



Governance

Showing what we are, acting with integrity



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	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 in 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

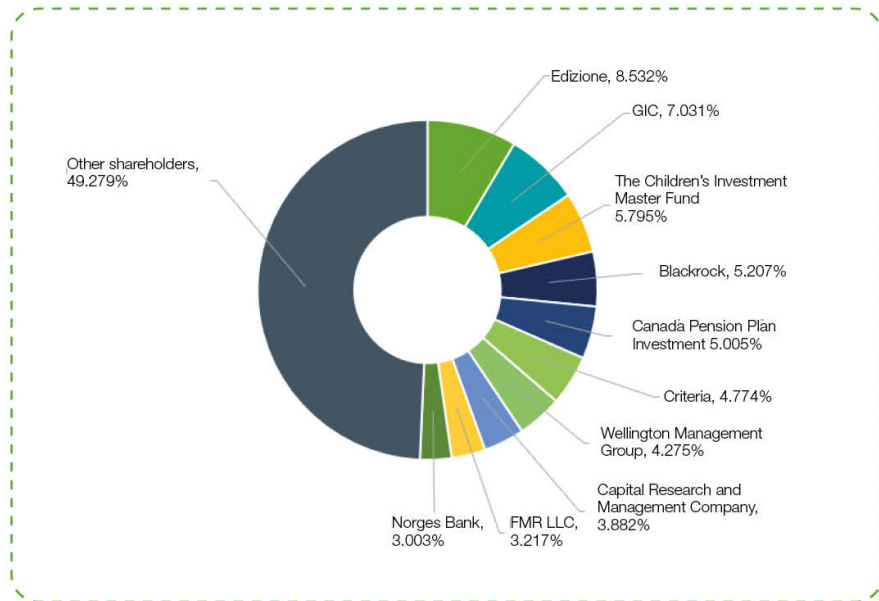
In this regard, from the Board's point of view, the expanded responsibilities of the Appointments and Remuneration Committee in relation to Sustainability was intended to ensure best practices of the management team in governance oversight. In addition, the specific training and awareness of the Board 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 approved the new Policy on the composition of the Board of Directors.

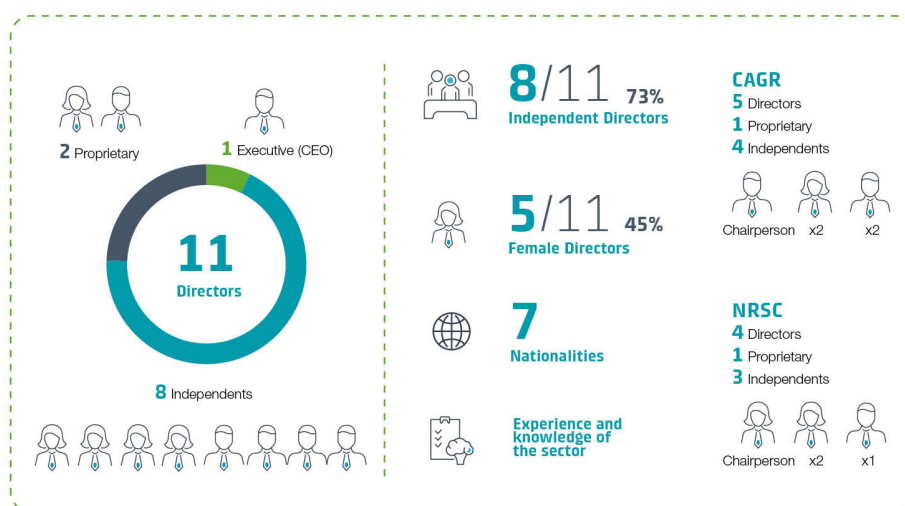
The Cellnex Board of Directors

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 Wadhvani 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 Zambelletti** has spent much of his professional career in the chemicals/pharmaceuticals and telecoms sectors. He was previously Founder and Managing Director of Zambelletti España, President and CEO of Zambelletti 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 Zambelletti 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 Telecommunications 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, ultimately, 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 Zambetti
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 Zambelletti 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 M^a 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 symbolises 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.

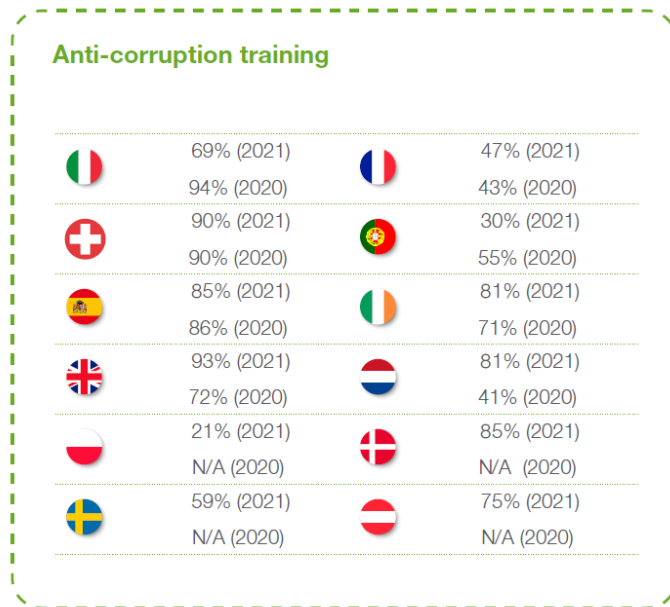
Since 2019, the General Conditions of Procurement of the Cellnex Group have included a clause on the Group's Code of Ethics to require suppliers to declare knowledge of and full compliance with the contents of the Code of Ethics. In addition, suppliers have to inform their employees and any subcontractors 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 further progress 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 cooperate on the early detection and reporting through the Ethical Channel, of any 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 confidentiality 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 that business is conducted in accordance with the requirements set out in the reference standards on quality, environment, health and safety at work and information security, as well as the legislation in force.
- 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 expected in early 2022. Poland, Denmark, Austria and Sweden are the next countries to be incorporated into the Integrated Management System.

Risk Management

The Cellnex 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.



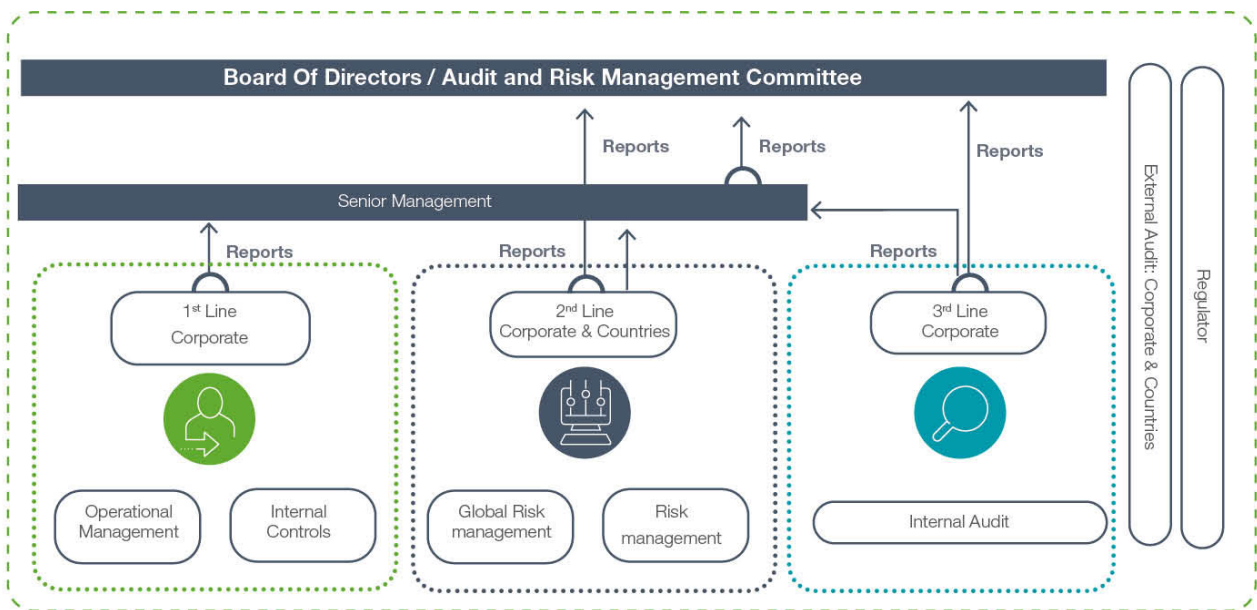
"The importance of anticipating potential threats and risks that could affect our business is key to Cellnex's resilience as a global company. At Risk Management, as Second Line, we want this risk culture to be part of our day-to-day decision making to respond more efficiently to threats or crises that 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.

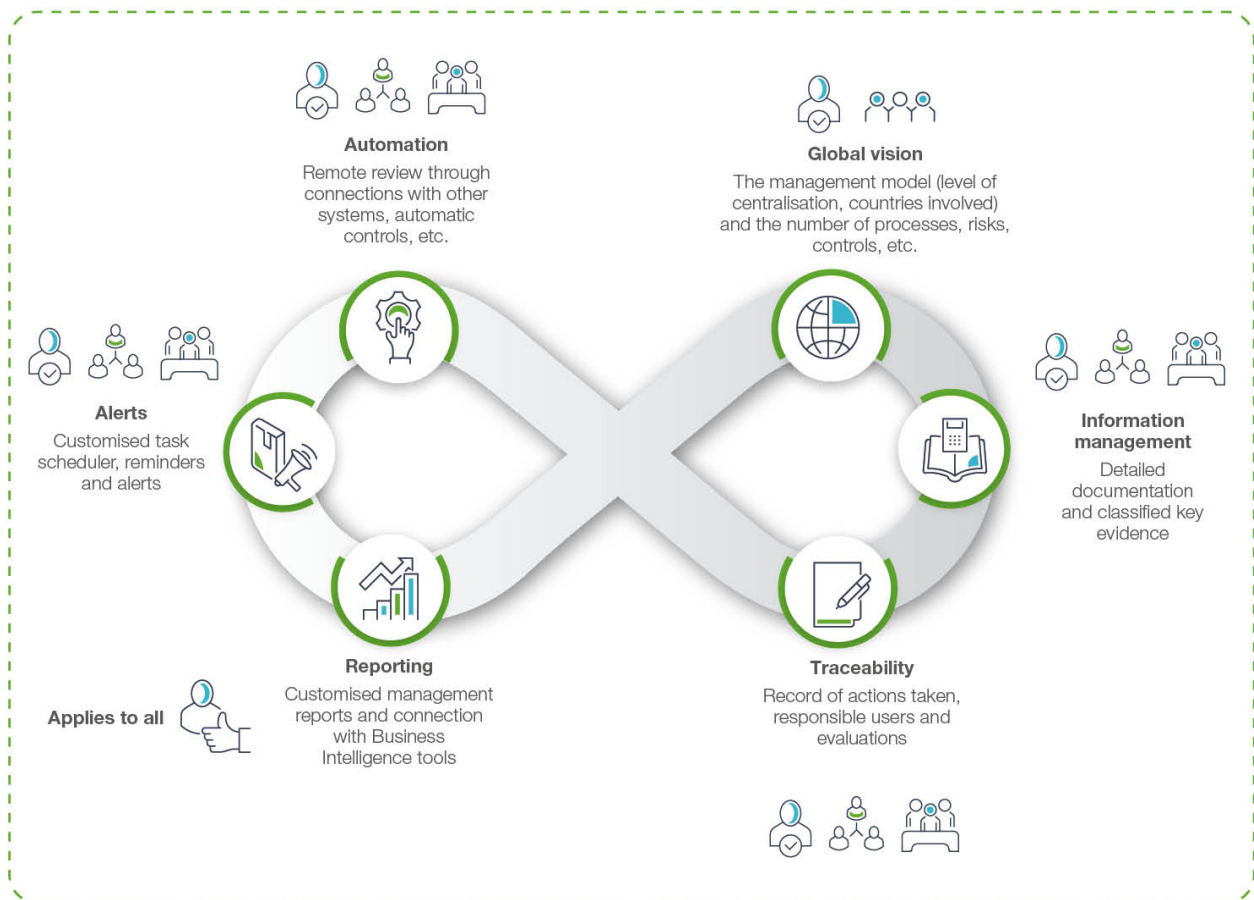


In this regard, the Global Risk Committee is the body responsible for executing risk management in the Cellnex Group and validating the risks and action plans defined in the risk map. It also acts as the second line. In 2021, the consolidated risk map was drawn up and revised, as was the risk map for 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	<p>I) Risks related to the environment in which the Group operates and risks stemming from the specific nature of its businesses.</p> <p>II) Risks of increasing competition.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>VI) Risk related to a substantial portion of the revenue of the Group is derived from a small number of customers.</p> <p>VII) Risk of infrastructure sharing.</p> <p>VIII) Risk of non-execution for the entire committed perimeter.</p> <p>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.</p> <p>X) Risks inherent to the businesses acquired and the Group's international expansion.</p> <p>XI) Risk related to the non-control of certain subsidiaries.</p> <p>XII) Risks related to implementation of Cellnex's acquisition strategy.</p> <p>XIII) Regulatory and other similar risks.</p> <p>XIV) Litigation.</p> <p>XV) Risk related to the Company's significant shareholder's interests potentially differing from those of the Company.</p>
Operational risks	<p>XVI) Risks related to the industry and the business in which the Group operates.</p> <p>XVII) Risk of not developing the strategic sustainability plan.</p> <p>XVIII) Risks related to maintaining the rights over land where the Group's infrastructures are located.</p> <p>XIX) Failure to attract and retain high quality personnel could negatively affect the Group's ability to operate its business.</p> <p>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</p>
Financial risks	<p>XXI) Financial information.</p> <p>XXII) Expected contracted revenue (backlog).</p> <p>XXIII) Foreign currency risks.</p> <p>XXIV) Interest rate risk.</p> <p>XXV) Credit risk.</p> <p>XXVI) Liquidity risks.</p> <p>XXVII) Inflation risk.</p> <p>XXVIII) Risk related to the Group's indebtedness.</p> <p>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).</p>
Compliance risks	<p>XXX) Fraud and compliance risks.</p> <p>XXXI) Risk associated with significant agreements signed by the Group that could be modified due to change of control clauses.</p>

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

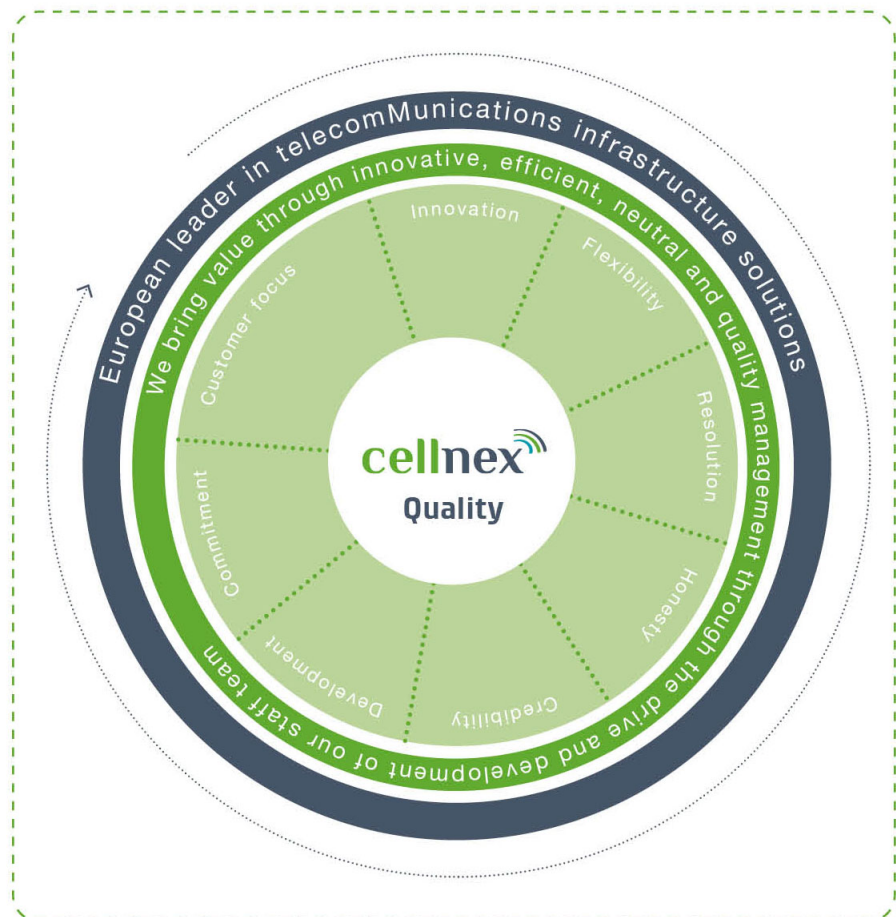
Quality and certifications

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:

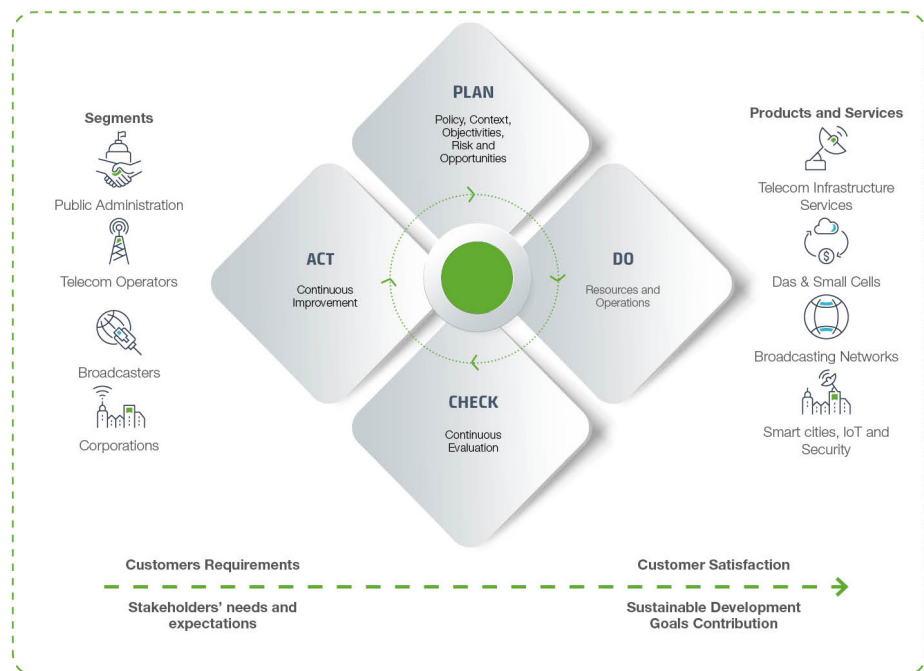
- To promote a Quality Culture through Cellnex values, awareness and training at all levels.
- To achieve the highest levels of quality and commitment to the customer.
- To enhance the perception of stakeholders by innovating and improving products and services.

- 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.

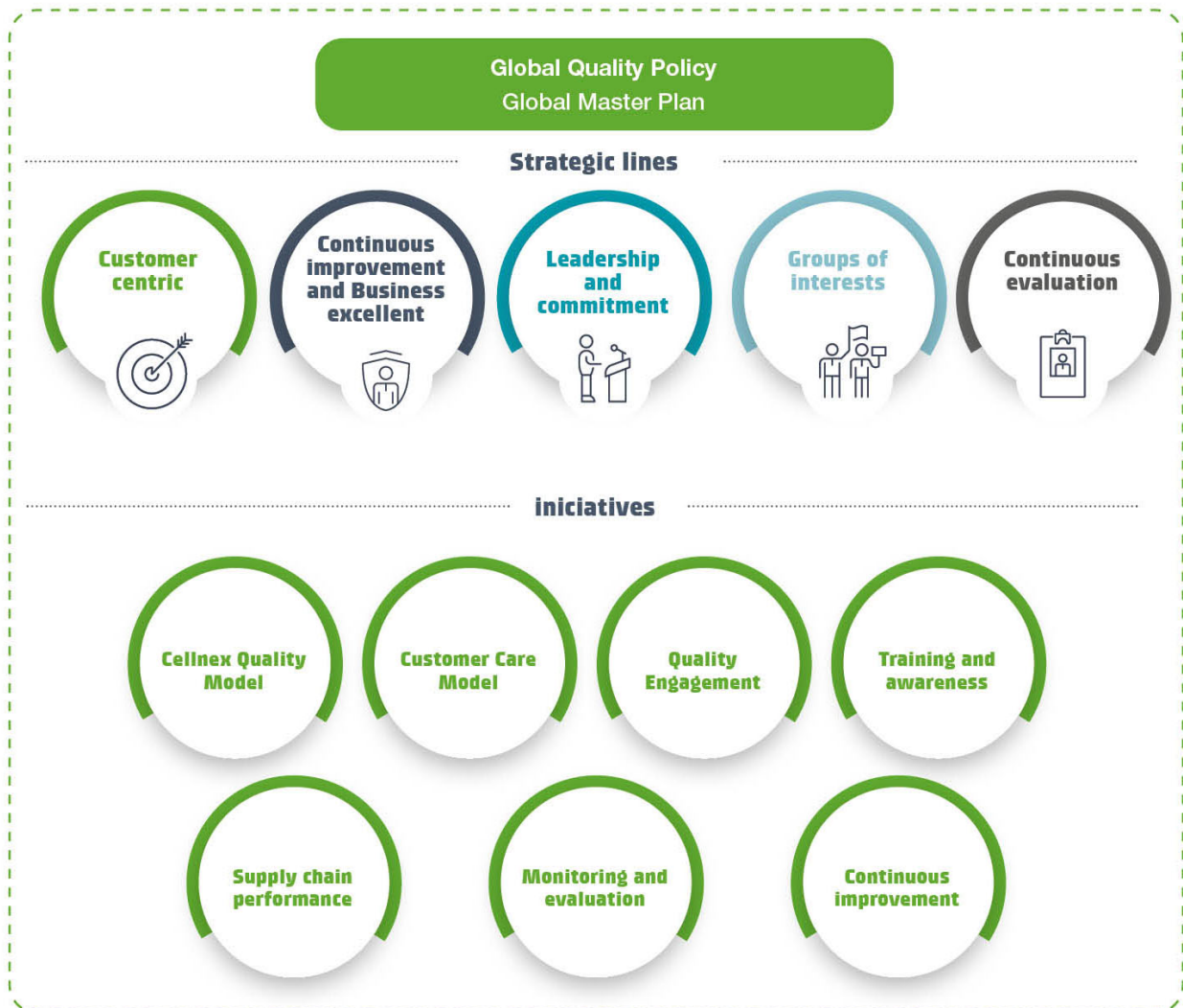
Cellnex focuses on stakeholder needs and expectations, offers high quality services, satisfies customers and continuously improves.

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 as standard 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 ancillary 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 income¹⁰ excluding elements passed through¹⁰ to customers from both expenses and revenues, mostly electricity costs (this concept only includes Services and Advances to customers¹¹ and does not take into account Other operating income¹⁰). 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 projects¹⁹.

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 Income²⁰ 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 margin²¹ 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).

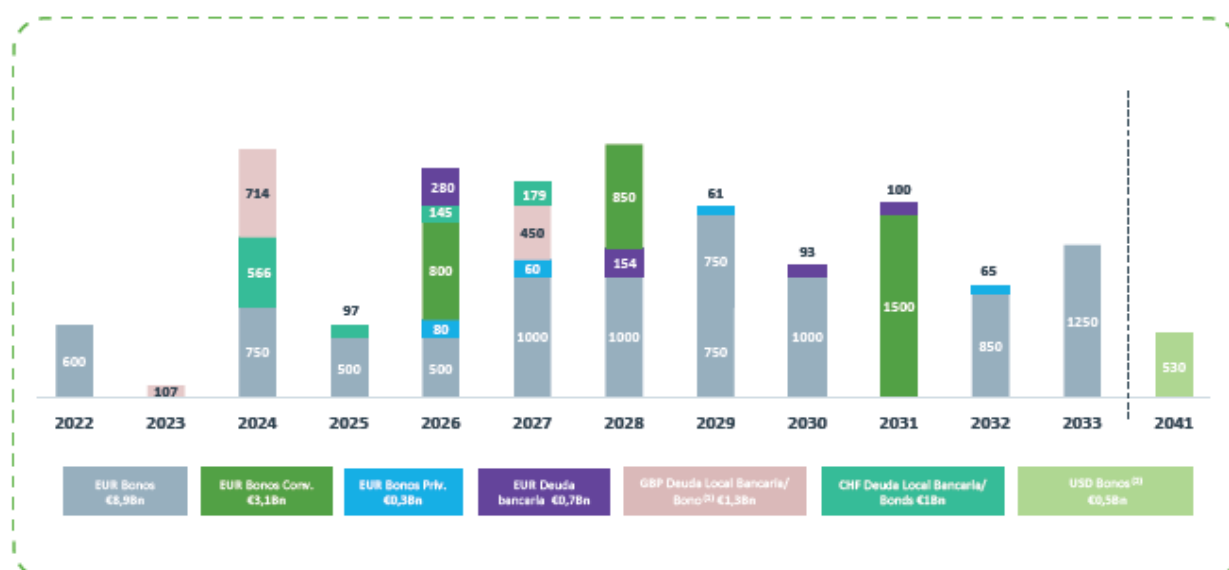
Thousands of Euros

	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 Transparencia 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.

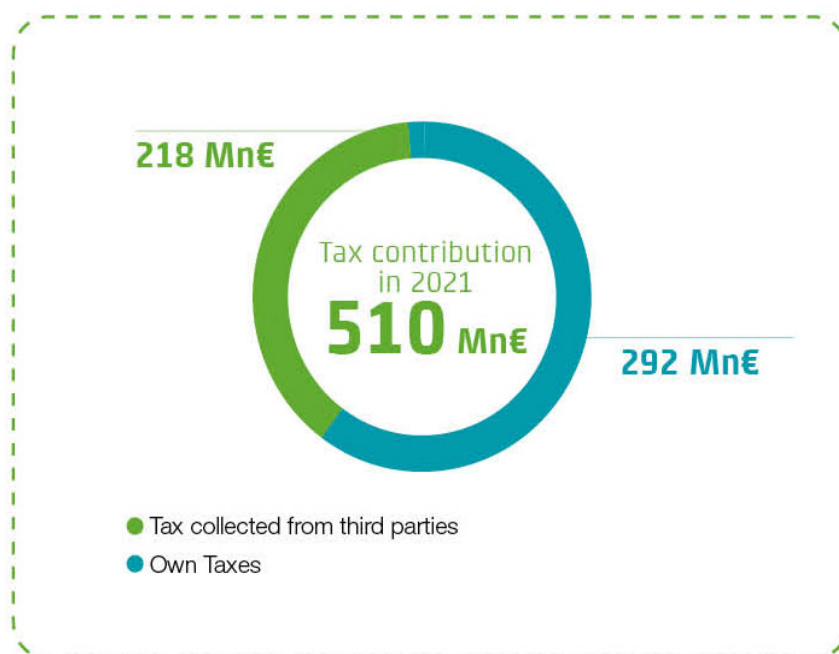
Following the OECD's cash basis methodology, Cellnex's total tax contribution in 2021 was EUR 510.4 million (EUR 244.8 million in 2020). Own taxes are those borne by the company and those of third parties are those that are collected and paid to the various tax authorities on behalf of said third parties, 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 jurisdictions	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 jurisdictions	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 Cellnex'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 Sustainabilitytics, 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 committed -see Note 5 of the consolidated financial statements ended as of 31 December 2019-) until 2027, with an Enterprise Value of EUR 639 million.

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 Ivory 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

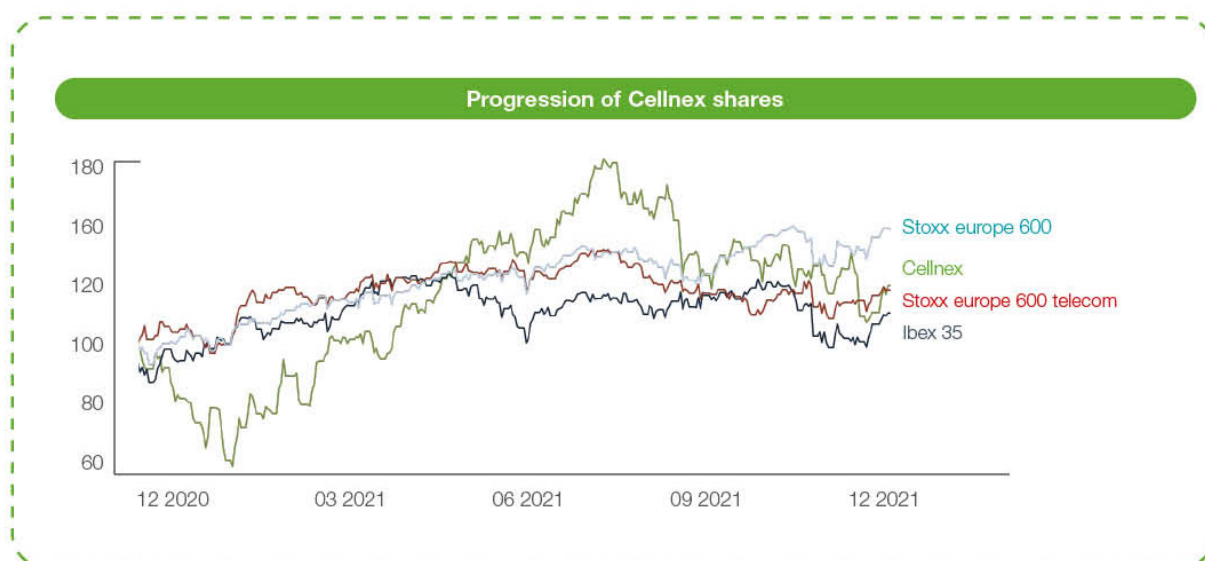
On 20 June 2016, the IBEX 35 Technical Advisory Committee approved the inclusion of Cellnex Group (CLNX: SM) in the benchmark index of Spain's stock exchange, the IBEX 35, which brings together the principal companies on the Spanish stock exchange in terms of capitalisation and turnover. This milestone 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 maintain an appropriate balance between shareholder remuneration, the parent company's profit generation and the parent company's growth strategy, while pursuing an adequate capital structure. When implementing 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

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

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

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)

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).

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.

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

PART OF Moody's ESG Solutions

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

Public Disclosure 2021

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

**DOW JONES
SUSTAINABILITY
INDEX**

73

points out of 100

+7

in 2021 with regard
to 2020.

Dow Jones Sustainability Index

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).

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

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 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 achieved 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.