	336,296	309,759	137,467	144,339	69,286	77,297	1,604,772
Operating expenses	(235,852)	(95,769)	(38,666)	(16,756)	(44,604)	(8,133)	(32,637)	(472,417)
Depreciation and amortization	(174,716)	(173,391)	(270,366)	(121,794)	(106,938)	(81,494)	(45,272)	(973,971)
Net Interest	(179,860)	(52,531)	(57,800)	(28,459)	(24,476)	(14,049)	(3,039)	(360,214)
Profit of companies accounted for using the equity method	52	—	—	—	—	—	—	52
Income tax	23,878	5,369	11,817	3,813	(1,792)	5,308	324	48,717
Consolidated net profit	**(36,170)**	**19,974**	**(45,256)**	**(25,729)**	**(33,471)**	**(29,082)**	**(3,327)**	**(153,061)**
Attributable non-controlling interest	99	—	(9,415)	(8,320)	—	—	—	(17,636)
Net profit attributable to the Parent Company	**(36,269)**	**19,974**	**(35,841)**	**(17,409)**	**(33,471)**	**(29,082)**	**(3,327)**	**(135,425)**

(*) 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 2020. Additionally, this income statement by country may incorporate all of the non-recurring and non-cash items detailed in section 19.d of the consolidated financial statements of 2020 financial year.

(1) In addition to the Spanish business, it also includes the Corporation and the 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 2021 amounted to EUR 931,193 thousand. During 2020 financial year, the Group had two customers that exceeded 10% of its revenue and the amount ascended to EUR 466,500 thousand.

The information by business segment is set out below:

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**

Thousands of Euros

	2020			
	Broadcasting infrastructure	**Telecom Infrastructure Services**	**Network Services and others**	**Total**
Services (Gross)	227,257	1,233,006	104,932	1,565,195
Other income	—	43,236	—	43,236
Advances to customers	—	(3,659)	—	(3,659)
Operating income	**227,257**	**1,272,583**	**104,932**	**1,604,772**

There have been no significant transactions between segments during 2021 and 2020.

24. Related parties

a) Directors and Senior Management

The remuneration earned by the Parent Company's directors as at 31 December 2021 and 2020 was as follows:

i. The members of the Board of Directors received EUR 1,706 thousand for exercising the duties in their capacity as directors of Cellnex Telecom, S.A. (EUR 1,630 thousand in 2020).

ii. For performing senior management duties, the CEO:

   a. received EUR 1,300 thousand, corresponding to fixed remuneration (EUR 1,000 thousand in 2020).

   b. accrued EUR 1,275 thousand corresponding to annual variable remuneration, estimated assuming 98.11% of accomplishment (EUR 1,335 thousand in 2020).

   c. accrued EUR 1,920 thousand for the achievement of the multi-annual objectives established in the "Long Term Incentive Plan" that consolidates in December 2021 (1,650 thousands in 2020).

   Note: The accounting provisions for all the LTIPs in progress (2019-2021, 2020-2022 and 2021-2023), for the year ended on 31 December 2021 amounted to EUR 2,546 thousand (EUR 1,373 thousand in 2020). See Note 19.a.

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 32 thousand, respectively (EUR 250 thousand and EUR 28 thousand in 2020).

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 2021 for members of Senior Management amounted to EUR 5,323 thousand (EUR 4,547 thousand in 2020) and accrued EUR 4,165 thousand for the achievement of the multi-annual objectives established in all the "Long Term Incentive Plan" that consolidates in December 2021, estimated assuming 100% of accomplishment. Note: The accounting provisions for all the LTIPs in progress (2019-2021, 2020-2022 and 2021-2023), for the year ended on 31 December 2021 amounted to EUR 4,447 thousand (EUR 3,084 thousand in 2020).

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 423 thousand and EUR 190 thousand, respectively (EUR 334 thousand and EUR 174 thousand in 2020).

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 967 thousand at 31 December 2021 (EUR 538 thousand in 2020).

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 conflict with the Parent Company's interests

c) Associates companies

As of 31 December 2021 and 2020 the Group does not hold balances for significant amounts with associates companies.

For its part, during 2021 and 2020, 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).

On 12 July 2018, ConnecT S.p.A acquired 29.9% of the Parent Company's share capital. Currently, and after dissolution of ConnecT S.p.A,, part of this stake is no longer owned by ConnecT S.p.A, but ConnecT Due. 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 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. The consideration paid by TowerCo as of 31 December 2021 and 2020 amounted to EUR 2.9 million and EUR 3.9 million.

In addition to the aforementioned, during 2021 and 2020 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 2021 and 2020, the Group does not hold balances for significant amounts with related parties.

25. Other disclosures

The remuneration of the auditors for 2021 and 2020 is as follows:

Thousands of Euros

	2021					2020			
	Audit of financial statements	Services required by law	Verification services	Tax advisory services	Other services	Audit of financial statements	Verification services	Tax advisory services	Other services
Deloitte, S.L.	1,283	350	60	—	—	1,034	408	—	—
Rest of Deloitte	1,705	88	10	60	2,927	1,246	83	46	2,040
Total	**2,988**	**438**	**70**	**60**	**2,927**	**2,280**	**491**	**46**	**2,040**

26. Post balance sheet events

Agreement on the acquisition of shares increasing the stake in On Tower Poland

In the first quarter of 2022, Cellnex Poland and Iliad Purple entered into an agreement amending the exercise conditions of Iliad Purple's right on 10% of the share capital of On Tower Poland. Pursuant to the terms of this agreement, Cellnex Poland and Iliad Purple have agreed that such 10% interest in On Tower Poland will be purchased by Cellnex Poland before the end of the first quarter of 2022, for a price 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.

Agreement on the acquisition of the remaining 30% of On Tower France S.A.S. and amendment of the master services agreement with Free Mobile

In the first quarter of 2022, Cellnex France Groupe, Iliad, On Tower France and Free Mobile entered into two agreements amending the exercise conditions of Iliad's right and the Iliad Master Agreements (defined in the consolidated financial statements ended as of 31 December 2019). Pursuant to the terms of such agreements, Cellnex France Groupe and Iliad have notably agreed that Iliad's remaining 30% non-controlling interest in On Tower France will be purchased by Cellnex France Groupe before the end of the first quarter of 2022, subject to the approval of Iliad's Board of Directors, that will take place after the formulation of these consolidated financial statements. The agreed consideration for the acquisitions of the 30% interest in On Tower France is EUR 950 million, exclusive of taxes, which have been calculated following the criteria defined in the Iliad SHA (defined in the consolidated financial statements ended as of 31 December 2019). On top of that, Cellnex has enhanced the build-to-suit programmes with 2,000 new sites (additional to the minimum 2,500 sites already commited -see Note 5 of the consolidated financial statements ended as of 31 December 2019-) until 2027, with an Enterprise Value of EUR 639 million.

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 several new build-to-suit ("BTS") programs in France with a view to neutralize Capex and EBITDA expected impacts from Hivory required remedies, on a run rate basis. As such, the Group has contracted a BTS program of up to 1,350 sites in rural areas, to be deployed by 2029 with an estimated Capex of up to approximately EUR 310 million. This program will be structured in a similar way as Nexloop project (see Note 2.h and 7). Secondly, the Group has also contracted an extension of the existing BTS program in very dense areas of up to 1,500 sites with Bouygues Telecom to be deployed by 2029 with an estimated Capex of up to approximately EUR 490 million. Lastly, Cellnex has increased the scope of the BTS program with Bouygues Telecom that involves strategic sites with data processing capabilities by adding up to 2 additional Mobile Switching Centers, to be transferred by 2025 with an estimated BTS Capex of up to approximately EUR 70 million. This program will inherit similar conditions as Nexloop project (see Note 2.h and 7).

Cellnex France Groupe, Bouygues Telecom and Phoenix France Infrastructures have reached an agreements in principle to dispose approximately 2,000 urban sites in France

In the first quarter of 2022, Cellnex France Group, Bouygues Telecom and Phoenix France Infrastructures entered into an agreement in principle in order to dispose approximately 2,000 sites in France in very dense areas, subject to the French Competition Authority ("FCA") approval, in order to fulfill Hivory closing requirements for an expected amount of approximately EUR 620 million, net of taxes. Bouygues Telecom and Phoenix France Infrastructures will act together as a counterparty under a Joint Venture.

In addition, Cellnex France Group is finalizing an agreement in principle in order to dispose approximately 1,200 sites in France in very dense areas, subject to FCA approval, in order to fulfill Hivory closing requirements.

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, 24 February 2022

APPENDIX I. Subsidiaries included in the scope of consolidation at 31.12.2021

Company	Registered office	Ownership interest: Cost (Thousands of Euros)	Ownership interest: %	Company holding the interest	Consolidation method	Activity	Auditor
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		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
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

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
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
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

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
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
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	—

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
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	—
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	55 %	Swiss Towers AG	Full consolidation	Internet of Things	—

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
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
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

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
On Tower Austria Gmbh	Brünner Straβe 52, 1210 Vienna	933,220	100 %	Cellnex AustriaGmbh	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
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 2021 consolidated financial statements with which it should be read.

APPENDIX I. Subsidiaries included in the scope of consolidation at 31.12.2020

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	952,310	100 %	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Netherlands, BV	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	511,355	100 %	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex UK Limited	Office 132 Spaces Liverpool Street Station, 35 New Broad Street London, EC2M 1NH	1,856,984	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	2,324,391	100 %	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Telecom España, S.L.U.	Juan Esplandiú, 11-13 28007 Madrid	2,807,500	100 %	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Switzerland AG	Thurgauerstrasse, 136 8152 Opfikon	581,117	72 %	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Towerlink Portugal, S.A.	Avenida Álvares Cabral, nº61 – 4º piso, 1250-017 Lisboa, Portugal	4,000	100 %	Cellnex Telecom, S.A.	Full consolidation	Fixed and mobile telecommunications services provider	—
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	communication sites used by Mobile Network	Deloitte
Ukkoverkot Oy	Itämerentori 2, 00180 Helsinki, Finland	25,517	100 %	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
CLNX Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, San Antonio 1050 121 Lisboa	1,037,384	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	2	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	3	100 %	Cellnex Telecom, S.A.	Full consolidation	Holding Company	—
Cellnex Denmark ApS	Sundkrogsgade 5, DK-2100 Copenhagen	350,005	100 %	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
Indirect ownership interest:							
Retevision-I, S.A.U.	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.	Av, Del Parc Logístic, 12-20 08040 Barcelona	165,983	100 %	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Telecom Infraestructuras, S.A.U.	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)	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)	C/ Lincoln, 11, 1º3º 08006 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.	Av, Del Parc Logístic, 12-20 08040 Barcelona	32,795	100 %	Tradia Telecom, S.A.U.	Full consolidation	Construction and operation of optic fiber telecommunications infrastructure	Deloitte

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
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
Tower Lease, S.r.L.	Vía Cesare Giulio Viola, 43 CAP 00148 Roma	1,323	100 %	Cellnex Italia S.p.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
TowerLink Italia, S.r.L [(1)]	Vía Cesare Giulio Viola, 43 CAP 00148 Roma	20	100 %	Cellnex Italia, S.p.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Areaventi, S.r.L.	Via Cesare Giulio Viola, 43 CAP 00148 Roma	1,434	100 %	Cellnex Italia, S.p.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Towerlink Netherlands, B.V.	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	63,634	100 %	Cellnex Netherlands, BV	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Shere Masten B.V.	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	278,085	100 %	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Breedlink BV	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	599	100 %	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Alticom BV	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	132,127	100 %	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Netherlands, B.V	Axelsestraat, 58, 4537 AL, Terneuzen, the Netherlands	42,876	100 %	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
Springbok Mobility (1)	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	600	100 %	Cellnex France Groupe, S.A.S.	Full consolidation	Provision of related services for terrestrial telecommunications concessions and operators	—
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 (1)	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	20	100 %	Cellnex France, S.A.S	Full consolidation	Terrestrial telecommunications infrastructure operator	—
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
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	—
Cellnex UK Midco Ltd	Albion House High Street , Unit 6 Woking One (Woking) Surrey GU21 6BG	333,106	100 %	Cellnex UK Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Watersite Limited	Albion House High Street , Unit 6 Woking One (Woking) Surrey GU21 6BG	29,764	100 %	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Radiosite Limited	Albion House High Street , Unit 6 Woking One (Woking) Surrey GU21 6BG	31,942	100 %	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
London Connectivity Partnership Ltd	Office 132 Spaces Liverpool Street Station 35 New Broad Street London EC2M 1NH	1	100 %	Cellnex UK Midco Ltd	Full consolidation	Fixed and mobile telecommunications services provider	—
Cellnex Connectivity Solutions Limited	Albion House High Street , Unit 6 Woking One (Woking) Surrey GU21 6BG	146,550	100 %	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cellnex UK Consulting Limited	Albion House High Street , Unit 6 Woking One (Woking) Surrey GU21 6BG	2,603	100 %	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower UK, Ltd	Crawley Court, Winchester. SO21 2QA	2,467,702	100 %	Cellnex UK, Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower UK 1, Ltd	Crawley Court, Winchester. SO21 2QA	207,031	100 %	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower UK 2, Ltd	Crawley Court, Winchester. SO21 2QA	11,247	100 %	On Tower UK 1, Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower UK 3, Ltd	Crawley Court, Winchester. SO21 2QA	1	100 %	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower UK 4, Ltd	Crawley Court, Winchester. SO21 2QA	178	100 %	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower UK 5, Ltd	Crawley Court, Winchester. SO21 2QA	1	100 %	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
Swiss Towers AG	Thurgauerstrasse, 136 8152 Opfikon	739,869	100 %	Cellnex Switzerland AG	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Swiss Infra Services SA	Rue du Caudray, 4,1020 Renens, Vaud	830,684	90 %	Swiss Towers AG	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Grid Tracer AG (1)	Thurgauerstrasse, 136 8152 Opfikon	51,411	55 %	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
Cellcom Ireland Limited (in settlement process)	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	11,575	100 %	Cignal Infrastructure Limited	Full consolidation	communication sites used by Mobile Network	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	28/29 Sir John Rogerson's Quay, Dublin 2, Dublin, Ireland (cambio de domicilio social en proceso) después será Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	612,196	100 %	Cellnex Ireland Limited	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Edzcom Oy	Itämerentori 2, 00180 Helsinki, Finland	4,500	100 %	Ukkoverkot Oy	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
On Tower Austria Gmbh	Brünner Straβe 52, 1210 Vienna	934,507	100 %	Cellnex AustriaGmbh	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
OnTower Denmark Aps	Scandiagade 8, 2450 København SV	437,777	100 %	Cellnex Denmark, Aps	Full Consolidation	Provision of communication sites used by Mobile Network Operators	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 2021 consolidated financial statements with which it should be read.

APPENDIX II. Associates included in the scope of consolidation at 31.12.2021

Company	Registered office	Ownership interest									
		Cost	%	Assets	Liabilities	Income	Profit/(loss)	Company holding the interest	Consolidation method	Activity	Auditor
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 2021 with which it should be read.

APPENDIX II. Associates included in the scope of consolidation at 31.12.2020

Company	Registered office	Ownership interest									
		Cost (Thousands of Euros)	%	Assets	Liabilities	Income	Profit/(loss)	Company holding the interest	Consolidation method	Activity	Auditor
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 2021 with which it should be read.

COMISION NACIONAL DEL MERCADO DE VALORES

Ref. Remission of complementary information IRC fiscal year 2021. Rectification.

CELLNEX TELECOM, S.A.

Juan Esplandiú, 11-13

28007 Madrid

25th February 2022, Madrid

Dear Sir/Madam

We hereby inform you that we have detected a material error in the Statistical Annex of the Annual Directors' Remuneration Report that we have sent you as Other Relevant Information today, with entry number 1445. This Statistical Annex is also incorporated in the Annual Financial and Audit Reports published today under entry number 14431, as well as in the half-yearly Financial and Limited Audit/Revision Reports published today under entry number 14404. The amount of the remuneration for the year corresponding to the sum of all the directors is 5,343 thousand euros, as stated in section C.1. c) of the Statistical Annex (page 15). Due to a material error on the same page, this amount has been attributed to the total accrued by the Chief Executive Officer instead of the corresponding 4,967 thousand euros.

Please note that the supplementary information has been sent and the material error has been corrected.

Yours faithfully,

Mr. JAIME VELAZQUEZ VIOQUE

Secretary of the Board of Directors