cellnex

2023 Integrated Annual Report

Consolidated Management Report

Consolidated Financial Statements

Next chapter,
a strengthened commitment

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2023 Consolidated Management Report

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Shifting the focus to maximise organic growth

Marco Patuano, CEO, and Anne Bouverot, Chair

What would you say were the main highlights of 2023 for Cellnex?

Anne Bouverot (Chair): 2023 was a year of transformation at Cellnex. At the end of 2022, we announced a next chapter after years of successful mergers and acquisitions. This was a new path, putting further M&A on hold to focus on integrating the various acquisitions and on organic growth. This strategic shift was followed by several notable changes in corporate governance to anchor the new vision. The previous CEO announced his departure at the beginning of 2023, and the Board appointed me as Chair in March 2023. At the AGM held in early June, we announced an expansion of the Board with new members, and the appointment of Marco Patuano as the new CEO. Since then, the company has continued to effectively implement the principles of the next chapter, marked by several unequivocal moves in this direction while delivering strong financial results.

The new roadmap is strongly anchored in delivering organic growth after years of strong expansion. Can you elaborate on where this organic growth will come from?

Marco Patuano (CEO): As a neutral operator of digital infrastructure, Cellnex had been expanding into new geographies, taking advantage of a market demand to offer its services to many operators in many countries. Now we have shifted the focus to accelerate organic growth, gaining scale in the countries where we are already present. Greater scale allows us to focus on what is at the heart of telecommunications, offering our value as an independent infrastructure operator for the expansion of mobile services. For example, this value is visible in the expansion of 5G, which has yet to be fully developed in Europe. 5G will require new infrastructure such as macro-antennas, micro-coverage --the so-called Distributed Antenna Systems (DAS)--, and fibre, not only between the towers, but also for the carriers. We will not get into the fibre business for individual consumers (fibre-to-the-home), but we will invest in some specialised networks, such as security and emergency networks or dedicated networks, as long as they provide scale to the wholesale network.

2023 has posed many challenges from a macroeconomic perspective, with tight monetary conditions and geopolitical tensions fuelling market uncertainty. What do you expect in 2024?

AB: After the shock of the Ukraine war in 2022, which unfortunately continues, and the devastating developments in Israel and Gaza, we do not know what the future holds. However, inflation, which has clearly risen very significantly, now seems to be coming into a more controlled and predictable situation. With inflation rates more contained, we can expect a more positive and less aggressive interest rate policy for 2024. From the interest rate perspective, we see a somewhat better outlook, particularly in the second half of the fiscal year.

One of the key objectives of your new strategy is to secure investment-grade credit ratings. In this environment, the latest divestments will enable you to achieve your 2024 target of reducing leverage to below 7 times EBITDA. What is your projection for leverage?

MP: Our goal is a more prudent capital structure that is resilient and flexible. As the Chair has said, unpredictable events can always be around the corner. At a time when interest rates remain higher than in the recent past, our capital structure still allows us to take full advantage of the opportunities that may arise within our core areas of activity, thus strengthening our scale. Our debt is largely financed at a fixed rate,and we have levers to avoid refinancing anything before 2026, which gives us a high degree of flexibility to face the near future. In terms of ratios, I think it is important to get clearly below the original target of 7 times EBITDA as soon as possible.

In 2023, you anticipated your target of positive free cash flow ahead of the planned 2024 timeframe. What impact does this have on capital allocation? Is it a priority for you to increase profit distribution to shareholders?

MP: Our strategy remains focused on organic growth and gaining flexibility. In terms of shareholder remuneration, once we reach investment grade credit rating and once our abundant investment flow comes to an end, we will progressively have a more significant generation of free cash flow. Our intention is to commit to a dividend that investors can count on, but we will maintain some flexibility to allocate capital to industrial projects or, if appropriate, to increase those shareholder returns through share buybacks or, eventually, extraordinary dividends.

The telecommunications industry in Europe is facing a challenging environment as it continues to invest large amounts of capital in next generation networks. How do you see the sector evolving in the future? How will planned consolidation impact your business?

AB: Telecommunications services are strategic for Europe. It is an essential sector for consumers, the economy, and businesses, so we must do everything we can to offer the best service and ensure the region's digital competitiveness. The situation is very complicated from an economic point of view and very demanding for telecommunications operators. The deployment of new infrastructure, such as 5G or fibre networks, requires significant investment volumes and capital costs. And not only from a financial point of view, but also from a sustainability perspective. It makes no sense to have duplicate networks for the same services, and it is precisely on this point that we will play a key role as a neutral infrastructure provider in the coming years.

MP: It is important to consider that Cellnex can eventually help market consolidation processes across Europe. As the Chair was saying, having a neutral and independent operator can avoid the creation of an anti-competitive scenario. An independent tower operator plays an important, pro-competitive role as a market participant, ensuring equal access to infrastructure, thereby avoiding a reduction in competition from an end-customer point of view.

The company has expanded the board of directors to 13 members and created a new capital allocation committee. What is the rationale for these decisions?

AB: Cellnex, like many multinational companies, is subject to increasing demands of oversight of the company's activity in both financial and non-financial areas. We also wanted to increase some of the skills and experience on the Board in line with the change in strategy. The Board now has more operational and corporate governance expertise to shape this next chapter, and we are comfortable with both the make up and the size of the Board.

As for the capital allocation committee, it is a priority for Cellnex and something that exists in several companies, particularly in the infrastructure sector, where there are important issues to consider in terms of capital allocation decisions. The committee reviews the management's proposals and suggests recommendations for approval by the Board.

Mr. Patuano, could you explain the rationale behind the new management structure and how it is expected to contribute to the company's long-term objectives?

MP: We have transitioned from a strategy focused on acquisitions to one oriented toward organic growth, which naturally implies a new mission for the headquarters and the countries in which operations are managed. Our organic growth strategy depends on delivery in each of the countries, which now report directly to the CEO. This ensures that the executive team has more direct operational involvement in each country. Fundamentally, this means that the executive team's new role is to set the long-term strategy, benchmark and improve our operations in every country, while pursuing efficiency and an optimal allocation of capital.

The company receives regular recognition for its sustainability actions and 2023 was no different. How do these values fit into your company's strategy?

AB: The company has been working on environmental, sustainability, and governance issues for several years. We have an ESG plan through 2025 that the Board unequivocally supports. Board members have received training on the subject and are asked annually to reaffirm their personal endorsement of the company's ESG strategy. And I think that the market and its surveillance actors, like the several ESG indices, are praising this commitment. In fact, we have just been included in the Dow Jones Sustainability Index (DJSI) for Europe, and Cellnex is the only telecom infrastructure company that is included as a member of any DJSI index. It means as well that Cellnex is on track with the achievement of its ESG KPIs, as they are reflected in this annual report.

MP: The big change managers in all companies must make, is to fully embed ESG criteria into their core strategies, rather than treating them as add-ons or secondary considerations. In other words, ESG policies and actions are an integral part of our strategy. We must reverse the paradigm. How can our strategy contribute to sustainability? ESG policies are not a consequence, they are a goal.

In these months in office, what has surprised you most about the state of Cellnex and its projections?

MP: What has surprised me is the level of opportunity ahead of us. How much we can do, not only to create value for our shareholders, but for the entire stakeholder community. There's a lot we can do. When you look at Cellnex from the outside, you could be tempted to underestimate the power of this project, not only from an economic and financial angle, but also from a social perspective. We play a significant role in empowering communities by supplying and deploying connectivity, which is a source of progress, well-being, inclusion, and competitiveness.

Watch the full interview

What has been your experience since becoming Chair of the Board in March?

AB: One of the first things I did when I started was a series of meetings with shareholders as well as customers, employees, and other stakeholders. What I found is very strong engagement and support for Cellnex and a clear alignment amongst these stakeholders with the new strategy. I believe we are in a good position, with renewed and strengthened governance, with a new CEO leading the strategy, and a united Board under my chairmanship, that acts in the interest of all stakeholders.

Financial key highlights

1	**Key developments during the year**	• A new organisational model fully aligned with Cellnex's Next Chapter objectives • De-leveraging targets unchanged and Cellnex has committed to securing Investment Grade rating by S&P (by 2024 the latest), as well as to maintain itsthe Investment Grade status by Fitch: ◦ c.€730Mn cash proceeds from Nordics deal by Stonepeak ◦ 2,353 sites sold in France for €631Mn. Additional proceeds to be received in 2024 (c.€360Mn) ◦ Sale of the private networks company Edzcom for c.€30Mn ◦ Cellnex to benefit from additional monetization opportunities being assessed • New industrial and synergetic agreement with SFR in France – Reinforcing the partnership by meeting SFR's need to deploy new PoPs on existing and new sites • Extension of Cellnex's FTTT project with Bouygues Telecom in France – Underpinning the relationship by assisting Bouygues with their backhaul and backbone capacity needs whilst providing enhanced edge connectivity • Issuance of a new convertible bond to repay the 2026 convert, (i) extending maturities, (ii) increasing conversion price, and (iii) reducing dilution in terms of FCF per share
2	**Solid performance of key metrics during the year**	• Revenues excluding pass throughs €3,659Mn, +c.15% vs. FY 2022 – of which c.€275Mn organic • Adjusted EBITDA €3,008Mn, +c.14% vs. FY 2022, showing a disciplined approach to OpEx management • RLFCF €1,545Mn, +13% vs. FY 2022; FCF +€150Mn vs. -€1,115Mn FY 2022 • +6.4% organic new PoPs vs. 2022, following strong growth in placements in Portugal and Italy due to new deployments and RAN sharing agreements, and construction of sites in France, Italy and Poland. • 2023 financial outlook met – delivery of all key metrics consistent with guidance • FCF positive in 2023 (upper end of range provided) • Additional visibility on financials from 2024 onwards to be provided at Cellnex's Capital Markets Day on 5 March

Environmental	Social	Governance
Committed to achieve carbon neutrality by 2035 and Net-zero by 2050	Cellnex has increased its visibility to be known as a great employer: Employer Branding Strategy created	Cellnex conducted a mid-term review of the ESG Master Plan, updating the actions defined and establishing new actions and strategic lines for the second half of the implementation period (2023 - 2025)
Publication of the fourth Environment and Climate Change Report with the goal of increasing transparency in environmental performance	Progress in social objectives, recognised externally: Included in the Bloomberg Gender Equality Index 2023, in the S&P Global Sustainability Yearbook 2023 as an Industry Mover, and in 2024, as a Member in the Sustainability Yearbook 2024	Cellnex conducted a comprehensive GAP analysis of the requirements of the new CSRD directive
The Environment and Climate Change Policy was updated in 2023 based on biodiversity recommendations from the Dow Jones Sustainability Index and the 2023 CDP Climate Change questionnaire	Organisational restructuring designed to enhance efficiency and impact way of working and Governance Model	The amendment of the Directors' Remuneration Policy was approved during the 2023 Annual General Shareholders' Meeting
Updated its Energy Transition Plan as part of its ESG Master Plan considering the current energy context	Employee Engagement survey assessed periodically in all Cellnex Group	In 2023, Cellnex consistently improved its overall score in the sustainability ratings, thus reaching all-time highs
Drafted a TNFD report to assess its dependencies and impacts on Natural Capital, prioritising assets and identifying risks and opportunities related to nature	Cellnex updated its Statement on Slavery and Human Trafficking, firmly denouncing all exploitative labour practices, including child labour, and committing to prevent such practices in its operations and supply chain	Two innovative policies were revised to enhance the ethical framework of Cellnex's body of law: the Disciplinary System and the Function of Criminal Responsibility
Cellnex met its renewable electricity consumption target	Global Customer Service has improved its efficiency worldwide through a standardized model, leading to the introduction of the Billing Industrial Model as an additional step in the future unified approach	Several corporate policies were approved or updated in 2023: Procurement, Conflict of Interest, Gifts and Hospitality, Environment and Climate Change and Directors' Remuneration
A comprehensive global mobility survey was conducted, laying the groundwork for the development of mobility plans tailored to the specific needs of Cellnex offices in Spain and Italy	The Cellnex Foundation has launched the third edition of Cellnex Bridge, a programme with the aim of continuously supporting startups with a high social impact through technology and connectivity	The Business Continuity Framework was fully defined in 2023, along with the analysis, design, and implementation phases
Cellnex remains on the CDP A-List for the fifth consecutive year, maintaining its leading position in the sector, ranking higher than the previous year compared to the sector and global companies	Cellnex continued to work on its EDI strategy, which is integrated into the company's business strategy. Several awareness campaigns and workshops were launched, such as "Cultural Diversity Awareness"	The Global Integrated Management System and Information Security Management System were consolidated in 2023, maintaining the geographical scope and expanding by three companies

E

Growing with a long-term sustainable environmental approach

Climate change [1]

	Target year	Target		2023
Sourcing of renewable electricity[2]	2025	100%	→	77%
Reduction of scope 1 and 2 GHG emissions and scope 3 GHG emissions from fuel and energy-related activities	2030	(70)%	↑	(83)%
Reduction of absolute scope 3 GHG emissions from purchased goods and services and capital goods	2025	(21)%	→	(14)%
Reduction of the carbon footprint (scope 1, 2 and 3) [3]	2035	Carbon neutral	→	(51)%

S

Boosting our talent, being diverse and inclusive

People

	Target year	Target		2023
Women in management positions[4]	2025	30%	↑	30%
Career advancement for women[4]	2025	40%	↑	52%
% of appointments of international Directors at HQ	2025	60%	↑	80%
% of appointment of international employees at HQ	2025	40%	→	33%
Employee engagement	2025	≥70%	→	64%

G

Showing what we are, acting with integrity

Corporate Governance

	Target year	Target		2023
Women directors	2025	40%	↑	54%
Non-executive directors	2025	90%	↑	92%
Independent directors	2025	60%	↑	69%
Directors with ESG capabilities and/or expertise	2025	75%	↑	100%
Different nationalities in the BoD	2025	≥5	↑	7

(1) KPIs reported on an annual basis. Carbon footprint KPIs are compared to the base year FY20 verified by an external certified entity.

(2) Electricity target (Scope 2) refer to the energy directly managed by Cellnex. Data calculated according to SBT and GHG Protocol methodology applied to the financial perimeter.

(3) By 2035, Cellnex will offset the residual emissions that can not be reduced, with the aim of being carbon neutral by 2035 and Net-zero by 2050.

(4) According to FY20 perimeter, companies acquired due to M&A will be included after 3 years of its intake.

1 Cellnex

Bring the world closer through telecom connectivity

2023 main actions and KPIs

In October 2023, Cellnex presented its new organisational structure

Cellnex created a stand-alone Regulatory Directorate that will focus on leading all regulatory matters and strengthening Cellnex's position in EU regulatory bodies

Cellnex created a Strategy department that will take the lead on business strategy and planning, transformation, and market intelligence

In 2023 Cellnex conducted a comprehensive CSRD GAP Analysis

Cellnex created the position of Chief Operating Officer in order to strengthen its commercial and operational capabilities

All employees have been integrated in the ESG-linked Remuneration within their group and/or country targets

In 2023, Cellnex carried out an ESG Master Plan mid-term review

Cellnex was the first towerco to join the selective DJSI Europe in 2023

- Portfolio of 113,175 sites located in 12 European countries
- 90.9% of the revenues from Telecom Infrastructure Services (TIS), 5.7% from Broadcasting Networks and 3.4% from Network Services and others
- 26 innovation projects were carried out
- €5.9 million invested in the development, testing and launching of new products
- ESG Master Plan performance: 99% progress in planning and 90% progress in implementation of the 2023 strategic lines

Follow-up on the ESG Master Plan targets

	Target year	Target		2023
Cellnex Group employees attending the ESG annual training	2023	80%	→	69%

Next steps for the upcoming years

For 2024, Cellnex aims to build on the progress achieved by further integrating operations across countries. This integration is poised to drive sustained enhancements in operational performance.

The Group plans to extend the implementation of TIS (Telecom Infrastructure Sharing) to the remaining countries

In 2024, a standardised stakeholder relations model (governance model and definition of the implementation strategy) will be defined with the objective of deploying the new Stakeholder Relationship Policy.

1.1 Who we are

Cellnex's purpose: endless opportunities to bring the world closer through telecom connectivity

Connectivity plays a pivotal role in driving humanity's success in the 21st century. As an independent infrastructure operator, Cellnex is committed to establishing an efficient, impartial, high-quality telecommunications platform with innovative management practices to propel digitalisation across Europe.

The digital revolution has reshaped human connections, enabling the exchange of ideas that define today's world and will shape the future. Connectivity empowers individuals, which is why Cellnex champions the removal of barriers, whether in rural villages, bustling cities, small countryside schools or global tech corporations.

Creating opportunities for diverse people, cultures and regions to connect is essential to foster new solutions. Collaborating with its customers, Cellnex strives to bridge distances, ensuring equal opportunities for people to connect and contribute to addressing future challenges. The company aims to generate value for society, customers, shareholders and all stakeholders through an ethical approach rooted in tolerance, respect and cooperation and by adhering to Environmental, Social, and Governance (ESG) criteria.

Integrity	Commitment	Inclusion	Entrepreneurship	Sustainability
Doing the right thing	Keeping our promises	Embracing all voices	Taking the leadership	Contributing to solutions

> *"After defining our "Next Chapter", our company goal has been to align the strategy and the execution. Thus, allowing us to focus and prioritize our resources on better meeting our clients needs, providing services with operational excellence and have sustainable growth while driving the industry and connectivity of the future."*
>
> **Vincent Cuvillier**
> **Chief Strategy Officer - Cellnex Corporate**

A next chapter: Strength and commitment

Cellnex is Europe's leading operator of wireless telecommunications infrastructure, born in 2015 as a result of a spin-off from the telecommunications division of Abertis Group. Subsequently, Cellnex went public as an independent company.

With the escalating volume and complexity of mobile communication services and the development of wireless technology in the digital era, there has been a parallel rise in the demand across Europe for robust and efficient network infrastructure. Since the IPO in 2015, Cellnex has experienced significant growth in Europe, growing from 110,830 sites in 2022 to 113,175 sites in 2023, by executing or committing to investments worth c.40€Bn in c.40 deals, driven primarily by:

- International inorganic growth with a large number of portfolios available,
- Organic asset growth, especially with increasing MNOs and network deployment demands, and
- A low cost of capital that allowed Cellnex to combine various financial resources to enable growth and execute Cellnex vision

Throughout this journey Cellnex has stayed true to fundamental principles that make the company both unique and successful: (i) a capability to execute value-creating transactions, (ii) being an independent operator that offers attractive MSAs to multiple anchor tenants, (iii) long-term, strong and stable revenue visibility, (iv) developing an industrial model with a basis for the integrated management of telecommunications infrastructure, (v) country diversification coupled with local adaptation, and (vi) guaranteeing market credibility and following an investment criterion of financial prudence.

This has led Cellnex not only to extend its footprint to new geographical markets, but also to explore new opportunities beyond the tower, particularly in collaboration with clients.The company achieves this by making the majority of its assets and services more attractive to current and new customers by responding to their needs while simultaneously leveraging the company's current capabilities.

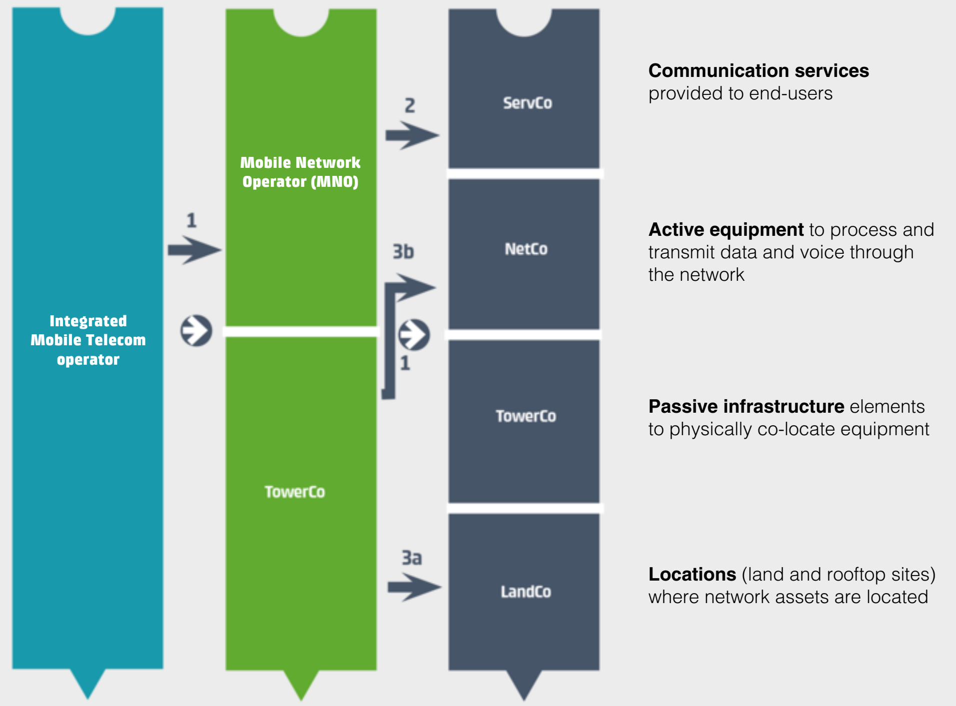
As a telecommunications infrastructure company, Cellnex has demonstrated visionary leadership by proactively capitalising on the TowerCo European consolidation opportunity that emerged in recent years. This was achieved through the development of a resilient, long-term industrial model, enabling the company to maintain a growth-oriented profile within a favourable macro-economic climate.

Current market momentum

The mobile telecom industry faces a fast-paced and uncertain context that is characterised by (i) the economic and geopolitical context, (ii) technological advances, (iii) the dynamics of the telecommunications industry, and (iv) the regulatory framework.

- **The economic and geopolitical context**: Inflation is increasing network costs, making it more necessary than ever to seek out efficiencies for sustainability. Pressure on margins could remain and hold through 2025, and increased interest rates are impacting valuations, especially telco infrastructure companies, with sensitivity to higher debt ratios.
- **Technological developments:** 5G rollouts are ongoing in most European markets leading to significant demand for investments, including the remaining 5G spectrum auctions. Higher demand for capacity densification and additional 5G coverage is expected. At the same time, network topology is evolving for technology advancements on centralised and cloud-based architectures, which could make networks more interoperable and potentially more efficient.
- **Telecommunications industry dynamics:** Margin pressure, growing Capex demand and ARPU decrease are leading telecom players to explore consolidation movements, which are to be anticipated as opportunities for consolidating market share, diluting structural costs and achieving synergies to sustain their business growth for competitive and financial reasons. In the TowerCo arena, the last consolidation business cycle has finished, and a new one is expected to arrive in the coming years. However, some opportunities remain in specific markets.
- **Regulation framework**: On the one hand, regulators and competition authorities are facing the potential consolidation of key players in the industry in several markets, and obligations and limitations may be expected to remain to ensure competition. On the other hand, spectrum auctions involving coverage obligations and incentives are put on the table to foster 5G development and close the digital divide between territories. Additionally, The European Commission is working on the yet-to-be-published telecoms act (Digital Network Act) which, together with the nearly completed Digital Infrastructures Act, will redefine regulation of the EU telecoms sector.

Directly correlated to all these macro trends, further delayering movements have been reshaping the Telecom industry, and predictably, will continue to reshape it by fragmenting the Telecom stack into further layers.



1. First wave of delayering from passive infrastructure carve-outs resulted in the MNO – TowerCo division
2. Further delayering movements among MNOs, especially network (NetCo) and service separation (ServCo)
3. TowerCos are also evaluating delayering movements:
  3a. Decoupling the Land (LandCo) from the Tower (TowerCo)
  3b. Entering the Network business (NetCo)

The different nature of each of the layers drives highly differentiated business models, risk profiles and challenges. Cellnex strongly believes that the positioning of each telecom player and stakeholder within this sector evolution will drive its industrial strategy.

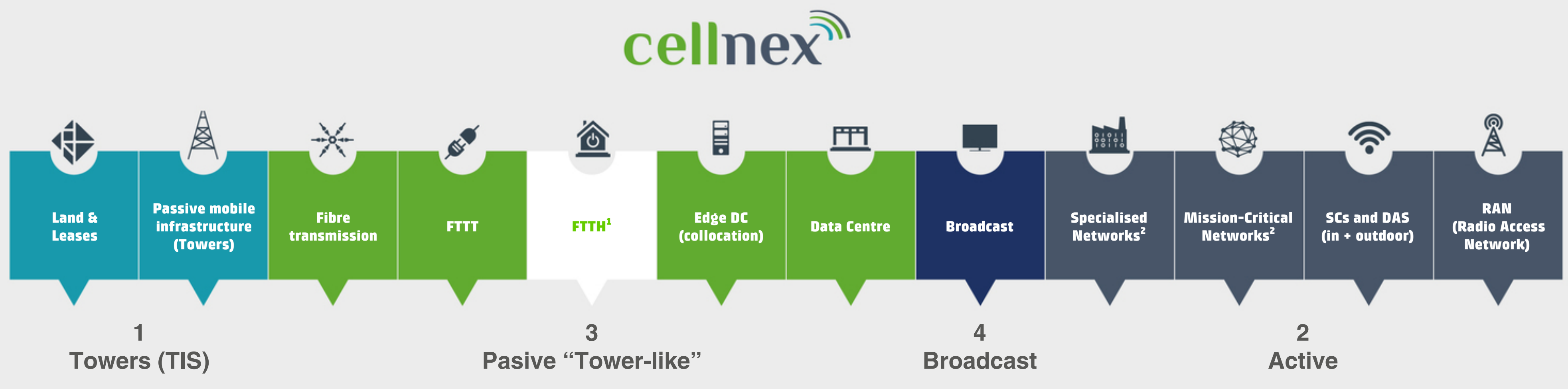
In this scenario:

- Specialised new players may appear or will develop at each layer. (i.e. land aggregators)
- Current players may decouple a layer of their business. (i.e. MNOs' separation of ServCos and stand-alone Network Infrastructure companies)
- Current players may consolidate within a partnership or collaboration within each layer. (i.e. Consolidation of MNOs, creation of dedicated Network infrastructures, JVs and RAN sharing agreements)
- Players on one layer will optimally re-integrate into adjacent layers to become true platforms to third parties.

Growth-Yield profile

With the fast-evolving telecom landscape and changes in the macro environment, the next step in Cellnex's story includes the prioritisation of variety of business lines in its portfolio and the geographical footprint in which the company is currently present[1], within four differentiated operational archetypes:

- Pure Towerco: with asset class mainly in the passive towerco arena
- Fast Building InfraCo: with asset class and services also in the fibre and edge data centre arena
- Active TowerCo: with asset class and services also operational, including RAN and transmission
- Digital Infraco: with a broader asset class and services beyond the passive towerco arena, such as broadcast, edge data centres and mission critical networks



SC = Small Cell; DAS = Distributed Antenna System; FTTT = Fibre-to-the-Tower; FTTH = Fibre-to-the-Home; DC = Data centre
2. Difference between Mission-Critical and Specialised networks relies on the nature of the service
Note: Energy not considered at this point. Spain also has a 3rd Party O&M business

[1]Cellnex is not present in FTTH.

In general terms, the compounded prioritisation of the various business lines in its portfolio and geographies helps Cellnex rebalance its company profile to look at 'yield with growth'. This involves using generated cash flow not only for selective growth opportunities while simultaneously delivering on client commitments, but also for strengthening the company's balance sheet, and remunerating its shareholders

Industrial strategy

Cellnex considered several factors when prioritising its portfolio, including, but not limited to:

- Strategic fit, including the business's proximity to the core business model and competitive landscape condition, among others.
- Feasibility, including the associated Capex intensity and the required capabilities, among others.
- Potential impact, including market developments in the business line arena and the right to win on each terrain, among others.

The classification of the business lines resulted in a prioritisation scale of Core, Core+, Selective, and De-prioritised.

Cellnex's industrial strategy will allow the company to make good on its commitments to the market and its customers, and prepare the company for the next business cycle and future industry transformation

Cellnex's primary focus is:

i. Continuing to develop its organic growth, maximising the use of the company's shareable infrastructures, especially in its core tower business, without expanding its geographical footprint.

ii. Developing the 'Core+' passive business by reinforcing its capabilities, being differential, in conjunction with its customers - in particular its anchors - in the markets where the company currently operates. Moreover, continuing to leverage the existing broadcast business.

iii. Assessing, being scrupulous, and being disciplined in the devotion and allocation of Capex and on the business performance per market selectively: the further from the core, the more demanding with a delimited risk.

iv. Divesting and not considering de-prioritised businesses in all markets that, by their nature, are far from Cellnex's core and strategic fit.

Further developing efficiency levers, is also a must for a better consolidation of Cellnex's operations, including additional automation of its business processes in its IT systems, along with reinforcement of the company's land efficiency programme, among others.

Strategy execution

In order to prioritize the value creation for stakeholders, Cellnex is focused on the following key objectives:

- Improve the balance sheet alongside the unvarying commitment to securing Investment Grade (BBB-) credit rating from S&P no later than 2024, and maintaining this credit rating status from Fitch. The selling of minority stakes or full disposals in businesses and/or markets where the opportunity to have growth at scale in the mid-term is limited for Cellnex, is an option to obtain proceeds committed to reducing debt.
- Reduce complexity and removing operationally-complex business lines - which in comparison with Cellnex's passive-tower core business, (i) are small in terms of business volume, (ii) are too complex to reach the scale, and (iii) are non-core markets or business lines - with the goal of improving Cellnex's efficiency and simplifying the company's portfolio.
- Enable expansion and joint efforts by partnering with financial or industrial entities with a strategic fit in selected future ventures that are relevant for the company's long-term growth.

Asset rotation approach

Cellnex has already taken steps towards the execution of its strategy:

- New industrial and synergetic agreement with SFR in France by combining the deployment of new PoPs on existing and new sites.
- Agreement with Stonepeak to acquire a 49% interest in Nordics to position for future opportunities in these markets.
- Divestment of Cellnex's private network business with the goal of directing efforts to core activities only and implementing a streamlined management model.
- Potential disposals in Cellnex's markets to simplify the company's portfolio and commit proceeds to reducing debt.

Cellnex believes that its industrial strategy will allow the company to make good on its commitments to both the market and its customers, and prepare the company for the next business cycle and future industry transformation.

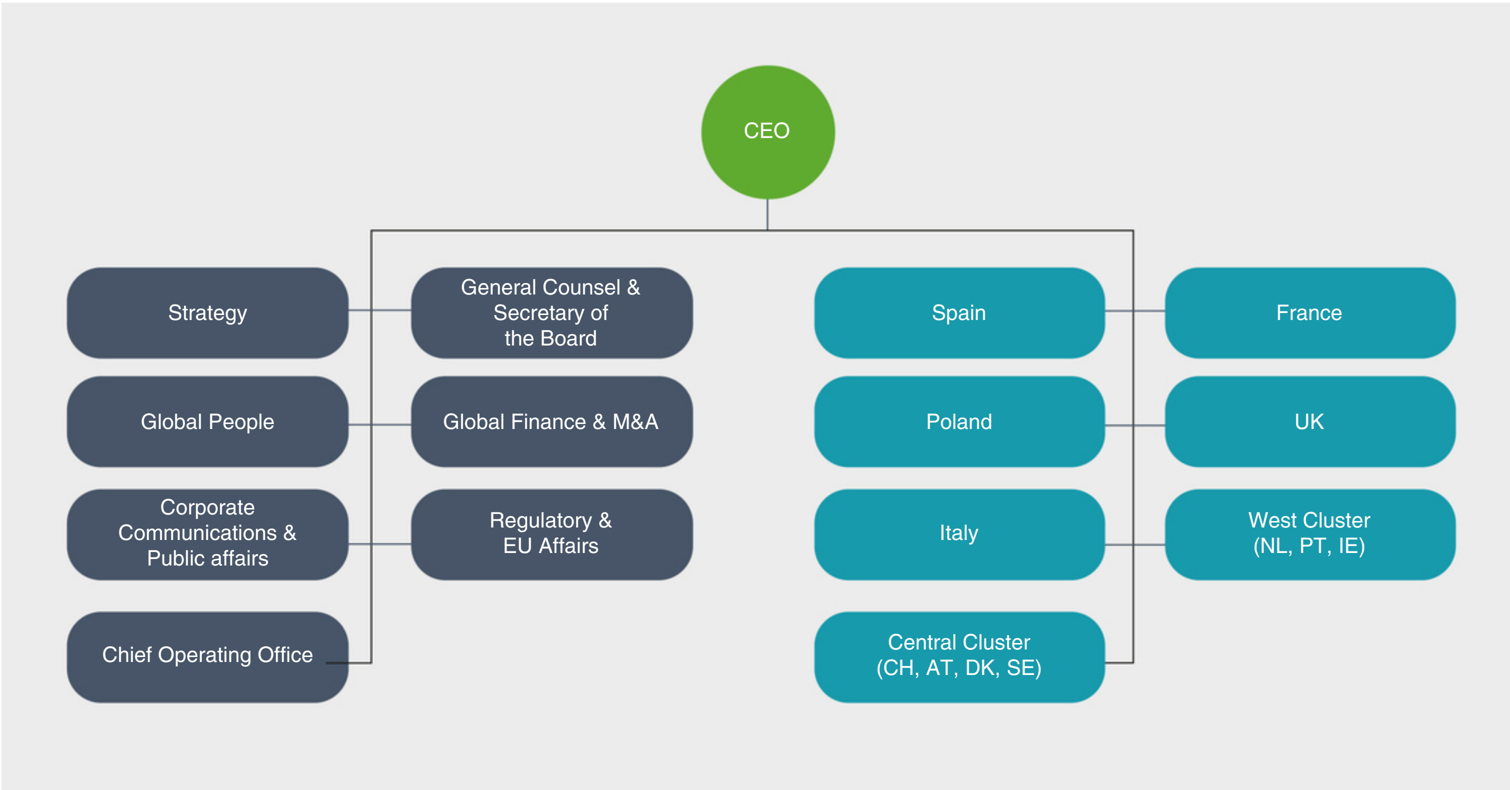
Cellnex's new organisational structure

In October 2023, in alignment with its new business strategy, Cellnex presented its new organisational structure, focused on organic growth, operational excellence and the consolidation of the portfolio acquired to date. As a part of this new organisational structure, Cellnex has:

- Created a Strategy department under the leadership of the Chief Strategy Officer (CSO) that will take the lead on business strategy, planning, transformation, and market intelligence.
- Created the position of Chief Operating Officer (COO) to strengthen its commercial and operational capabilities, to whom the following functions will report: Sales Excellence; Innovation, Customer & Product Development & Technology; Operational Excellence; and IT Services.
- Created a stand-alone Regulatory Directorate that will focus on leading all regulatory matters and strengthening Cellnex's position in EU regulatory bodies.

These functions report directly to the CEO and will be part of the Company's Executive Committee, together with the General Counsel and Vice-Secretary of the Board, the CFO, the Group People Director and the Corporate Communications & Public Affairs Director. Country and Cluster CEOs who report directly to Cellnex's CEO are also part of the Group's Executive Committee.

Additionally, during the year, various Cellnex countries have been organised into "clusters". This new reorganisation aims to make the structure leaner and more efficient and therefore improve its ways of working, share best practices across the Cluster and foster a single common culture. The support functions that provide services to the business will benefit from this new organisation, generating efficiencies and leveraging capabilities across the cluster.



Cellnex's Industrial Model

Looking forward, Cellnex's industrial model is adopting a simpler integration model to the current focus on optimisation. This framework not only enables consistent operations but also contributes significantly to streamlining and optimising processes throughout the organisation – improving the services offered to customers and the daily lives of employees while ensuring value creation for all stakeholders and a positive impact on the environment and society.

The Cellnex Industrial Model:

1.Embodies a standardised approach that ensures replicability, scalability and uniformity, facilitating rapid growth without proportional increases in costs or resources consumption. Therefore, the Cellnex Industrial Model has been the key tool for supporting the Cellnex strategy and ensuring sustainable and scalable growth in the past and will be crucial as Cellnex shifts its focus to create more value and continuous improvement, ensuring efficiency and effectiveness in the way Cellnex operates.

2. Is supervised by Cellnex's Senior Management at corporate and country levels (Global Governance), through a common Management Model for monitoring the strategy, objectives and results. It serves as a supportive element for effective decision-making.

3. It is implemented through the following five elements and is adapted for each department according to its needs:

Industrial model

Guidelines

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

Organisation

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

Process

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

IT tools

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

Dashboard

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

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

1.2 Connectivity solutions

Portfolio of
113,175
sites located in 12 European countries

Business model and value chain

Cellnex is the main neutral[2] and independent infrastructure operator for wireless telecommunication in Europe, focused on neutral and shared management. Cellnex was established in 2015 as the result of a spin-off from the telecommunications division of Abertis Group, and from there Cellnex went public as an independent company under the name Cellnex Telecom.

Cellnex Telecom, S.A. (a company listed on the Barcelona, Bilbao, Madrid and Valencia stock exchanges) is the parent company of a group in which it is the sole shareholder and the majority shareholder of the companies operating in the various business lines and geographical markets. Cellnex offers its customers a suite of solutions and technologies designed to ensure the conditions for reliable, top-quality transmission for the wireless dissemination of voice, data and audiovisual content. The company also delivers innovative connectivity solutions and develops the necessary infrastructure ecosystem for the roll-out of new technologies.

Cellnex's business model focuses on the neutral and shared management of telecommunications infrastructures while strengthening its commitment to sustainability, as Cellnex aims to keep improving in this area and extend its commitment throughout its value chain and stakeholder groups. The Company integrates Environmental, Social, and Governance (ESG) factors into its strategy, measuring and managing its impact on society and the environment in an efficient and responsible way.

Cellnex's own value creation model, focusing on the shared management of telecommunications infrastructures, fosters sustainability, efficiency and responsibility in the use of the resources with which it works. By building partnerships with its customers, Cellnex enjoys a long-term relationship with them and manages the Company with the long cycle in mind, aware of the principles of ethics, good governance, respect for human rights and dialogue with its stakeholders.

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

OUR INPUTS

- Customers
- Employees
- Investors and shareholders
- Our Infrastructure
- Financial capital
- Society
- Intellectual capital

OUR BUSINESS

OUR CUSTOMERS

Telecommunications Infrastructure Services (TIS)
Network Services and Others
Audiovisual Broadcasting Networks

Industrial Model
Organic and Inorganic Growth
Culture, Leadership and Talent
ESG Strategy

Sustainable development
Long-term value creation
Environmental and social contribution management
Expectations of stakeholders

OUR OUTPUTS AND OUTCOMES

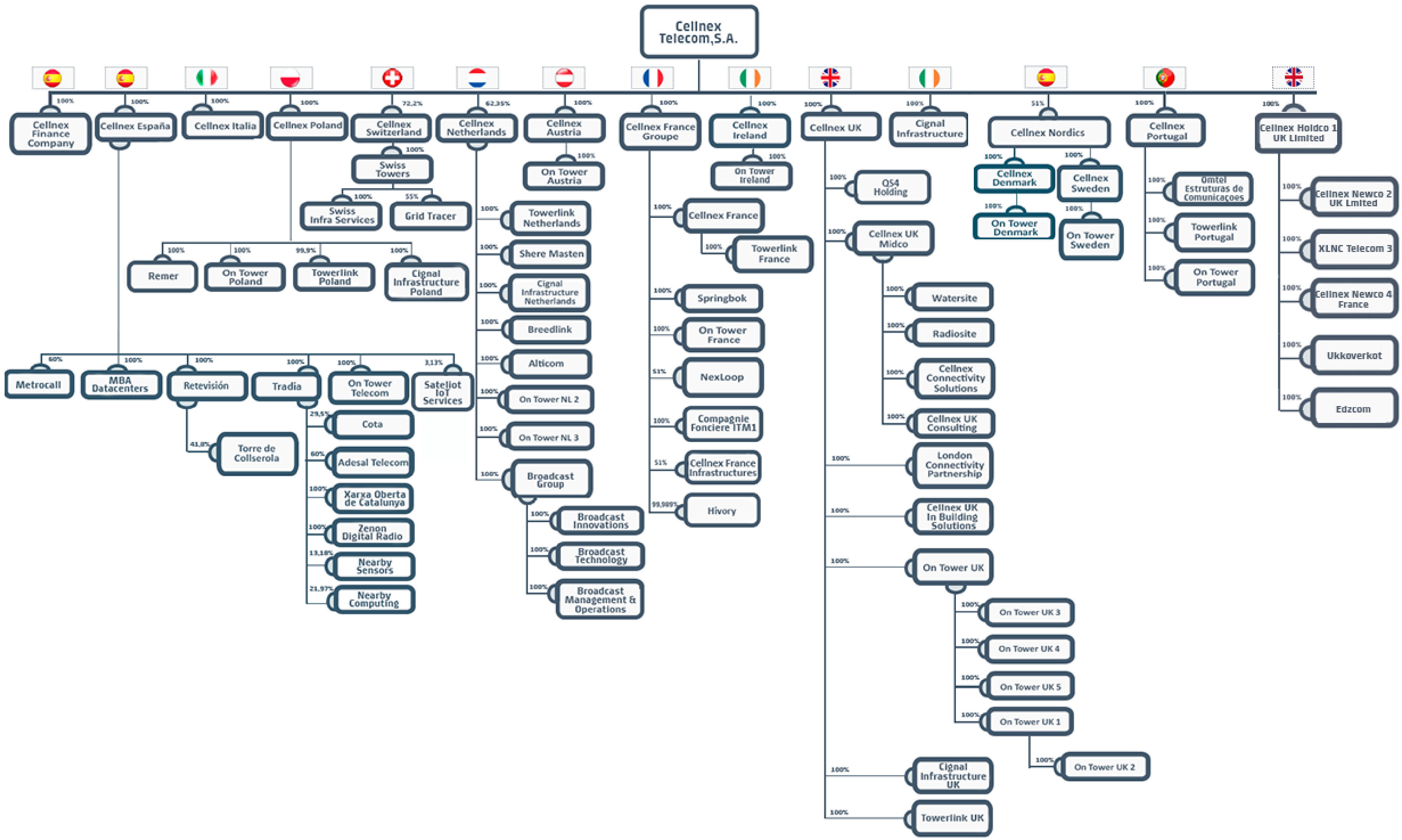
- Showing what we are, acting with integrity
- Boosting our talent, being diverse and inclusive
- Being a facilitator of social progress
- Growing with a long-term sustainable environmental approach
- Extending our commitment to the value chain

Ensuring awareness of our responsible way of behaving | Business performance and results | Socioeconomic impact of Cellnex

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

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

The Group's company structure is as follows:


Cellnex Telecom,S.A.
Cellnex Finance Company
Cellnex España
Cellnex Italia
Cellnex Poland
Cellnex Switzerland
Cellnex Netherlands
Cellnex Austria
Cellnex France Groupe
Cellnex Ireland
Cellnex UK
Cignal Infrastructure
Cellnex Nordics
Cellnex Portugal
Cellnex Holdco 1 UK Limited
Swiss Towers
Swiss Infra Services
Grid Tracer
On Tower Austria
On Tower Ireland
Remer
On Tower Poland
Towerlink Poland
Cignal Infrastructure Poland
Towerlink Netherlands
Shere Masten
Cignal Infrastructure Netherlands
Breedlink
Alticom
On Tower NL 2
On Tower NL 3
Broadcast Group
Broadcast Innovations
Broadcast Technology
Broadcast Management & Operations
Metrocall
MBA Datacenters
Retevisión
Tradia
On Tower Telecom
Sateliot IoT Services
Torre de Collserola
Cota
Adesal Telecom
Xarxa Oberta de Catalunya
Zenon Digital Radio
Nearby Sensors
Nearby Computing
Cellnex France
Towerlink France
Springbok
On Tower France
NexLoop
Compagnie Foncière ITM1
Cellnex France Infrastructures
Hivory
QS4 Holding
Cellnex UK Midco
Watersite
Radiosite
Cellnex Connectivity Solutions
Cellnex UK Consulting
London Connectivity Partnership
Cellnex UK In Building Solutions
On Tower UK
On Tower UK 3
On Tower UK 4
On Tower UK 5
On Tower UK 1
On Tower UK 2
Cignal Infrastructure UK
Towerlink UK
Cellnex Denmark
Cellnex Sweden
On Tower Denmark
On Tower Sweden
Omtel Estruturas de Comunicaçoes
Towerlink Portugal
On Tower Portugal
Cellnex Newco 2 UK Lmited
XLNC Telecom 3
Cellnex Newco 4 France
Ukkoverkot
Edzcom

2000

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

2005

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

2006

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

2012

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

2014

Abertis Telecom (now Cellnex Telecom) buys TowerCo, the telecommunications operator that manages the mobile telephony towers located on the Italian motorway network.

2015

Cellnex Italy reaches an agreement with WIND to acquire 90% of the capital of Galata Towers (7,377 towers).
“Ringing the bell” for Cellnex Telecom at the Madrid Stock Exchange.
Inaugural bond issuance of €600 million under the EMTN programme.

2016

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

CSR Master Plan 2016-2020 is approved.

Adquisition of Commscon.

2017

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

Cellnex enters the Switzerland market through the acquisition of Swiss Towers AG.

FTSE Russell adds Cellnex Telecom to the FTSE4Good Index Series.

Acquisition of Alticom and 551 towers from Masmóvil.

2018

Deutsche Telekom certified Cellnex as a “Zero Outage Supplier”.

Cellnex joined the ESG sustainability index from Sustainalytics.

First issuance of a €600 million convertible bond.

2019

Capital increase of €1.2 billion and € 2.5 billion.

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

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

Cellnex was admitted to the MSCI Europe index.

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

Agreement with Iliad and Salt: Cellnex acquired 10,700 sites in France, Italy and Switzerland and rolled out a “built to suit” programme for up to 4,000 new sites.

2020

Cellnex acquired OMTEL and NOS Towering in Portugal.

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

Cellnex set up a €10 million euro fund during 2020-2021 for “Cellnex’s Covid-19 Relief Initiative”.

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

€4 billion capital increase.

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

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

Saint Malo/Nexloop agreement with Bouygues to deploy fibre-to-the-tower in France.

6 bond issuances and a tap of an existing bond amounting to €4 billion, including a €1.5 billion convertible bond.

2021

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

Closing of the acquisition of several of the CK Hutchison’s assets.

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

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

Renewal for the fourth consecutive year of Cellnex’s certification by Deutsche Telekom as a “Zero Outage Supplier” in Spain.

€7 billion capital increase to finance Cellnex’s growth.

8 bond issuances amounting to €6 billion, including an inaugural issuance in the US dollar market.

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

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

Launch of the first acceleration programme for social impact start-ups by the Cellnex Foundation.

2022

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

Cellnex is recognized by CDP as “Supplier Engagement Leader 2021”.

Cellnex successfully completes the pricing of a bond issue for a total amount of €1 billion.

Cellnex among the five leading global telecommunications companies in sustainability.

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

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

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

Cellnex completes its acquisition of CK Hutchison's telecommunications tower assets in the United Kingdom.

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

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

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

Cellnex France Groupe, Bouygues Telecom and Phoenix France Infrastructures reach agreements to dispose of approximately 3,200 sites in France in very dense areas, subject to FCA approval, to meet closing requirements for Hivory.

2023

Appointment of Marco Patuano as CEO, Raimon Trias as CFO, Vincent Cuvillier as CSO, Simone Battiferri, as COO, and Anne Bouverot as Non-Executive Chairperson.

RTVE awards Cellnex broadcasting rights for its radio and television signals for the next five years.

Cellnex becomes a member of the Bloomberg Gender Equality Index for the second consecutive year.

S&P Global includes Cellnex in its "Sustainability Yearbook" for the first time.

Cellnex unveils its “Augmented Towerco” industrial model at the Mobile World Congress.

Cellnex’s 5G Catalunya project receives the "GSMA Foundry Excellence Award”.

Cellnex is recognised by CDP as a "Supplier Engagement Leader" for the second consecutive year.

Cellnex participates in the CRETA project to promote sustainable mobility and reduce traffic emissions.

AENA and Cellnex bring 5G technology to San Sebastian airport.

IBETEC awards Cellnex broadcasting rights for its radio and television signals for the next four years.

The EIB and Cellnex sign a 315 million loan to support the roll-out of 5G infrastructure and the digital transition in Europe.

Boldyn acquires the private networks business unit from Cellnex.

Stonepeak finalises the acquisition of 49% of Cellnex Nordics.

Cellnex joins the Dow Jones European Sustainability Index (DJSI Europe).

The Cellnex Group achieved many Milestones during 2023:

January 10: Three UK joins the connectivity project that Cellnex UK is rolling out on the Brighton Mainline railway line linking London and Brighton in the UK.

January 11: Tobias Martinez tenders his resignation as CEO of the company. He will step down as CEO after the Group Shareholders' Meeting scheduled for June 2023.

January 12: Vapor IO expands its Edge Computing network into Europe via Cellnex.

January 16: Cellnex provides internal mobile connectivity at The Social Hub facilities in the Netherlands and Austria.

January 18: RTVE awards Cellnex broadcasting rights for its radio and television signals for the next five years.

January 19: Cellnex and Nokia to roll out the 5G network at ADIF logistics centres.

January 24: Cellnex approved for the sixth consecutive year as DT's “Zero Outage Supplier".

January 31: Cellnex becomes a member of the Bloomberg Gender Equality Index for the second consecutive year.

February 3: Cellnex tests 5G Broadcast emissions at ISE and MWC.

February 7: S&P Global includes Cellnex in its "Sustainability Yearbook" for the first time.

February 8: Cellnex and Dublin City University (DCU) partner to create Ireland's first 5G “Smart Campus".

February 14: Cellnex installs a DAS at El Sadar stadium (CA Osasuna, Spain) for the roll-out of 5G technology.

February 27: Cellnex unveils its “Augmented Towerco” industrial model at the Mobile World Congress in Barcelona. The 5G Catalunya project, led by Cellnex, receives the "GSMA Foundry Excellence Award”. Cellnex concludes an agreement with the Principality of Asturias to implement IoT pilot projects in rural Asturias.

March 15: Cellnex is recognised by CDP as a "Supplier Engagement Leader"; for the second consecutive year.

March 27: The Board appoints Anne Bouverot as Non-Executive Chairperson of Cellnex.

April 4: Bertrand Kan and Peter Shore leave the Cellnex Board after eight years.

April 26: The Board appoints Jonathan Amouyal as a new proprietary director – on behalf of TCI – and Maite Ballester as the new independent director of the company.

April 28: Cellnex announces the appointment of Marco Patuano as the new CEO.

May 16: Cellnex participates in the CRETA project to promote sustainable mobility and reduce traffic emissions.

May 23: Airbus and Cellnex strengthen their collaboration on mission-critical communications

June 1: Cellnex's Shareholders' Meeting ratifies Marco Patuano as CEO.

June 8: Cellnex improves its rating in the Sustainalytics ESG Risk Rating.

June 14: AENA and Cellnex bring 5G technology to San Sebastian airport.

June 30: Cellnex now controls 100% of OnTower Poland.

July 5: IBETEC awards Cellnex broadcasting rights for its radio and television signals for the next four years.

July 19: The Cellnex Foundation incorporates five new social impact startups into its acceleration programme.

July 24: The EIB and Cellnex sign a 315 million loan to support the roll-out of 5G infrastructure and the digital transition in Europe.

July 28: Cellnex concludes the placement of €1 billion in new convertible bonds maturing in 2030 and announces the concurrent repurchase of approximately €787.6 million in convertible bonds currently in circulation and maturing in 2026.

August 8: FTSE Russell confirms Cellnex's ESG rating.

September 6: Cellnex sells 2,353 sites in France.

September 29: Cellnex unveils its new organisational structure. Stonepeak acquires a 49% stake in Cellnex subsidiaries in Sweden and Denmark for approximately €730 million.

October 10: Cellnex obtains the highest ESG score in the GRESB ranking.

October 23: Cellnex appoints Raimon Trias as new CFO.

November 10: Boldyn acquires the private networks business unit from Cellnex

November 30: Stonepeak finalises the acquisition of 49% of Cellnex Nordics.

December 11: Cellnex joins the Dow Jones European Sustainability Index (DJSI Europe).

December 12: USP and Cellnex sign an agreement to deploy 5G antennas in news kiosks.

Operations

The focus of operations revolves around developing infrastructures and networks to provide services to clients. This entails ensuring not only the rolling out of new infrastructures and networks, but also the maintenance and assurance of existing ones.

Cellnex currently has the following infrastructures and networks in operation:

- 111,409 sites providing collocation services.
- 114 Data Centers (DC) and Edge DC.
- 36k+ km of fibre optic cable providing connectivity services.
- Indoor coverage and densification services (DAS & Small Cells) with 9,678 nodes.
- Broadcast services, security networks and emergency services.
- 8,348 radio nodes and 27,460 radio links in active mobile telephony networks.

To achieve this objective, operations are organised around the management of landlords in locations, the infrastructures, and networks.

The Site Management area oversees the entire life cycle of landlords and locations, including:

- Acquisition of new sites.
- Negotiation of lease contracts with property owners.
- Securing site contracts to ensure the long-term sustainability of infrastructures and protection against speculative activities from third parties (land aggregators, etc.).
- Ground lease buyout plans or land acquisition from current landlords.

The Technical Operations department manages the entire life cycle of infrastructures and networks:

- Engineering, construction and roll-out of infrastructures and networks.
- Provision of services to customers.
- Maintenance and assurance of infrastructures, networks and services.
- Continuity plans.

A common operational model has been developed at Cellnex to leverage synergies and scale economies, facilitating the acceleration of continuous improvement, sharing of best practices, etc. Throughout 2023, efforts have been focused on the implementation and development of the operational model alongside regular business activities.

Operational model

In 2023, progress was made in integrating operations across countries with the integration of operations in France and Poland. This integration will enable continued improvement in operational performance in the construction and assurance of infrastructures and networks in 2024.

Additionally, in 2023 the implementation of TIS (Telecom Infrastructure Sharing) operations IT tools was completed in the UK, Italy, Switzerland, Portugal, Sweden, Denmark and partially in France. The goal is to undertake this implementation in the remaining countries over the course of 2024.

A project has been initiated to enhance effectiveness and efficiency in managing relationships with landlords through the digitalisation of processes related to customer service, contracting and billing. The aim of this project is to make interactions with them more agile.

Progress continues in deploying physical access systems to sites with electronic locks, mostly battery-free. Currently, more than 43,000 sites have implemented Smart Access.

Furthermore, Cellnex's Digital Twin pilot project has been advancing, with over 3,000 sites characterised in the digital twin platform (BIM) through modelling based on documentation, blueprints, drone captures, laser sensors, etc.

Activity

During 2023, operations experienced a very high level of activity.

1. Infrastructures and services:

- Construction of new sites: 4,639 sites, including 833 streetworks, have been built and integrated.
- Technical upgrades: Over 19,800 modifications have been made to facilities due to changes in network configuration from clients, including 5G, changes in RAN technology provider, bandwidth expansions, etc.
- Maintenance activities (preventive and corrective): More than 51,800 inspections of preventive and regulatory maintenance were carried out at sites, as well as 44,000 corrective interventions of various magnitudes.
- Access management (presence): A total of 1.2 million accesses to sites have been managed by clients (for maintenance or network update tasks) and own teams (for infrastructure adaptations or maintenance). This volume represents an average of 10 accesses managed per site.
- Network improvement and renewal: This included equipment renewal plans for RAN in Poland and the DWDM network, etc.

2. Site management:

- In 2023, conditions were renegotiated with approximately 10% of the site leases to agree on contract extensions, enhance contractual terms for sites or negotiate ground lease buyouts.

- The effort to secure sites has also continued, safeguarding against speculative activities by certain land aggregators.

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

During this phase of the company, the Industrial Model prioritises process efficiency, meaning that the primary focus of current projects revolves around this objective.

Agora

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

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

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

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

Billing Industrial Model

Based on the analysis of the billing model for customers performed in 2022, the work was carried out throughout 2023 with the goal of defining the Objective Billing Model for it to be scalable to the whole group.

This phase of the project was also led by the Global Commercial team, with the support of the Operations, Finance and IT Services, and Organisation and Processes teams to obtain an end-to-end vision of the model.

The new model will implement transformative initiatives:

- Common end-to-end Billing Process.
- A new Organisational Model bringing common responsibilities for each billing-related task.
- Objective Systems Maps associated to the process.

Definition and implementation of a strategy prioritising initiatives to achieve three main benefits:

- Working Capital Improvement & cashflow maximisation.
- Efficiency of the organisational model and ways of working.
- Revenue assurance.

Process design

In 2023, an analysis was made of how Cellnex designs and shares the definition of the processes. As a result of this study, Software AG's Aris was selected as the tool to support this and help the company improve this activity. During the last quarter of 2023, the entire Cellnex Process Map was migrated, and a communication campaign will be launched to all Cellnex employees, encouraging them to share the news. A plan will be determined in 2024, with the participation of all Cellnex countries, with the aim of also deploying this tool for country specific procedures.

People IT map

During 2023, the People team worked on reviewing and defining, where necessary, all relevant People policies and processes with the target of establishing clear ways of working, responsibilities and processes, and to ensure that all Cellnex countries apply similar criteria, if not otherwise required by law. In parallel and in order to support those processes, Cellnex selected SAP Success Factors as the global People tool. In 2023, Cellnex started the definition and implementation of the main module that will support the company's organisational information as well as the main employee information, necessary to launch all people processes. This tool will be rolled out in all Cellnex countries in 2024. In 2023, Cellnex also defined a roadmap for the implementation of a new tool that encompasses People's main functionalities and improves upon these processes in new phases of the project.

Active network

With the integration of Polkomtel Infrastruktura in Poland, in addition to the purchase of the passive infrastructure, Cellnex has also acquired the Radio Access and Transmission network. As this is the first purchase of this type of infrastructure, Cellnex Poland, with the collaboration of the Corporate teams, is working on the definition of the Active Network Model. In addition, the development of this model aims to be the basis of the Cellnex Industrial Model in potentially future countries where this line of activity can be developed.

European Ambition

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

Cellnex has a portfolio of 113,175 sites, which rises to 127,489 if the sites are included in the process of completion or with planned roll-outs up to 2030. The resulting total number of sites built or acquired by Cellnex, as on 31 December 2023, is as follows:

Cellnex portfolio

113,175 sites

Austria 4,616 sites	Poland 16,040 sites
Denmark 1,638 sites	Portugal 6,541 sites
France 23,737 sites	Spain 10,535 sites
Ireland 1,985 sites	Sweden 3,114 sites
Italy 22,160 sites	Switzerland 5,487 sites
The Netherlands 4,104 sites	United Kingdom 13,218 sites

Cellnex in Europe

Cellnex Austria

Cellnex Austria joined the Group in 2020, as a result of the agreement between Cellnex Group and CK Hutchison. Since its entrance into the Austrian market, Cellnex has become the main independent operator of telecommunication towers in the country. Cellnex Austria operates more than 4,616 telecommunication sites located in urban, peripheral and rural areas throughout Austria. Notably, several dozen Cellnex sites have been deployed to provide mobile coverage to isolated rural towns in areas previously considered dead spots. All of this has been achieved by Cellnex Austria's employees, a team that has years of experience in the sector and provides efficient and quality solutions to customers.

Cellnex Denmark

Cellnex Denmark owns 1,638 sites throughout Denmark, serving telecommunications operators and technology companies through state-of-the-art telecommunications infrastructure. Cellnex Denmark has been part of the Group since 2020. At the forefront of these efforts is a proactive team of professionals with extensive experience in telecommunications, committed to providing telecommunications infrastructure services for the benefit of all interested parties.

In the second half of 2023, Cellnex completed the divestment of a 49% interest in its subsidiaries Cellnex Sweden and Cellnex Denmark to Stonepeak in exchange for approximately €730Mn. The Group will continue to manage and consolidate these operations. For further details please see Note 2 (changes in the scope of consolidation perimeter) of the accompanying Consolidated Financial Statements.

Cellnex France

Cellnex in France was founded in July 2016 as part of an initial agreement to purchase more than 500 telecommunication sites from Bouygues Telecom. Cellnex France Group, which in turn is part of the Cellnex Group, is made up of seven companies: Cellnex France, On Tower France, Nexloop France, Springbok Mobility, ITM 1, Hivory and Cellnex France Infrastructure. The vast majority of the sites are located in quality locations in densely populated areas, an ideal situation for the future deployment of 5G. On Tower France, founded in December 2019, currently manages more than 9,000 sites throughout France. Nexloop France was created in May 2020 under a strategic partnership between Bouygues and the Cellnex France Group. Nexloop designs, implements, owns, manages, operates and maintains fibre optic infrastructure networks and numerous regional collection sites, as well as marketing services related to these activities. Springbok Mobility, a 100% subsidiary of the Group since 2019, develops and operates dedicated indoor infrastructures for companies and real estate businesses, in existing or planned buildings, under its Mobile Inside global service contract, which is based on ensuring that buildings are 100% connected. Hivory, a recent 2021 acquisition from Altice France and Starlight Holdco, manages the 11,000 sites that principally serve the French mobile phone operator SFR. In total, Cellnex France Group manages 23,737 sites. France is the only country where Cellnex has three anchor clients (Bouygues, Iliad and SFR) with which it is deploying build-to-suit programmes.

Moreover, Cellnex executed the disposal of 2,353 sites in France to Phoenix Tower International (PTI) and to a joint venture of PTI and Bouygues Telecom. These transactions were made in compliance with the agreements that were reached in accordance with the remedies established by the French Competition Authority, following Cellnex's acquisition of Hivory in 2021. The Group has received approximately €631 million from the sale of these assets. Following this execution, Cellnex expects to transfer an additional c.870 remaining sites, to be concluded by 2024.

Furthermore, Cellnex reinforced its partnership with Altice through an additional agreement to deploy to new 1,800 PoPs on existing and new sites for SFR. There is an associated long-term service provision contract for a 20-year period from the starting date of each new PoPs and all-or-nothing renewal, and the total investment over a 6-year period is expected to be of up to EUR 275 million.

Cellnex also reached an agreement with Bouygues Telecom to extend the fibre-to-the-tower project roll-out initiated in 2020 through Nexloop, extending the service provision contract until 2050, extendible for successive additional periods of 5 years (2050+5+5). This new agreement also includes building up to 65 new metropolitan offices designed to house data processing centres (Edge Computing). The associated investment over a 6-year period amounts to up to €275 million.

Cellnex Ireland

Cellnex Ireland's portfolio of sites consists of more than 1,985 sites located throughout the country, including the CK Hutchison sites, for which an agreement was reached in 2020. Cellnex Ireland is focusing primarily on the development and management of fibre infrastructure and tower sites to meet the requirements of the wireless communications industry. Furthermore, Cellnex Ireland is committed to providing the necessary infrastructure to support the improvement and availability of high-speed wireless broadband in rural areas and to help mobile operators address coverage in said communities.

Cellnex Italy

Cellnex Italy has been operating since 2014 and was the group's first international market outside Spain. Cellnex manages a complex and far-reaching network of high strategic value for mobile telecommunications, as well as for the development of current ultra-fast mobile 4-4.5G networks and new 5G technology, which covers the whole of Italy with a total of over 22,160 sites. Cellnex Italy provides multiple services in multi-operator mode, a key concept for the development of wireless networks and services, in order to optimise investments and ensure a more rational and efficient use both in terms of operations and the environmental impact of the existing and future network.

Cellnex Netherlands

Cellnex Netherlands' infrastructure is managed by a capable team of professionals with years of experience within the telecommunications, broadcasting and data centre sectors. Its main offices are located in Utrecht. Cellnex's telecommunications infrastructure in the Netherlands consists of antenna masts, rooftops, broadcasting towers and networks, data centres, DAS and Private Network installations, and advertising masts strategically located in both urban and rural areas. Cellnex Netherlands joined the company in 2016 following the acquisitions of Protelindo Netherlands BV (in 2016), Shere Masten BV (in 2016), Alticom BV and Breedlink BV (in 2017), On Tower Netherlands BV (in 2019), Cignal Infrastructure Netherlands BV (originally T-Mobile Infra BV) (integrated in 2021), Media Gateway (purchased in 2021), and The Broadcast Group BV (in 2023). Cellnex Netherlands manages 4,104 sites, 35 data centres and more than 700 radio broadcasting transmitters.

Cellnex Poland

In July 2023, Cellnex executed its option to buy the remaining 30 percent stake in On Tower Poland for EUR 512 million (PLN 2.27 billion) from the Iliad Group, owner of Play, and already has 100 per cent in On Tower Poland.

In the first half of 2023, Cellnex and Iliad Purple entered into an agreement under which Cellnex (through Cellnex Poland, of which Cellnex owns 100%) acquired an additional 30% interest in the share capital of On Tower Poland Sp. z o.o. ("On Tower Poland") from Iliad Purple for an amount of approximately PLN 2,273 million (with a Euro value of €512 million as of the date of completion), exclusive of taxes. Following this acquisition, Cellnex Poland held 100% of On Tower Poland as of 30 June 2023. Thus, the indirect stake that Cellnex held in On Tower Poland increased from 70% to 100% on 30 June 2023. Cellnex Poland manage 16,040 sites.

Cellnex Portugal

Cellnex Portugal joined the group in 2020, comprising Omtel (Omtel, Estruturas de Comunicações, S.A.), On Tower Portugal (On Tower Portugal, S.A.), Towerlink (Towerlink Portugal, S.A.), Infratower (Infratower, S.A.), Cignal Infrastructure, and Hivory Portugal. Through Omtel, On Tower and Infratower, Cellnex owns approximately 6,541 telecommunication sites across urban, suburban, and rural areas in mainland Portugal and the islands of Madeira and the Azores. The integration of Hivory and Infratower into Omtel in December 2023 aims to optimise synergies, simplify the corporate structure and adopt faster and more efficient governance mechanisms, thereby making the incorporated company more solid, competitive and responsive to the challenges of the present and the future. In December 2023, Cellnex Portugal concluded a five-year contract with SIRESP, S.A., providing operations and maintenance services for passive infrastructures supporting the SIRESP network (the Integrated System for Emergency and Safety Networks of Portugal). The awarding of this contract represents another crucial development in the growth story of Cellnex in Portugal, emphasising the company's responsibility, demand and professionalism in managing critical infrastructures. Portugal remains a strategic market for the development of the Cellnex Group.

Cellnex Spain

The Group's central offices are in Spain and the activity undertaken in that country is carried out by the company Cellnex Spain. Cellnex Spain has an extensive telecommunications vast network in Spain that encompasses by 10,535 operational sites. This extensive network of sites has a broad geographical reach and enables Cellnex Spain to offer services to different types of customers, ranging from mobile operators and broadcasters to administrations, among others. Cellnex Spain, as a neutral operator, offers services to three customer segments: (i) Operators, (ii) Broadcasters and (iii) Public Administrations and Large Companies. (i) With regards to the Operators, the company mainly provides collocation of base stations and connectivity (data transmission). It boasts a high degree of efficiency in the deployment of networks, a high degree of continuity in their locations and is strategically positioned within the Development Area of 5G networks. (ii) Public and private broadcasters entrust the distribution and broadcast of their signal to Cellnex. (iii) Cellnex Spain provides services to state, regional and local public administrations, as well as large companies to provide them with network services such as Mission Critical Private Networks (PPDR, Public Protection and Catastrophe Response) and Critical Business Private Networks, among others.

Lastly, regarding projects with European NextGen funds, Cellnex has participated in the Unique 5G sectoral, Unique 5G backhaul and Unique 5G active rural networks programmes, both directly and indirectly, supporting its customers (Operators and Large Enterprises). The aim is to achieve operational excellence in delivering services to customers.

Cellnex Sweden

Cellnex has been operating in the Swedish market since 2021, following the acquisition of CK Hutchison's assets and the consequent incorporation of On Tower Sweden. Cellnex Sweden has more than 3,114 sites throughout the country and includes everything from 72-metre towers to distributed antenna systems for mobile and other networks. This enables the company to offer operators extremely cost-effective and environmentally-friendly installations. Cellnex Sweden provides a full range of services, including the deployment and optimisation of sites and installation services, and site operation and maintenance. Cellnex Sweden is an infrastructure colocation partner of the main Swedish wireless operators. The company provides secure and well-maintained sites for mobile, broadcast, IoT, Wi-Fi and fibre operators.

Additionally, as stated above, Cellnex has completed the divestment of a 49% interest in the operation to Stonepeak.

Cellnex Switzerland

Cellnex is the leading independent and neutral telecommunications infrastructure and services operator in Switzerland. Led by a team of industry experts, Cellnex Switzerland manages a broad network of 5,487 telecommunications sites across the country. Cellnex Switzerland is made up of the companies Swiss Towers AG and Swiss Infra Services SA. Swiss Towers AG was acquired in 2017 by integrating the infrastructure of Sunrise Communications AG. In 2019, Swiss Infra Services SA was created by taking over the infrastructure of Salt Mobile (90%). In the first half of 2019, the Group entered into a long-term industrial alliance with Matterhorn Telecom Holding SA by virtue of which Swiss Towers AG purchased 90% of the share capital of Swiss Infra SA. In the first quarter of 2021, Cellnex (through Cellnex Switzerland AG), entered into an agreement with Matterhorn Telecom Holding SA to acquire 10% of the share capital of Swiss Infra Services SA from Matterhorn. Pursuant to this acquisition, Swiss Towers AG held 100% of Swiss Infra SA as of 31 December 2021.

Cellnex United Kingdom

Cellnex UK has over 13,218 sites and has access to hundreds of thousands of street-level assets essential for outdoor Small Cells and 5G deployments in dense urban areas. Responsible for leading Cellnex's business in the UK, the Management Team is committed to developing collaborative partnerships with customers, portfolio partners and stakeholders across the industry, driving innovation and growth and creating value for everyone in today's connected world.

In 2023, Cellnex UK focused on its core TIS (Tower Installation Services) business as well as its Small Cells and In-Building solutions offering, following a period of heavy M&A activity from 2020 to 2022. Throughout 2023, the UK team delivered a total of 2,100 upgrade projects and 240 new PoPs (Points of Presence). Cellnex UK also achieved its highest delivery volumes ever for two of the four UK Mobile Network Operators in 2023.

The team acquired 55 sites in Scotland as part of the S4GI (Scottish 4G Infill) programme – playing an important role in improving connectivity for rural communities in Scotland. And after acquiring Herbert In-Building Wireless in Q4 2022, Cellnex UK has continued to win new customers for its in-building business.

Economic & Management Control

- Common accounting policies, reporting model and tax criteria
- Accounting and administrative functions centralised and outsourced in a common BPO
- Centralisation of Treasury functions

Legal & regulatory affairs

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

Public affairs & commu-nication

- ESG coordination
- Communication strategy
- Corporate image, branding and social media

Procurement

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

People

- Organisational structure and relational model
- Global culture
- Common compensation scheme and benefits
- Same talent and leadership programmes
- Smart Working

Processes

- Common processes throughout the Group
- Shared methodology and tools

IT

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

Management Systems

- Common policies and criteria
- Certifications

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

Cellnex ensure the conditions for **reliable and high-quality transmission**

Technology and connectivity solutions

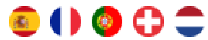
Cellnex offers its customers telecom infrastructure services for sustainable connectivity so that customers do not have to manage the infrastructures and networks over which their systems operate. Cellnex's neutral host approach enhances its efficiency, creating a model that revolves around multi-operator sites. This strategy results in reduced costs for customers, enhanced sustainability in telecom and connectivity ecosystems, and swift fulfilment of stakeholders' expectations through rapid service deployment. In this regard, Cellnex sites are the preferred choice for Mobile Network Operators (MNOs), as well as other telcos and operators seeking sustainable connectivity.

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

- **Telecom Infrastructure Service (TIS)**: Co-location, Built to Suit, and Distributed Antenna System (DAS), Fibre to the tower (FTTT), and Small Cells.
- **Broadcast**: Terrestrial Network Operator for TV Broadcasters (DTT, Digital Terrestrial Television) and Radio Broadcasters (FM and digital DAB/DAB+ technologies).
- **Other network services**: Mission Critical Private networks, Connectivity services, Infrastructure management, Smart Cities and Internet of Things (IoT) solutions.

Although the main service is Telecom Infrastructure Services, Cellnex offers other types of services in the various countries where it is present, as shown below. In this regard, the portfolio of services provided by Cellnex can be marketed in all the countries where the company is present, complying at all times with local market regulations and any other additional regulations in each country.

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

90.9%	5.7%	3.4%
Telecom Infrastructure Services (TIS)	**Broadcasting Networks**	**Network Services and others**
		

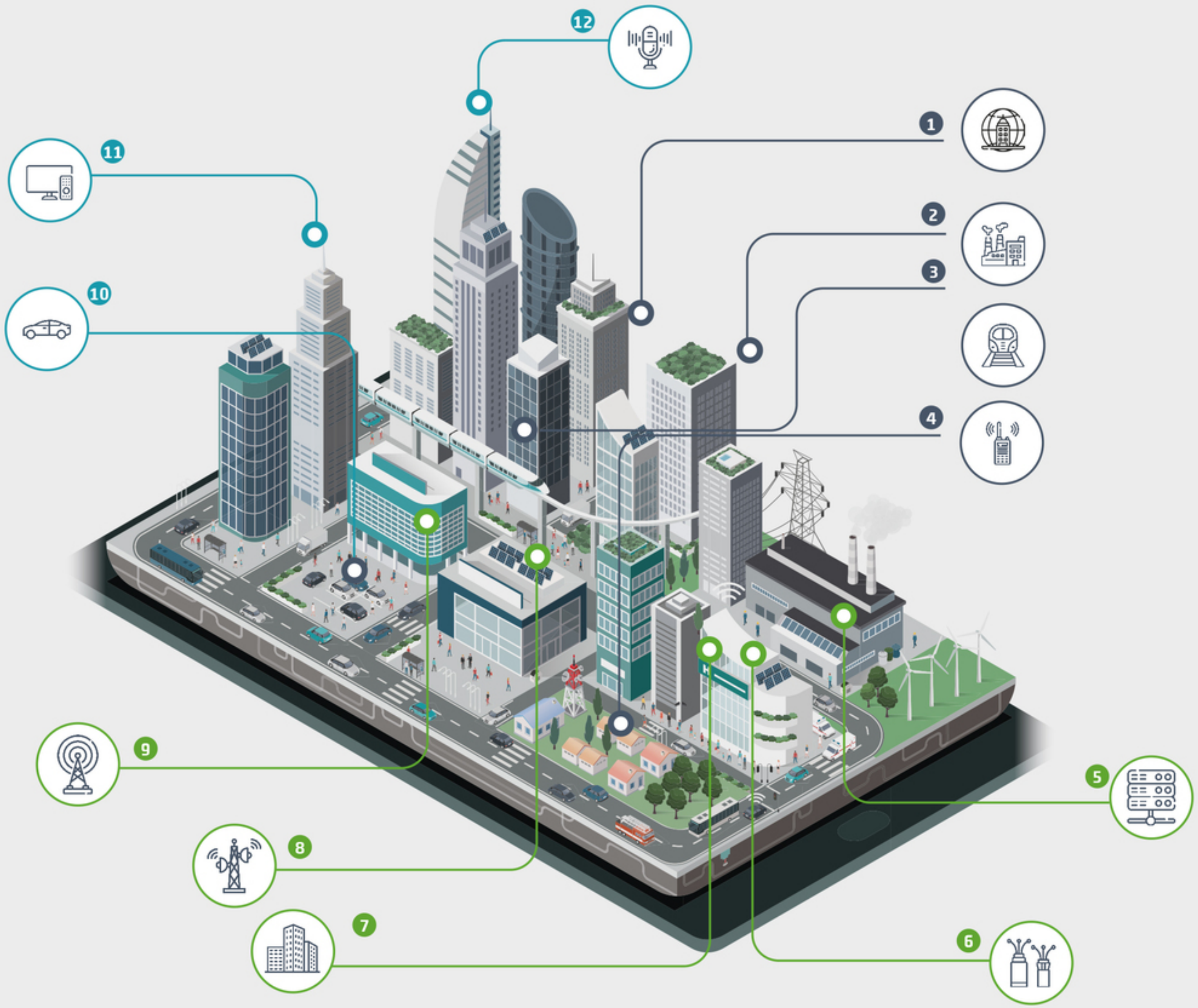
Policies are developed to ensure the availability of services throughout the value chain, from the engineering and design phases and the implementation of technical solutions to Service Assurance by network operation and maintenance:

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

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

- For operation and maintenance, the policies to ensure the availability of services combine both preventative and corrective aspects. It is worth highlighting the use of preventative maintenance protocols to ensure an adequate useful life of the installed equipment, as well as the surveillance of services through monitoring systems managed by a control centre that has location redundancy, making it possible to operate and monitor the services from different physical locations to allow them to work in parallel or one to replace the other. Likewise, there are contingency protocols for specific critical services and infrastructures that make it possible to guarantee the continuity of certain services, following predefined processes within the limits established, in the event of possible far-reaching incidents, such as DTT Broadcasting and Mission Critical Networks. With regard to corrective maintenance, in addition to what was indicated above, the network operation centre manages incidents, committing and coordinating the resources needed to solve them and prioritising tasks according to the agreed service levels to minimise the impact on the business, taking into account the objective of maximising compliance with the SLAs agreed on with the clients. The practices to maximise the availability of services also include the analysis of repetitiveness and the associated management of problems within the processes of continuous improvement, which aim to reduce the future probability of both the volume of interruptions and their times of restoration, thereby minimising service unavailability.

Services are provided 24 hours a day, seven days a week, with technical staff continuously present at the service control centre, as well as staff from the Technical Units area and the various levels of escalation, to ensure that there are no periods of inactivity.



Telecom infrastructure services for sustainable connectivity

Other networks services

1 Smartcities
2 Private Networks
3 Connectivity and infrastructure management
4 Mission Critical

Telecom infrastructure services (TIS)

5 Edge computing
6 Fiber
7 DAS (Distributed Antenna System) & Small cells
8 Build to suit
9 Co-location

Broadcast

10 Internet of Things (IoT)
11 TV Service Providers
12 Radio Service Providers

Telecom Infrastructure Services (TIS)

Cellnex operates in 154,795 Point of Presence (PoPs), has a portfolio of 111,409 sites, including BTS committed deployments and is committed to the development of new generation networks. A summary of the portfolio of Telecommunications Infrastructure Services sites for 31 December 2023 is presented below. Cellnex data centres are set up per floor, compact and modular, so they can always be set up according to the latest technology and fine-tuned based on individual specific requirements.

RAN sharing

RAN sharing involves the sharing of all Radio Access Network (RAN) equipment, including the antenna, mast, and backhaul equipment. The frequencies of different MNOs are emitted from the same telecom equipment, providing services to corresponding users. In this way RAN access networks of the various MNOs are incorporated into a single physical network, which is then split into separate networks at the point of connection to the Core of each MNO (MORAN) or the same Core (MOCN).

Framework Agreement	Project	No of Sites acquired (19)	Beginning of the contract	Initial Terms + Renewals (1)
Telefónica	Babel (Renewed, see detail footnote 18)	1,000	2012	10+10+5
Telefónica and Yoigo (Xfera Móviles)	Volta I (Renewed, see detail footnote 18)	1,211	2013	10+10+5 (Telefónica) Until 2030+8 (Yoigo)
Telefónica	Volta II (Renewed, see detail footnote 18)	530	2014	10+10+5
Business combination	TowerCo Acquisition	321	2014	Until 2038
Telefónica and Yoigo (Xfera Móviles)	Volta III (Renewed, see detail footnote 18)	113	2014	10+10+5 (Telefonica) Until 2030+8 (Yoigo)
Telefónica	Volta Extended I (Renewed, see detail footnote 18)	1,090	2014	10+10+5
Neosky	Neosky	10	2014	10+10+5
Telefónica	Volta Extended II (Renewed, see detail footnote 18)	300	2015	10+10+5
Business combination	Galata Acquisition	7,974	2015	15+15 (Wind) (2)
Business combination	Protelindo Acquisition	261	2012 2016	+15 (KPN) +12 (T-Mobile)
Bouygues	Asset purchase	4,444 41	2016 - 2017 2018	20+5+5+5 / 25+5+5 (3) 20+5 (3)
Business combination	Shere Group Acquisition	1,114	2011 2015 2015	+15 (KPN) +10 (T-Mobile) +15 (Tele2)
Business combination	On Tower Italia Acquisition	11	2014 2015	9+9 (Wind) 9+9 (Vodafone)
K2W	Asset purchase	32	2017	Various
Business combination	Swiss Towers Acquisition	2,239 361	2017 2019	20+10+10 (Sunrise Telecommunications) (4) 20+10+10 (Sunrise Telecommunications) (4)
Business combination	Infracapital Alticom subgroup Acquisition	30	2017	Various

Framework Agreement	Project	No of Sites acquired (19)	Beginning of the contract	Initial Terms + Renewals (1)
Others Spain	Asset purchase	45 36 375	2017 2018 2018	15+10 15+10 20+10
Masmovil Spain	Asset purchase	551 85	2017 2018	18+3 6+7
Linkem	Asset purchase	426	2018	10+10
Business combination	TMI Acquisition	3	2018	Various
Business combination	Sintel Acquisition	15	2018	Various
Business combination	BRT Tower Acquisition	30	2018	Various
Business combination	DFA Acquisition	9	2018	Various
Business combination	Video Press Acquisition	8	2019	Various
Business combination	On Tower Netherlands Acquisition	114	2019	7 (5)
Business combination	Swiss Infra Acquisition	2,887	2019	20+10 (6)
Business combination	Cignal Acquisition	814	2019	20 (7)
Business combination	Business unit from Iliad Italia, S.p.A.	4,037	2019	20+10 (6)
Business combination	On Tower France Acquisition	8,926	2019	20+10 (6)
Orange Spain	Asset purchase	1,500	2019	10+10+1 (8)
Business combination	Omtel Acquisition	3,509 687 102	2018 2021 2022	20+5 (9) 20+5+5+5 (17) 20+5+5+5 (17)
Business combination	Arqiva Acquisition	6,289	2020 2014	10+1+1+4 (MBNL/EE) (10) 2024 (CTIL) (10)
Business combination	NOS Towering Acquisition	2,243	2020	15+15 (11)
Business combination	Hutchison Austria Acquisition	4,616	2020	15+15+5 (12)
Business combination	Hutchison Ireland Acquisition	1,171	2020	15+15+5 (12)
Business combination	Hutchison Denmark Acquisition	1,638	2020	15+15+5 (12)
Business combination	Small M&A	9	2020	Various
Business combination	Hutchison Sweden Acquisition	3,114	2021	15+15+5 (12)
Business combination	T-Mobile Infra Acquisition	3,147	2021	15+10 (13)
Business combination	On Tower Poland Acquisition	8,891	2021	20+10 (14)
Business combination	Hutchison Italy Acquisition	9,289	2021	15+15+5 (12)
Business combination	Polkomtel Acquisition	7,149	2021	25+15 (15)
Business combination	Hivory Acquisiton	10,326	2021	18+5+5+5 (16)
Business combination	Iaso Acquisition	5	2021	Various
Business combination	Hutchison UK Acquisition	6,367	2022	15+15+5 (12)

Framework Agreement	Project	No of Sites acquired (19)	Beginning of the contract	Initial Terms + Renewals (1)
Shared with broadcasting business		1,682		
Others		232		
Telefónica (Renewal)	Tranche I	1,543	2022	13+10+7 (18)
Telefónica (Renewal)	Tranche II	1,450	2022	10+10+10 (18)
Telefónica (Renewal)	Tranche III	1,400	2022	7+10+10+3 (18)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(15) 25 years with automatic 15 year renewals.

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

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

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

(19) The number of sites acquired by project includes BTS deployed post closing, synergies and others.

"The deployment of 5G at Cellnex Spain not only demonstrates our technical excellence, but also our ability to work as a team, anticipate market needs and prioritise customer satisfaction, aspects that distinguish us as leaders in the sector."

Gonzalo García de Frutos
Country Head of Engineering - Cellnex Spain

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

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

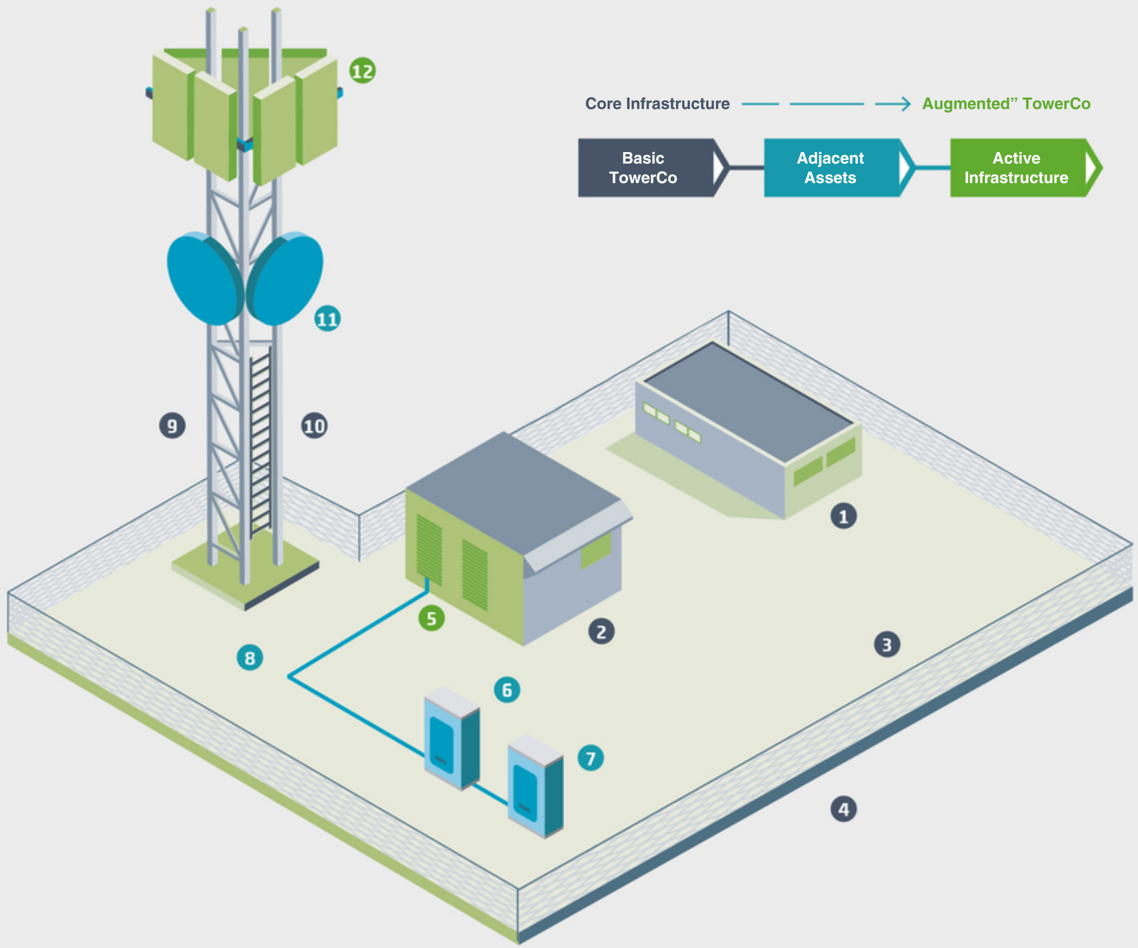
Cellnex Spain adapts sites to accommodate 5G technology

In Telecommunications Infrastructure Services (TIS), the most notable milestone for Cellnex Spain has been the adaptation of sites to accommodate the 5G technology of operators (Telefónica, Orange, and Vodafone) in the 700 MHz and 3.5 GHz bands. These modifications and enhancements began en masse in 2022 and continued on a large scale throughout 2023, reaching a cumulative total of 5,000 adaptations. They will continue in 2024.

Additionally, in 2023 Cellnex Spain has carried out additional actions, apart from those related to 5G, including the roll-out of the Jumping project (Orange, Vodafone) and reinforcements for transmission, 4G enhancements, etc.

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

Throughout 2023, Cellnex has been working with its customers to increase network coverage and capacity - these adjacent assets include: distributed antenna systems (DAS) and Small Cells, which are key to delivering hyper connectivity in special venues that experience high densities throughout the day, such as stadiums, shopping centres, metro and rail stations; fibre-to-the-tower (FTTT), to expand data transmission capacity; and edge computing enabled sites which are key to ensuring the low latencies (response times) that are crucial for the delivery of critical applications and processes. The augmented TowerCo model is based on the company's know-how and expertise in end-to-end services.



Augmented TowerCo

1 Energy Supply

2 Shelter

3 Land

4 Fence/security

5 Internet of Things (IoT)

6 Metropolitan Office

7 Central Office

8 Backhaul (fiber)

9 Mast

10 Ladder

11 Backhaul (radio link)

12 Antennas

"The realization and commercialization of the DAS networks metro coverage in the cities of Naples and Catania confirm the key role of Cellnex Italia as enabler of mobile connections and as preferred partner not only of the mobile operators but also of the main companies owning and managing the communication lines of the Italian metros. Today thanks to the DAS solutions also cities of Naples and Catania have a full connected metro transport network with a minimal visual and electromagnetic impact."

Alessandro Prosdocimo
Commercial Director - Cellnex Italy

DAS and Small Cells

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

Notably, Cellnex Spain has continued to deploy DAS at major football stadiums for clubs such as Osasuna, Almería and Levante to ensure optimal mobile coverage and capacity even when they reach their maximum spectator capacity, transforming these venues into Smart Stadiums. Additionally, Cellnex has implemented DAS systems to provide multi-operator coverage in office buildings and retail stores for major companies like Ikea, as well as strategic buildings of gas and electricity distribution companies such as Naturgy.

Furthermore, it is worth noting that Cellnex has reached an agreement with USP to deploy 5G antennas on news stands, which will become key locations for the Small Cells network roll-out, thereby boosting connectivity in major cities.

Naples and Catania metro

After being awarded the relevant concessions, Cellnex Italy has initiated the design and construction of multi-operator Distributed Antenna Systems (DAS) in the Naples and Catania metro.

In Naples, Cellnex will cover line 1, also called "Metro dell'Arte", referring to the permanent contemporary art installations in numerous stations. The DAS system, designed by Cellnex in the 16 stations and tunnels on Line 1, will consist of a network of optical repeaters, connected to a widespread distribution of antennas with minimal visual and electromagnetic impact, designed for the diffusion of mobile operators' signals. In the case of Catania, Cellnex will roll out a similar system to provide reliable mobile coverage in the 12 stations and tunnels on the metro network.

Construction of the essential infrastructure for the repetition of the mobile radio signal will allow all passengers on the Naples and Catania metros to have stable, high-performance cellular coverage - data and voice - for their smartphones and tablets, even in particularly overcrowded situations, thus increasing the overall quality of the transport service and travel experience. Ensuring stable and high-performance mobile coverage in the public transport network is one of the key factors in transforming a city, and its transport network, into a smart city.

"The Social Hub is a hotel where travellers, locals and students get together to learn, stay, work and play. Cellnex Netherlands has implemented a DAS infrastructure at this location, which ensures coverage and capacity of all Dutch operators. This gives the community the flexibility to make optimal use of their personal connectivity preferences."

Annejan Stege
Senior Deployment Project Manager - Cellnex Netherlands

Old War Office

The Old War Office in Whitehall has recently opened as The OWO. Located at one of London's most historically important and influential addresses, the building has undergone a monumental transformation and will host London's first Raffles hotel. The OWO has been reimagined as a new destination with the 120-bedroom Raffles Hotel, a collection of nine restaurants and three bars, a Guerlain Spa and 85 Raffles-branded residences. The in-building connectivity solution provides fast, consistent mobile signal and data coverage across the building and is now live for residents and visitors, supported by the UK Mobile Network Operators.

The OWO, like many large, historic buildings, was constructed with materials that naturally block mobile signals from outside the building. Cellnex UK deployed a Distributed Antenna System (DAS) inside the building that provides fast and reliable connectivity across indoor areas and corner spaces in the building, including the hotel's 600 capacity ballroom.

Luxury hotels, commercial real estate and hospitality are key markets for Cellnex UK's in-building division, which expanded in October 2022 after the company acquired indoor connectivity specialists Herbert In-Building Wireless and formed Cellnex UK In-Building Solutions (CUKIS). The CUKIS team has extensive experience across these three markets, delivering solutions in line with a building's original architecture and historical features, both as standalone retrofits and within major construction site environments, ensuring minimal disruption during deployment and constant coordination with other parties. As a neutral host, Cellnex UK is in a strong position to support the hospitality and real estate sector to deliver the connectivity that their customers need in their daily lives. Delivery of multiple projects has been undertaken this year through CUKIS, including successful installations and handovers to operations at major global retailers, mixed use office spaces and shopping centres - as well as at 'The OWO' luxury hotel in London, in Addenbrookes hospital in Cambridge, and across multiple Sky UK offices - alongside the securing of both new and repeat business in a number of different sectors including commercial real estate and hospitality arenas.

The Social Hub

Cellnex will deliver indoor mobile coverage to The Social Hub, formerly known as The Student Hotel, at two key locations for the next 10 years. Cellnex supports optimal mobile coverage by means of a DAS and in close cooperation with the national mobile network operators. Implementation has been completed at the Delft (Netherlands) and Vienna (Austria) locations. Founded in 2012 as The Student Hotel, The Social Hub pioneered the model known as hybrid hospitality. Now, having evolved from a student hotel into a global concept putting 'social' at its core, guest and community connection is a key part of its business offering. The Social Hub's current 16 locations in six countries - including Delft, Amsterdam, Berlin, Bologna, Florence, Madrid and Vienna - offer a wide range of facilities and services. These include large, shared spaces, student housing, hotel rooms, co-working spaces, meeting rooms, gyms, bars, restaurants and community event programmes.

The Social Hub is embarking on retrofitting existing and new locations with increasingly sustainable materials. However, high-quality insulation materials are characterised by low permeability for mobile signals. At the same time, good indoor coverage is important to offer guests an optimal experience.

"After a year of very intense work, Cellnex España was able to renew the contract for the Integral Management Service of critical mission communications for emergencies and security of the Generalitat de Catalunya (RESCAT). This success is due to the commitment, dedication and involvement of the entire team to provide a high quality service. We are confident that we will continue to give our best to guarantee the continuity of the service and we face the new contract with the challenge of initiating the technological evolution of the network to broadband."

Gemma Silvestre
Key Account Manager - Cellnex Spain

Network and other services

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

Mission Critical Private Networks (MCPN) services

Mission Critical Private Networks (MCPN) are mobile networks specially designed and dimensioned to provide coverage for the bodies and professional groups involved in security and emergencies (police, firefighters, ambulances, etc.), in both urban and rural areas, with very high availability, robustness, and reliability to ensure their communications.

In January 2023, the renewal contract for the RESCAT network (Emergency and Security Radiocommunications of Catalonia) came into effect, signed for a period of five years. Throughout this year, Cellnex has implemented an extensive plan for the renewal and improvement of the network, expanding coverage and implementing new network functionalities. In the same year, Cellnex also rolled out the LINCE critical mission network for the Andalusian Regional Government, the largest DMR technology network in Europe. Additionally, the COMDES network in the Autonomous Community of Valencia has been extended for one more year.

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

The UNED (National Distance Learning University) has granted Cellnex approval to implement phase 2 of the project to optimise the energy efficiency of the air-conditioning and lighting systems at its university campuses through Internet of Things (IoT) technology. The objective is to reduce and optimise energy consumption, especially in empty spaces, maintaining pre-defined comfort conditions which, in turn, avoid cost overruns by reducing or raising the temperatures of spaces when unoccupied and also avoiding overly drastic differences between occupied and unoccupied spaces that prevent them being kept at optimal levels. Cellnex will equip UNED university campuses with sensors to enable remote data collection and monitoring for real-time control of lighting and air-conditioning systems, thereby cutting energy consumption.

Cellnex Italy to continue promoting 5G and improving M4 Line

Cellnex will promote the development of 5G infrastructure in European transport corridors. Additionally, studies encompass establishing connectivity between Italy and Austria, along with implementation of the EUMOB project in collaboration with Abertis.

As regards the metro system in the country, specifically Metro M4 Milano, in addition to the initial six stations opened in 2022, two new stations on the M4 line (San Babila and Tricolore) were introduced in 2023, establishing a connection from the centre of Milan to Linate Airport. Furthermore, initiatives have been launched for the development of Metro Napoli and Metro Catania.

Other progress made by Cellnex in Italy includes the DAS System for Fiumicino Airport – ADR, Tetra Standard Mission Critical System for Rome Airports (Fiumicino and Ciampino), Tetra standard professional mobile radio system for the municipality of Livorno, Tetra standard professional mobile radio system for emergency communications for AMT Metro Genoa, remote reading service on LoraWAN infrastructure for the provinces of Brindisi and Taranto – Pugliese Aqueduct and 12,000 iliad and fastweb hospitality via WindTre.

Cellnex Spain collaborates with RTVE

In 2023, Cellnex collaborated with Radio Televisión Española (RTVE) in UHD-4K HDR broadcasting of various events, including the World Athletics Championships in Budapest and the FIFA Women's World Cup in Australia/ New Zealand. The success of these pilot tests culminated in RTVE's announcement to start its regular UHD-4K-HDR broadcast channel on 14 February 2024.

Audiovisual broadcasting networks

Cellnex continues to be one of the leading broadcast infrastructure operators in Europe, primarily in Spain and the Netherlands, distributing Digital Terrestrial Television (DTT) signals and Radio signals (FM and digital DAB/DAB+) from its high towers to deliver content from broadcasters to homes and users. The public service nature of these broadcasts demands very high service availability standards, which Cellnex provides to its customers through the high reliability of its infrastructure, with redundant power and transmission systems, and stringent processes defined for the flawless operation and maintenance of all these services. In Spain specifically, Cellnex has around 3,000 sites transmitting DTT and Radio signals.

Thanks to services provided and initiatives implemented by Cellnex, the DTT platform demonstrates its innovative character year after year by incorporating improvements in the broadcast quality of its channels, such as Ultra High Definition (UHD-4K), hybridisation with the world of non-linear broadband with services like the HbbTV LOVEStv platform and future access to mobile terminals through the new 5G Broadcast standard.

LOVEStv updates: In 2023, LOVEStv, the joint content platform of the main Spanish broadcasters (RTVE, Atresmedia, and Mediaset), updated its user interface. The new interface provides access to last week's content and the most visited content on the platform, along with the option to continue watching partially-viewed content or access the search engine, all on a single screen. Notably, users can seamlessly continue watching content from linear television on LOVEStv, thanks to integration with DTT.

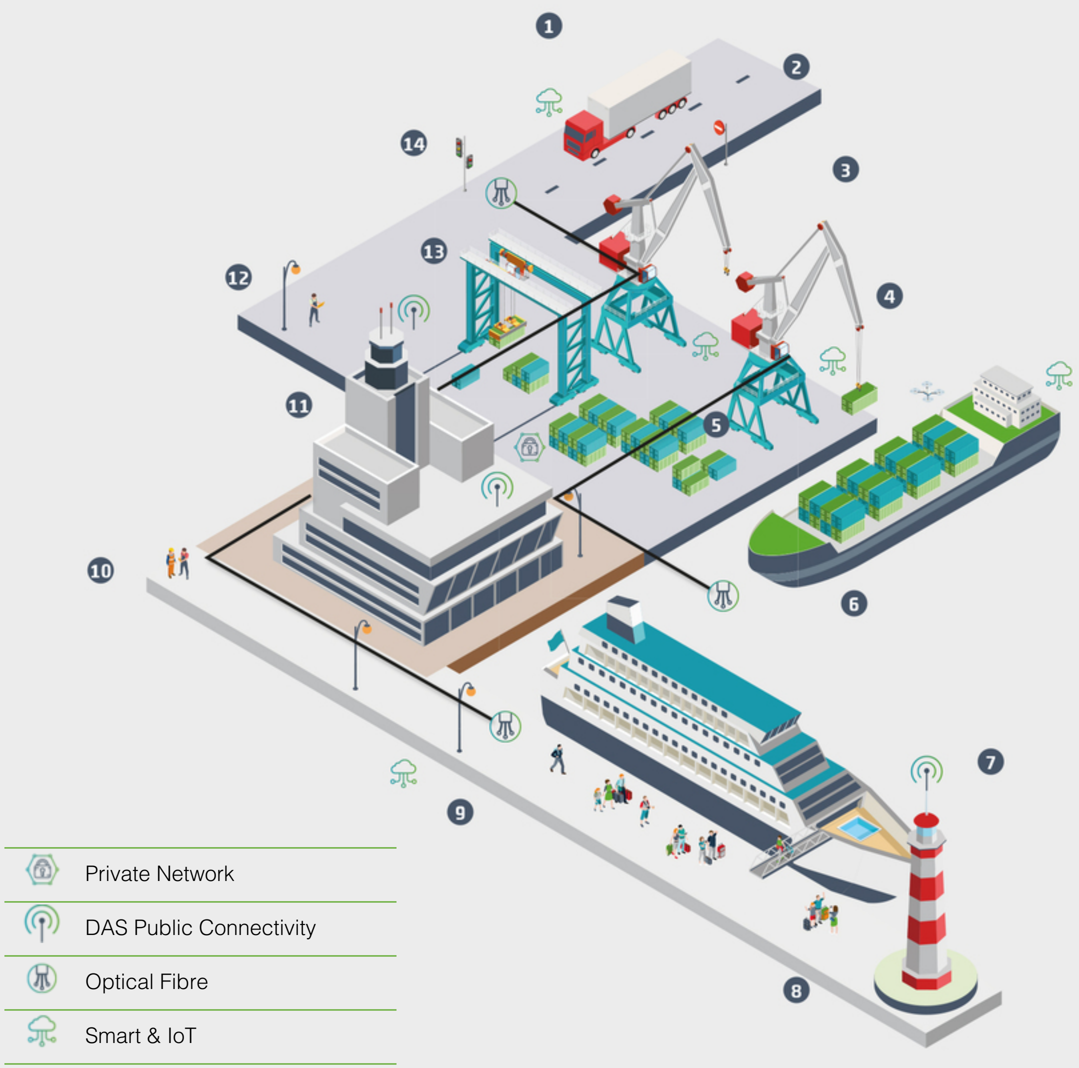
Contribution and diffusion test through 5G for UHD-HDR content: a pioneering worldwide pilot test of UHD-HDR transmission, with next-generation enhanced audio (NGA), was conducted under the Spanish industrial association UHD España, the vice presidency of which is held by Cellnex. The test used multi-camera contributions through a 5G network, cloud mixing and multimedia broadcast TDT transmission, including 5G Broadcast to reach mobile terminals. This pilot test represents a key milestone that paves the way for the future of these technologies in UHD services, facilitating their contribution, production, and broadcast.

Broadcast project highlights in Spain for 2023 include renewal of the contract with RTVE for another five years for DTT and Radio carrier services, totalling over €300 million. Contracts for DTT carrier services with the regional television stations in the Autonomous Community of Madrid and DTT and FM services with the regional radio and television in the Balearic Islands have also been renewed. Additionally, the government of the Autonomous Community of Castilla y León has granted some new FM licenses to broadcasters, many of whom have contracted the Broadcasting Service to Cellnex in 2023. .

Lastly, and no less importantly, in the final months of 2023, intensive work was carried out with all national, regional and local public and private Television operators to prepare for the migration of their DTT licenses from standard definition (SD) to High Definition (HD) on 14 February 2024, as established by Royal Decree 16/2023 of 17 January 2023.

Multi-camera television broadcast using a 5G network

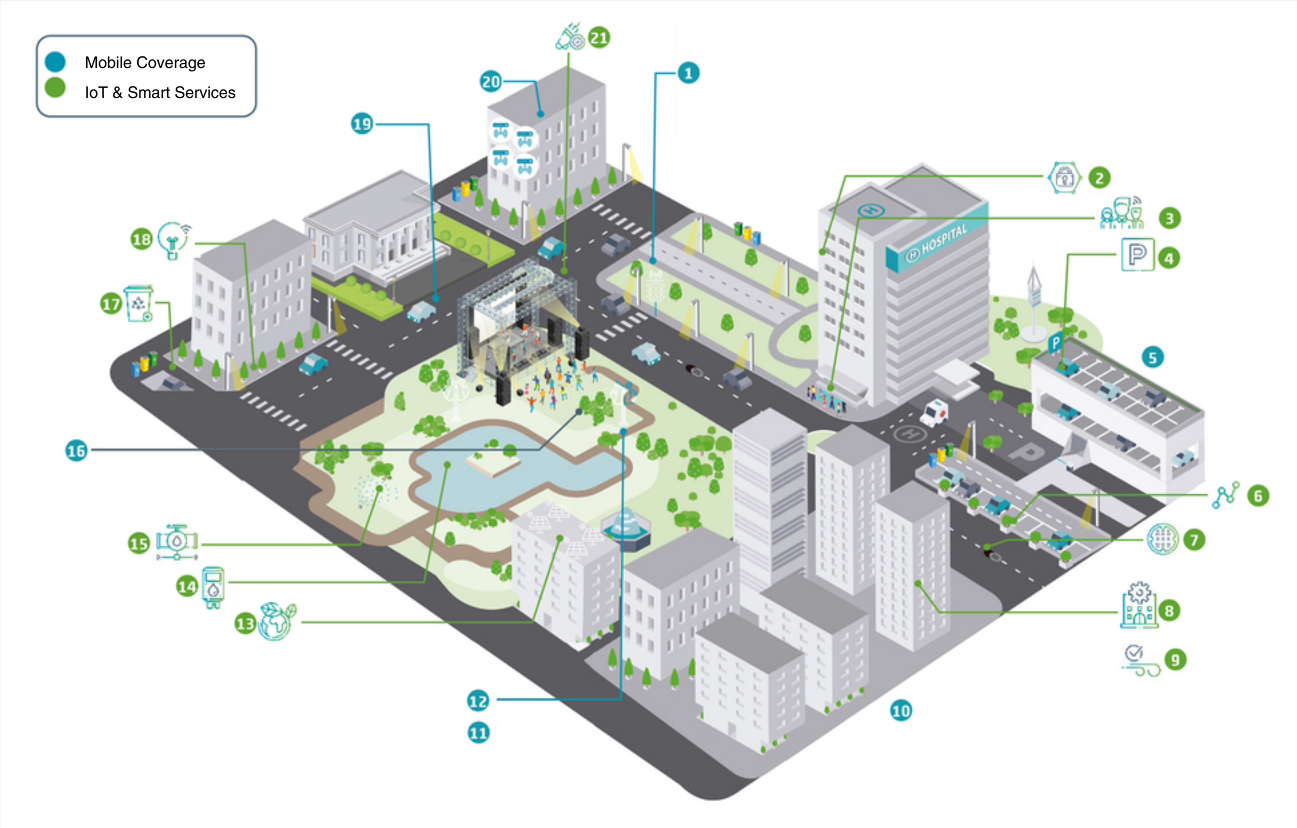
A full 5G-UHD workflow has been showcased in Madrid by UHD Spain in collaboration with Cellnex. 4 UHD-HDR cameras were transiting simultaneous streams between 25 and 30Mbps to the cloud production system thanks to the private 5G network deployed for this purpose. After the cloud production the concert was broadcast through the DTT UHD test network, covering more than half of the population of Spain, by satellite, CDN and additionally in a 5G Broadcast network locally available at the event venue.



Full infrastructure management

1. Vehicles Monitoring and tracking system in a non-invasive way
2. Efficiently manage truck queues
3. Guidance systems throughout the premises
4. Automatic cranes managing containers
5. Active and passive asset location
6. Automatic/remote container management: inspection and prevention
7. Full multi-operator mobile coverage for all commercial port customers
8. Real-time berth planning
9. Air and water monitoring system
10. Uninterrupted communications for port personnel
11. Control room data center powered by a secure & reliable connection
12. Aerial and marine drones for inspections and measurements
13. Real-time occupancy awareness system
14. Safe connection for traffic lights throughout the port

Smart City Overview



1 Outdoor Mobile Coverage: Small Cells

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

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

2 Open/Close Detection

3 Smart Crowd

4 Smart Parking Solutions

5 Hard to reach area coverage

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

6 Track & Trace

7 Manhole Detection

8 Facility Management & SMART Building

9 Air Quality

10 Mobile coverage: Challenges

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

11 Aesthetic appeal

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

12 Crowded Area Capacity

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

13 Sustainable Energy

14 Water Metering

15 Irrigation Solutions

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

17 Waste Management

18 Street Lightning

19 Connected/Autonomous Vehicle enabled

20 In-building Mobile Coverage: DAS system for public buildings

21 Noise Management

Innovation

In 2023, 26 innovation projects were carried out

Cellnex is investing €5.9 million in the development, testing, and launch of new products

Innovation at Cellnex is led by the Innovation Department and has two main functions:

1. **Exploration:** focusing on monitoring existing and future technologies that may have an impact on the company's business (e.g. Quantum communications, new RAN architectures).
2. **Project Management:** Overall implementation of innovation projects and initiatives.

The innovation department focuses on the development of two main types of projects:

1. Mobility: Communications for connected and intelligent infrastructure that include highways, railways, maritime and ports;

2. Site of the future: Infrastructure for the future of telecom communications.

In line with Cellnex's commitment to innovation and technological improvements, the company is investing €5.9 million in developing, testing, and launching new innovative products and solutions in the countries where Cellnex operates. The main projects are described in the following sections.

Innovation projects

"Cellnex UK is delivering the infrastructure to support the next stage of the UK's SONIC Labs programme which is undertaking activity to test interoperability and integration of open, disaggregated and software-centric multi-vendor network solutions. Over the past 9 months Cellnex UK has worked hard to deliver the outdoor infrastructure test bed platform, which is comprised of macro sites, small cell locations, transmission and edge data centre hosting. This will enable the SONIC partners to undertake real world testing of Open RAN products and accelerate the path to commercial deployment and adoption."*

Jonathan Freeman
SGO Director - Cellnex UK

Neutral host, connectivity in areas with high seasonal occupancy

Barcelona has become the scenario for a complete 5G network roll-out undertaken jointly by Cellnex, MásMóvil and their partners. They have deployed a neutral host model on Barcelona's beaches that enables efficient and flexible 5G network roll-out and extends connectivity services to shadow areas and areas where the needs for network resources are highly seasonal, such as beaches.

In 5G Catalunya, Cellnex has implemented an efficient and dynamic multi-operator neutral network in a tourist area that suffers variations and a wide range of peaks in the number of users, the Barcelona Beach.

Operators need to roll out their 5G networks in an efficient manner, so Cellnex's role as the neutral operator will avoid the deployment of four distinct networks in Spain by offering the possibility of resource-sharing. Operators will therefore be able to offer higher quality service and increase their coverage more effectively to places that were previously shadow areas, mainly due to roll-out costs.

5G Catalunya has demonstrated a new multi-operator virtualised 5G network deployment model in which Cellnex offers an efficient solution to the growing demand for network capacity in high-traffic areas. One example is the challenges that summertime traffic peaks pose to the scaling of mobile network capacity in tourist areas such as beaches, resulting in network congestion and poor user experience.

5G Catalunya has implemented an efficient virtualised multi-operator neutral network which, by sharing infrastructure, fibre and radio access network (RAN) resources, allows mobile network operators to efficiently increase network capacity and consequently densify operator networks while reducing deployment costs.

The roll-out involved installing a virtualised RAN based on Open RAN. This new network architecture makes it possible to virtualise elements of the network on general-purpose servers and uses open software and interfaces to integrate the various components of the access network, fostering innovation and reducing deployment costs. The servers were installed in an edge data centre managed by Cellnex. In addition, a Small Cell was deployed to cover part of Somorrostro beach and two mobile network identifiers (PLMN_ID) were broadcast to simulate two network operators sharing the mobile network (RAN Sharing). Másmovil Group provided both the frequency and PLMN_ID.

This pilot project represents one of the first experiences in which networks are successfully shared through virtualised RAN.

Outdoor Open RAN Testing in London

Cellnex UK will deploy a 5G Open RAN network in Hammersmith and Fulham. The collaboration partners include Digital Catapult, Capgemini, Ofcom and the Department of Science, Innovation and Technology.

The outdoor facility will serve as a critical hub for the advancement and validation of Open RAN solutions, allowing vendors to rigorously test their products in a representative network deployment scenario.

Cellnex will own the end-to-end delivery of the platform, utilising its infrastructure assets, extensive network design and delivery expertise. The network will comprise two rooftop macro sites and seven Small Cell locations to enable overlapping 5G coverage in a dense urban environment. Transmission will include a combination of Cellnex dark fibre and commercial ethernet services back to the core. In addition, two edge sites with standard server hardware will enable a virtualised RAN solution and create the flexibility to test different network architectures.

The test environment will showcase Open RAN capabilities in a real-life scenario and provide collaborative learning opportunities with mobile network operators and the wider industry for both public and private networks.

Cross-border corridor between Spain and France based on 5G

5GMed will demonstrate advanced Cooperative Connected and Automated Mobility (CCAM) and enhanced communication for railways along the "Figueres – Perpignan" cross-border corridor between Spain and France. This is enabled by a multi-stakeholder compute and network infrastructure deployed by MNOs, neutral hosts, and road and rail operators, based on 5G.

For the project, the cross-operator service orchestration is moving on to edge technologies - testing and achieving the objective will be one of the main challenges. The project is also working on several innovations in multi-connectivity supporting high-speed vehicles and trains. Different enhancements are also being studied to speed up roaming transitions across MNOs and neutral hosts.

An important point regarding the project is that this network is being tested through four different use cases:

1. **Remote Driving**: Assisting an automated vehicle out of its Operating Design Domain and maximising safety for all road users. Vehicle and passengers will be taken remotely to a safe location.

2. **Road Infrastructure Digitalisation**: Bringing road infrastructure closer to Level A of the ISAD classification. Enhanced road infrastructure elements with dynamic traffic control strategies. Improving traffic flow and safety.

3. **Enhanced Communication for Railways**: Improving railway telecom service experience. Advanced applications in cross-border situations. On-board seamless service continuity with multiple media types, service QoS requirements, handover between service orchestrators and edge network transitions.

4. **Follow-me Infotainment**: Processing and distributing high quality media contents, in an end-to-end fashion, from the involved sources to the end users while travelling in cars or trains. Optimising streaming distribution, resulting in a high-quality reception synchronising multiple streams in a smooth way, even in the cross-border scenario.

Digital Connecting Europe Facility (CEF-2)

CEF-2: Cellnex continues to drive 5G infrastructure in European transport corridors and in rural areas where the current lack of mobile coverage serves to digitally exclude these territories.

Cellnex has been awarded five projects by the European Commission. These include one new deployment (Baltcor) and one study (5G Fréjus) of feasibility to drive 5G infrastructure in European transport corridors, thus benefiting EU citizens and industry. The new deployment project will cover one cross-border corridor connecting Poland to the Czech Republic. In addition, the study includes the connection between France and Italy.

The main objective of these projects, which are part of the European Commission's Digital Connecting Europe Facility (CEF-2) programme, is to provide high-quality, seamless 5G connectivity for road safety services, to offer connectivity services to vehicle and passenger users along these corridors, and to provide 5G connectivity in rural environments to deploy use cases related to health and education. To this end, Cellnex will deploy 10 new telecommunications sites, where it plans to work with mobile operators based on its neutral host model, complemented by a V2X communications infrastructure and edge computing nodes to provide 5G connectivity along some 400 km.

Managing public safety and emergencies using 5G

This initiative, which falls within the scope of 5G Catalunya, involves the Barcelona Urban Police Force and Fire Brigade and focuses on three basic safety pillars: prevention, rapid intervention, and drawing conclusions for better management of emergencies, traffic and public safety by analysing past situations.

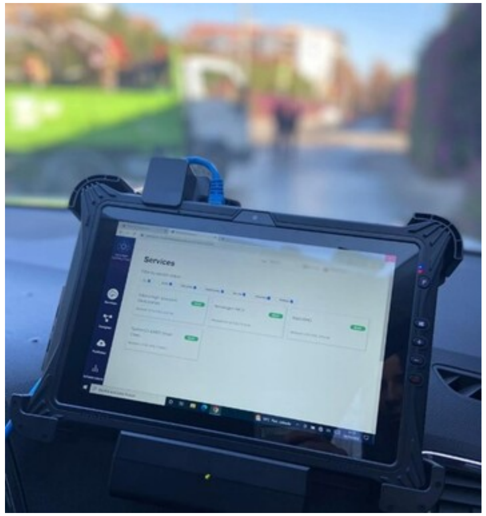
The initiative took place at the junction of Avinguda Diagonal, Carrer Pere IV and Carrer Lope de Vega in Barcelona’s Poblenou neighbourhood. Cooperation from the Guardia Urbana – which provided descriptions of its usual operations so they could be improved using 5G – was a key factor in developing the project. In addition to 5G terminals, five security cameras were installed on three street lights, which were then connected to a control centre managed by the Guardia Urbana.

The use case involved testing Stand Alone (end-to-end) and Open Ran (open standard) 5G networks for a complex web of devices and applications which, thanks to the features of this new wideband and real-time technology, will make it possible to manage emergencies and traffic more efficiently and monitor the safety of officers while on duty.

Specifically, based on the results, 5G networks can help to prevent critical situations by making it easier for emergency teams to respond quickly. By providing access to multiple sources of information, the networks optimise and speed up decision-making in critical situations where time is of the essence and access to information makes a critical difference.

5G Catalunya implemented the right infrastructure to support functionalities such as: Real-time vision, real-time alert management, improved communication between law enforcement agencies, monitoring officers’ physical condition and sharing information with the vehicles involved. Notable outcomes included:

1. Video images are key to analysing and defining emergency or urban safety situations. 5G networks enable data transmission with minimal latency which, together with the high bandwidth and the use of artificial intelligence, will allow security forces to anticipate, detect and analyse situations, thus making decisions more efficiently and effectively.
2. The remote management of urban devices, like video cameras located on street furniture, streamlines the management of emergencies and helps generate a safe, hierarchical, and traceable environment for resource sharing.
3. Additionally, high bandwidth and artificial intelligence processed across edge computing servers mean that law enforcement agencies will be able to anticipate, detect and analyse situations in order to make decisions more efficiently and effectively. This all occurs in a secure, hierarchical,and traceable resource-sharing environment made possible by edge computing technology and system orchestration.



Connected Vehicle: Contributing to the digital transformation and enhancement of connectivity along high-capacity routes

The digital transformation and enhancement of connectivity along high-capacity routes will lay the groundwork for public administrations and the private sector to engage collaboratively in the conceptualisation, deployment and operation of a harmonised solution for these high-capacity corridors.

These infrastructures are deemed crucial facilitators for rolling out the connected and automated mobility of tomorrow. They will also play a pivotal role in bolstering the digitalisation of railway operations and providing services that extend beyond the transportation sector in areas adjacent to these corridors, including rural regions.

In this regard, Cellnex is working on several innovation projects along its footprint that are strategic for Cellnex's positioning as a leader in connected vehicle infrastructure. The following programmes are some highlights of Cellnex's activities in this area in 2023:

- Podium targets enabling connected and cooperative automated mobility in real traffic conditions. The project will carry out demonstrations in real-life conditions of specific use cases in three Living Labs (LLs) in Germany, Italy and Spain, in urban, highway, and cross-border environments.

PODIUM

- Creta aims to ensure C-V2X coverage along two sections of the C-32 road (from Sitges exit 30 to Gavá exit 50). Cellnex will deploy 11 C-V2X RSUs all around the C-32 sector, allowing the deployment of real C-V2X services; a vendor-agnostic V2X Gateway and testing a self-sustainable site (with solar panels, batteries, etc.)

- ARTUS MINCOTUR awarded the implementation of the PERTE to a consortium led by Renault, comprising around fifty partners. Cellnex's goal is to pave the way for the commercialisation of advance mobility services (sell V2X networks) for labs and create the need for V2X in transport corridors. To achieve this, Cellnex will deploy a PN for cybersecurity testing and a PN/V2X at Zona Franca Barcelona for services testing, and will produce multiple sets of documentation outlining industry outlook, standard V2X/ PN architecture, dissemination, etc.

Throughout 2023, Cellnex has adeptly responded to the evolving regulatory frameworks in the regions it operates in, showcasing its commitment to compliance and proactive adaptation to regulatory changes

Regulatory context

Throughout 2023, Cellnex has adeptly responded to the evolving regulatory frameworks in the regions it operates in, showcasing its commitment to compliance and proactive adaptation to regulatory changes. During the past year, Cellnex tracked pivotal regulatory developments and their implications on the company's operations, gaining valuable insights into the company's regulatory context.

The EU's 2024 digital agenda is poised to be intense, coinciding with the expiration of the European Commission's mandate in Spring 2024. Policymakers are confronted with the challenge of swiftly regulating intricate areas before the mandate concludes and the impending pan-EU elections in 2024.

The 2024 programme of the European Commission proposes addressing the six priorities of the current Commission, aiming to make Europe "fit for the digital age." Emphasising a human-centred, sustainable and prosperous digital future with the Digital Decade, the Commission plans to lay the groundwork for potential policy and regulatory actions regarding digital networks and infrastructure. This includes facilitating cross-border infrastructure operators, accelerating technology deployment and attracting additional capital into networks.

It appears reasonable to assume that the Commission is initiating a review of the regulatory environment in the telecom market, focusing on European digital sovereignty and digital regulations covering data, large platforms, AI, cybersecurity and high-risk vendors. Any future reshaping of the big telco regulatory framework would encounter European market challenges, such as operator size, investment needs, potential M&A processes and relations with Big Tech.

However, the 2024 work programme aligns with a tense period in EU policymaking, as anything not addressed before the June elections faces an uncertain future in the subsequent Commission and Parliament.

Digital Decade

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

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

On 15 December 2022, the President of the European Commission Ursula von der Leyen signed the European Declaration on Digital Rights and Principles. These demonstrate the EU's dedication to a secure, safe and sustainable digital transformation centred on people, aligning with fundamental EU values and rights. The digital rights and principles are as follows:

1. People at the centre
2. Freedom of choice
3. Safety and security
4. Solidarity and inclusion
5. Participation
6. Sustainability

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

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

The European Commission published its first report on the State of the Digital Decade on 27 September 2023, including recommendations on actions, measures and policies in areas where insufficient progress has been made.

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

Innovation and investment

There is a need to transform traditional networks to meet future data demands. Alongside the need to extend mobile broadband connectivity everywhere, new technologies such as network virtualisation, edge cloud, artificial intelligence and open networks will reshape the sector, requiring substantial investments, with public funding seen as essential. However, the problem remains as to how to bridge the investment gap to achieve the European Digital targets.

Innovation

Telecommunications infrastructure faces a pressing need to adapt to ongoing technological advancements. In an environment where connectivity demands and expectations are continuously escalating, innovation becomes a pivotal factor in staying current and remaining relevant. Investment in research and development is critical for implementing emerging technologies, such as the deployment of 5G networks, the expansion of the Internet of Things (IoT) and enhancing data transmission capacity and speed. This drive towards innovation not only ensures a more efficient infrastructure capable of handling the growing demand but also facilitates the exploration of new services and technological solutions that enrich and enhance our way of life and global interconnectedness.

Investment

The EU's Digital First report underscores the imperative for swift digital transformation. Reforms, improved business environments and substantial investments in digital tech are vital for success. Specifically on connectivity, the Commission emphasised that additional investment of up to at least €200 billion is needed to ensure full gigabit coverage across the EU as well as 5G coverage in all populated areas.

So, challenges loom, particularly concerning investments. Financial pressures and the need to bridge the digital divide present hurdles for industry players. Hence, a successful achievement of the EU's digital transformation is far from assured and will require additional policy measures, actions and public investments to complement private investment where needed.

In a nutshell more coverage, data, innovation, and need for investment. Private investments will be key to the sector's future, and there might be a need for state aid to fill investment gaps.

EWIA and the role of a TowerCo

The European Wireless Infrastructure Association (EWIA) is the European trade association for wholesale wireless infrastructure providers. Cellnex is a founding member, Chair of the association, and Chair of the Policy Working Group, highlighting the role of independent infrastructure providers.

EWIA supports policies fostering network infrastructure investment and deployment to ensure widespread access to advanced wireless broadband. This access is vital for consumers, businesses, healthcare, public safety and various sectors relying on continuous wireless connectivity. As independent TowerCos, EWIA's members invest in and operate wireless infrastructure essential to the delivery of mobile voice, wireless broadband and other wireless networks and they provide this 'neutral host' infrastructure to all mobile network and other wireless operators on an open access basis. This provides an efficient and competitive alternative to the vertically integrated business model, leading to better connectivity.

Together, its members operate over €100bn of Wireless infrastructure assets globally and operate a portfolio of 150,000 sites in Europe. In terms of investment, EWIA members have helped release circa €15bn in capital via the acquisition of various tower portfolios from mobile network operators and have invested much more on 5G roll-out, organic growth and acquisition of other tower portfolios.

Raising the necessary capital for the full deployment of 5G and Gigabit connectivity for everyone by 2030 is a substantial challenge, with capital needs estimated between €56 billion and €200 billion. EWIA, however, provides a clear and powerful answer to this challenge: its members enhance Europe's connectivity by investing long-term low-cost capital in high-quality shared telecom infrastructure. Its business model is well established in other regions, but is relatively new in Europe; for example, the percentage of towers that are outsourced to independent players is much lower in the EU than in the rest of the world – towers and rooftops held by independent operators make up just 35% of the total wireless infrastructure in the EU compared to 90% in the US or 55% in Central and Latin America, for example. This leaves substantial potential to unlock investment in the sector. Indeed, the wholesale-only business model is well placed to help facilitate 4G completion and densification today, and – tomorrow – 5G in urban, rural and "white spot" areas where Small Cells, distributed antenna systems and adequate back hauling capacities will be crucial.

Redefining the DNA of our telecoms regulation

The fragmentation of national electronic communications markets, due to cultural, market circumstances and regulatory disparities, poses a challenge. This includes varying spectrum allocations across different countries, the lack of full harmonisation in sector rules and slow EU rule implementation at the national level.

While the European Commission seeks harmonisation, Member States hold reservations about this alignment. Deployment becomes complex as it involves managing diverse regulatory frameworks and different deployment methods. Ensuring that all facets of technology and innovation serve the needs of individuals is the objective of the Digital Decade.

In response, there is a pressing need to adapt regulations, specifically targeting cost reduction and bureaucracy alleviation, particularly in the realm of technology deployment. This imperative extends beyond current initiatives such as the Gigabit Infrastructure Act, encompassing a comprehensive approach that also delves into effective spectrum management. The goal is to streamline regulations, allocate resources more efficiently and promote technology deployment while minimising red tape and cost barriers.

"Our challenge is to cope with the Digital Decade goals to ensure future connectivity in the continent. We are confident that European policy makers will draw an European Regulatory environment that foster competition, innovation and investment"

Jaume Pujol
Global Regulatory Expert - Cellnex Corporate

Gigabit Infrastructure Act

To rapidly deploy high-speed broadband access, the European Union established a set of harmonised measures in 2014 to reduce the cost of broadband deployment, through the Broadband Cost Reduction Directive.

Due to its limited impact, in February 2023 the EU executive put forth the Gigabit Infrastructure Act, a proposal to update the Broadband Cost Reduction Directive. With this proposal for a Regulation, the Commission aims to overcome the challenge of slow and costly deployment of the underlying physical infrastructure sustaining advanced Gigabit networks by reducing the costs and administrative burden associated with the deployment of such networks.

Once adopted, the GIA would repeal the current BCRD and, depending on the final outcome, would be directly applicable to all jurisdictions. Like the BCRD, the draft GIA aims to reduce the costs of network deployments by imposing access obligations on telecoms and utility network providers, through in-house wiring and by increasing the transparency of civil works and attempting to make permit-granting easier.

The draft GIA is aligned with the EU connectivity ambitions set out in the Digital Decade Policy Programme: by 2030, all EU households should have access to gigabit speeds and all inhabitant areas must be covered by 5G or equivalent mobile technology. To this end, the GIA focuses strictly on the deployment of very high capacity networks.

In this regard, addressing the wording of the new text, as well as the opportunities it will bring, is a strategic priority for Cellnex's business. The Company will closely follow the adoption of the new Regulation, which is envisaged for 2024.

European resilience

While the EU is a major global player, the future balance of world power doesn't rely solely on its actions. There are various factors at play and ongoing trends might lead to more tensions and a less united world. To tackle this, the EU should limit its reliance on other countries and become stronger in technology.

The European Commission has defined strategic vulnerabilities that the EU should address in this decade. The list includes key present and future enabling technologies, digital services, and raw materials and semi-processed goods in four critical sectors: energy, digital-tech, health and food.

In the digital-tech area, digital sovereignty for the EU involves not only securing critical sectors like connectivity but also addressing vulnerabilities in network infrastructure. Despite advancements in securing 5G networks, existing loopholes highlight the ongoing challenges in fortifying overall network resilience and integrity. Continued efforts are necessary to navigate the complex landscape of digital dependencies and safeguard against emerging threats of a interconnecteded world.

As such, it is crucial to maintain and reinforce the various mechanisms deployed by the Commission to de-risk and reduce the EU's dependence on Non-EU manufacturers (5G Toolbox), protect the integrity of the Single Market and achieve a more level playing field.

The EU is seeking to reduce its external dependencies and strengthen its position as a technological powerhouse and global actor.

Contingency plans

A Global Contingency Plan exists in order to guarantee the continuity of critical services. A Global Crisis Committee, in addition to local crisis committees (which report periodically to the global committee), was set up to monitor the contingency plan and take action based on the current situation. A number of engineers and technicians, grouped in the Service Operation Centre (SOC), are in charge of basic tasks to ensure that services keep operating, with permanent 24/7 assistance, while continuously assessing the state of the networks, data transmission, the operation of DTT and digital radio, and the IT security of Cellnex facilities.

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

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

Exposure to electromagnetic fields

An important aspect for a Telecom Infrastructure Provider is to develop successful partnerships with key stakeholders, built upon open relationships, strong engagement, and responsible operations, while simultaneously aiming to be recognised as a good neighbour within the communities. This is crucial to obtaining the right location to place a site in order to cover the service needs from the Mobile Operators for the benefit of mobile users. One of the aspects that may lead to delays in site acquisition or rental agreements could be public perception of risk, contrasted with the need to have an antenna nearby to satisfy these coverage needs.

2023 has been a key year in the deployment of 5G, with Mobile Operators building their 5G capacity to provide users with the higher broadband and lower latency promise that this new technology brings. However, the operators are placing many of the antennas at existing sites following international safety recommendations and regulations, so no new locations are required. Site sharing of existing infrastructures is both efficient and environmentally-friendly.

As happened with 4G, antenna implementation for 5G follows the latest RF-EMF exposure recommendations from the International Commission on Non-Ionizing Radiation Protection (ICNIRP), along with the technical standards to demonstrate compliance issued by the International Electrotechnical Commission (IEC) and the International Telecommunication Union (ITU). This is because higher frequency does not equate to higher exposure. Higher frequencies only denote shorter ranges and increased bandwidth availability for users to access higher data rates.

These international exposure guidelines are established to protect the public from any health effects of exposure to electromagnetic fields in the radio waves. They apply to any antenna, regardless of transmission technology (2G, 3G, 4G and 5G), radio and television, including Digital Terrestrial Television (DTT), as well as all sources of radio waves such as Wi-Fi. These requirements set allowable limits significantly lower to include safety margins, thereby preventing adverse health effects.

Although radio frequency electromagnetic fields cannot be perceived, emission levels from mobile operator antennas are not only regulated but also measured, and measurement programme results show levels far below these international safety recommendations. They are comparable to radio and television broadcast services, which have been in operation for the past 70 years or more without any adverse health consequence having been detected.

An significant number of studies have been carried out over the last few years to assess the potential health risks of mobile emissions, not only to the wider public but also to the environment. According to the World Health Organisation (WHO), considering the very low exposure levels and research results collected to date, there is no convincing scientific evidence indicating that weak radio signals from base stations cause adverse health effects. 5G aims to reduce radio waves exposure by reducing the power of transmitters when they are not in use, implementing sleep modes, and selectively transmitting data to mobile devices only when they require it.

Cellnex includes the evaluation, management and communication of the possible risks that this exposure may pose to an individual's health in its internal processes as part of the company's commitment to build strong relationships with its stakeholders and local communities, This commitment fosters a strategic vision with proactive community relationships, upholds accountability through open and transparent communication and dialogue, and ensures that the company leaves a positive business legacy.

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

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

European Economic Congress and Economic Forum

Cellnex Poland representatives participated in the two biggest public affairs events in Poland – the European Economic Congress in Katowice and the Economic Forum in Karpacz.

At the first event, the largest business conference in Central Europe, the President of the Board of Cellnex Poland talked about the benefits of sharing infrastructure as a possible a response to the challenges in telecommunications. At the Karpacz Forum, Cellnex representatives participated in numerous conversations on sharing telecommunications infrastructure and securing connectivity in white spots.

In 2023, Cellnex Poland published a report on connectivity in transportation, together with the TOR Consultants think tank. After several months of a public affairs campaign, entailing meetings with the most important railway and road infrastructure management stakeholders and interviews in the press, the main railway operator announced the tender procedure for passive infrastructure suppliers that could help create the GSM-R system. This event will be a first step towards securing seamless connectivity on railways in Poland.

Next Generation EU

In 2023, Cellnex actively participated in various European-funded programmes, particularly the Next Generation EU funds, associated with the Recovery, Transformation, and Resilience Mechanism. The Spanish government's "Spain Can" Plan outlines four main objectives: ecological transition, digital transformation, gender equality promotion, and territorial and social cohesion, aligning with the Digital Agenda 2026. Cellnex also engaged in the UNICO programme, focusing on universalising access to ultra-fast broadband and extending 5G coverage in Spain. The company participated in the UNICO 5G Sectoral subprogramme, securing support for projects such as Digital Twin, IRIA and CRETA. These projects involve the digitalisation of telecommunications tower infrastructures, experimental 5G platforms for industrial transformation and initiatives promoting sustainable mobility.

Cellnex is also actively involved in the UNICO 5G Sectoral programme, submitting proposals for projects like the digitalisation of railway signalling environments using 5G. Additionally, Cellnex, in collaboration with Nokia, was awarded a contract to deploy private and public 5G networks in strategic logistics centres of the Spanish railway manager Adif.

The company also participated in the UNICO 5G Networks subprogramme, contributing to initiatives like Backhaul Fiber to finance fibre optic connections in rural areas. Furthermore, Cellnex played a role in the Active 5G Networks call, providing sites for 5G technology in rural areas.

In the context of the Recovery and Economic Transformation Strategic Project (PERTE), Cellnex, in a consortium led by Renault, participated in the PERTE VEC call. The company contributed to the Artus project, aiming to develop 5G technology test laboratories for Connected Mobility.

"Working on the rooftop product standardization project has been for SC&S an amazing experience , analyzing a huge amount of data. Defining what should become a standard and what shouldn't with keeping in mind the objective of re-use was tough but exciting."

François Perrot
Senior Operations Project Manager - Cellnex France

Collaboration between Cellnex Spain and DigitalES

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

OFITEM: Achieving Rooftop Product Standardisation in France

In S2 2023, the standardisation of rooftop products became a reality following the analysis of over 1000 upgrade projects. SC&S effectively delineated the requisite design specifications for these products. Moreover, the introduction of standardised designs, compatible with a wide array of projects, makes it possible to reuse these products if they are uninstalled, thereby giving them a second life at alternative sites. This standardisation marks an initial stride towards reducing the carbon footprint, given that it will no longer be necessary to manufacture products.

Collaboration between Cellnex Italia and Asstel

In Italy, Cellnex works with Asstel, a branch of the Italian Association of Industrial Enterprises (CONFINDUSTRIA) focusing on the whole TLC ecosystem. Asstel has always been a vocal advocate for the sector on all industrial and political issues, addressing all stakeholders (NRA, Parliament, Local Administrations) throughout the debate on the development of digitalisation. Since 2018, a strong institutional and communication effort has been carried out on EMF and 5G. With the engagement of prestigious academic institutions, extensive research has been conducted thanks to cooperation with universities and public and private health research institutes, along with engineering and economic studies, with the goal of establishing a robust debate and being able to react to adverse criticism on multidisciplinary questions with solid arguments.

Mobile Infrastructure Forum

In October 2023, alongside the three other scale operators of mobile macro infrastructure, namely Cornerstone, MBNL and Wireless Infrastructure Group, Cellnex UK founded the Mobile Infrastructure Forum ("MIF"). The forum's goal is to support delivery of world class mobile infrastructure to improve wireless connectivity for society and businesses throughout the UK, by focusing on promoting legislation, relationships and working practices that enable efficient deployment of wireless communications infrastructure. The forum builds on the successful Speed up Britain campaign which involved a greater number of stakeholders focused on a single issue, namely reform of the Electronic Communications Code, which was successfully achieved via the passage of the Product Security and Telecommunications Infrastructure Act ("PSTI") in December 2022.

Following the success of Speed Up Britain it was recognised that the four major infrastructure providers in the UK needed a forum where they could work together to advance areas of common interest; hence the creation of MIF with a smaller number of participants but an expanded set of focus areas. MIF is currently focused on six areas:
successful implementation of the PSTI act, planning permission reform, ensuring a supportive business rates environment, improving engagement with land owners, working with local authorities as enablers of digital connectivity and collaborating with Mobile UK to promote the benefits of mobile connectivity. The MIF participants are committed to strictly complying with all laws that govern their activities, including all competition and antitrust laws.

1.3 Our commitment

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

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

ESG Governance

Cellnex's Nominations, Remunerations and Sustainability Committee (NRSC) is the body responsible for monitoring the ESG strategy, which reports to the Board of Directors (BoD). ESG topics were discussed in 19% of the meetings held by the NRSC in 2023 and in 3 out of 29 meetings held by the BoD in 2023 (10%).

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

During 2023, the ESG Committee met 3 times (3 in 2022).

ESG oversight	
Nominations, Remunerations and Sustainability Committee (NRSC)	Governance body in charge of oversight of ESG and related topics which reports to the Board of Directors. Its main responsibilities and functions are: • Supervision and evaluation of the relationship processes with Cellnex's stakeholders • Providing oversight of Cellnex's environmental and social practices to ensure alignment with ESG strategy and policies • Evaluation and periodic review of the corporate governance system and the Company's environmental and social policies to ensure they fulfil their mission of promoting the corporate interest and take into account the legitimate interests of other stakeholders, as appropriate • Taking responsibility and reviewing the Integrated Annual Report and development of the ESG Master Plan • Advising on strategy regarding contributions to the Cellnex Foundation and adapting them to comply with Cellnex's ESG programmes
ESG Committee	Day-to-day management of ESG functional teams. Its main functions are: • Assessing, promoting and guiding the Group's actions in ESG matters • Ensuring compliance with the ESG Policy • Involving every Cellnex Corporate Area and Business Unit in implementation of the ESG strategy and Master Plan • Anticipating potential risks associated with changes in the ESG regulatory framework
ESG Leaders	An online community that was developed to create synergies and improve relationships between the Cellnex Group's ESG country leaders. This team meets quarterly to follow up on issues such as: • Coordinating the reporting process • Keeping up to date with ESG trends and projects • Sharing knowledge and experiences • Monitoring the ESG Master Plan

During 2023, all Cellnex employees have been involved in a range of initiatives to create a positive impact on society

Starting in 2023, all employees will integrate ESG-linked remuneration within their group and/or country targets

ESG Policy

In March 2021 Cellnex approved its ESG Policy, which establishes the basic guidelines and lines of action regarding Cellnex's ESG strategy. This allows the ESG concept to be formalised and implemented within the framework of the organisation, communicated to stakeholders and progressively integrated in all of the Group's systems and operational processes.

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

Cellnex's ESG Policy recognises three basic principles:

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

Cellnex's value creation model, based on the ESG Policy, is delivered through its 2021-2025 ESG Master Plan, which lays out the roadmap and action plan. By establishing objectives and commitments, Cellnex aspires to continue improving its sustainability performance while extending its commitment to all of its stakeholders throughout its value chain.

ESG training and awareness

During 2023, all Cellnex employees have been involved in a range of initiatives to create a positive impact on society. Aligned with the core values of the company, various initiatives have taken place to integrate sustainability in both the core business and everyday life:

- An "ESG essentials" training course was launched for all employees. This online programme includes the basics to find out about sustainability and how it is integrated within the Cellnex Strategy.
- Annual awareness initiatives, both internal and external, were promoted to disseminate knowledge about sustainability within the organisation, including: participation in roundtables, events and conferences, among others.
- In 2023, all employees integrated ESG-linked remuneration within group and/or country targets as part of the **Holistic Performance Management Model (HPM).**

ESG reporting

In 2023, further demonstrating the Company's commitment to transparency and compliance with ESG reporting standards, Cellnex conducted a comprehensive **Corporate Sustainability Reporting Directive (CSRD)** GAP Analysis. This analysis focused on evaluating existing company practices and procedures in relation to the new European Sustainability Reporting Standards (ESRS) requirements. By scrutinising its current operations and reporting against the ESRS guidelines, the company sought to identify areas where its practices aligned with the standard and areas needing enhancement or modification to meet ESRS requirements. The GAP Analysis process provided a strategic overview, enabling the company to outline a roadmap towards achieving compliance with the ESRS guidelines in 2024.

CSRD TOPICS

CROSS-SECTIONAL

ENVIRON-MENTAL

SOCIAL

GOVERNANCE

REPORTING LEVELS

Common information (sector-agnostic)			
Cross-sectional	**Environmental**	**Social**	**Governance**
ESRS 1 General requirements ESRS 2 General disclosures	E1 Climate change E2 Pollution E3 Water and marine resources E4 Biodiversity and ecosystems E5 Resource use and circular economy	S1 Own workforce S2 Workers in the value chain S3 Affected communities S4 Consumers and end-users	G1 Business conduct
>1,100 data points			
Sector-specific information			
Entity-specific information			

REPORTING AREAS

Governance
Processes, controls and governance procedures to monitor and manage IROs

Strategy
How the strategy and business model interact with the IROs, and the strategy for addressing them

IROs Management
Processes to identify, assess and manage IROs through policies and actions

Metrics and Objectives
How performance and progress towards goals are measured

Sustainability strategy

Double materiality analysis

In recent years, there has been a growing demand for sustainability-related information within the evolving business environment. It has become essential for companies to integrate sustainability into their core business operations. Within this context, identifying a company's key concerns related to Environmental, Social and Governance (ESG) issues is crucial to meet the expectations and requirements of stakeholders.

In this context, following the inception of the **Non-Financial Reporting Directive (NFRD)**, its review under the Corporate Sustainability Reporting Directive (CSRD) and the subsequent development of the European Sustainability Reporting Standards (ESRS), there has been an increased focus on the concept of double materiality. This concept involves assessing the organisation's influence on the environment and society (impact materiality) alongside the effect of Environmental, Social and Governance (ESG) issues on the company's capacity to generate value (financial materiality).

In 2022, Cellnex carried out a double materiality analysis in which 29 Specific ESG Topics were identified, based on the Group's 2020 materiality matrix and taking into account both, impact materiality and financial materiality. These Specific ESG Topics represent the main impacts generated by Cellnex. After analysis, in 2023 the aspects identified in 2022 were considered to be still valid. However, at the end of 2023, a new double materiality assessment was started, to be completed in 2024 and also following the requirements of the CSRD and the EFRAG guidelines to carry it out.

The double materiality analysis was validated by the Nominations, Remunerations, and Sustainability Committee, and was presented to the Executive and ESG Committees. The management of each of the impacts generated by Cellnex is explained throughout the present Consolidated Management Report. More detailed information regarding the location of these references can be found in: **Annex 4. GRI Content Index**.

Top material ESG topics

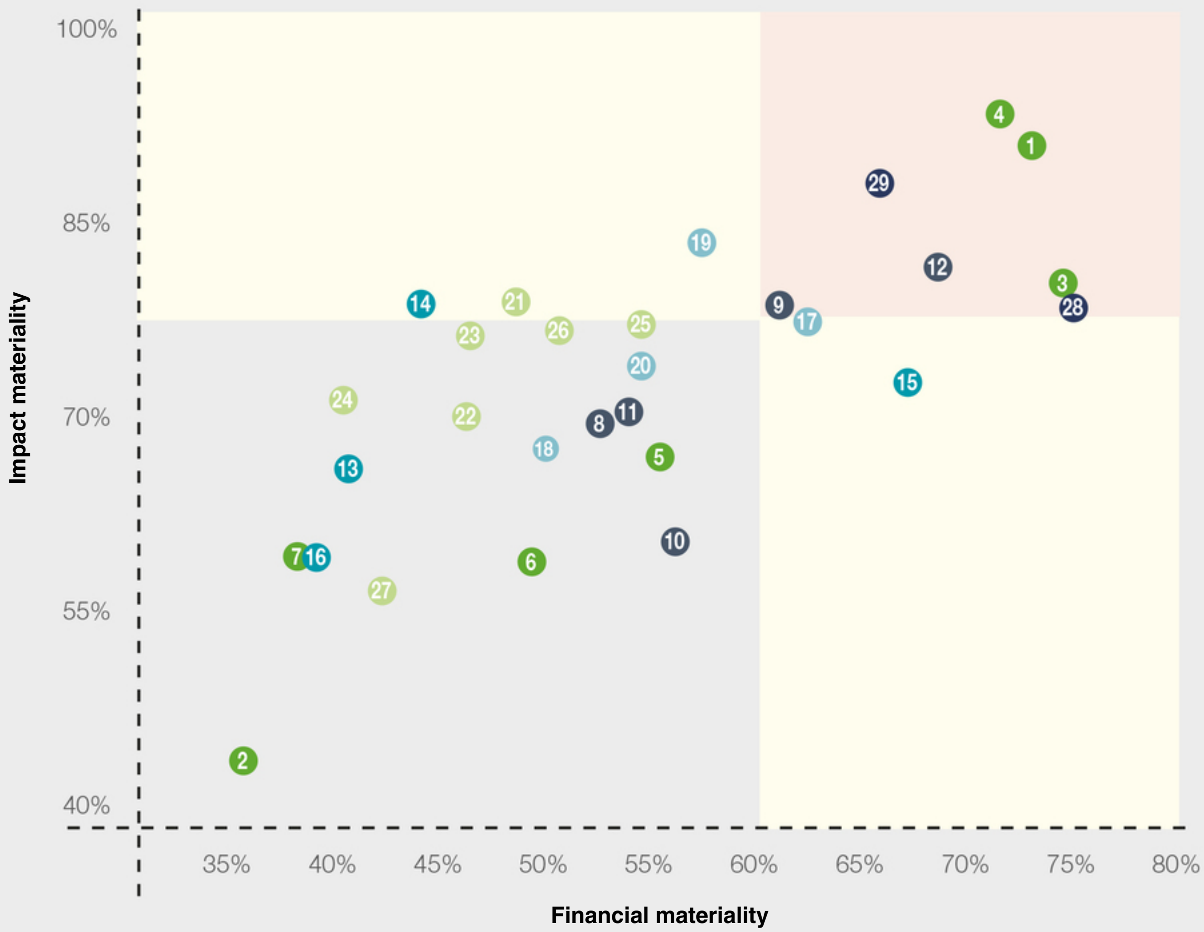
Top material: Those specific material topics that exceed the cut-off for both impact and financial materiality.

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

Medium material ESG topics

Medium material: Those specific material issues that exceed the cut-off for either impact or financial materiality.

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



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

ESG Master Plan

Cellnex's ESG Policy is delivered through the 2021-2025 ESG Master Plan. This is a five-year plan built on 6 strategic axes (which includes a cross-cutting strategic axe related to communication, awareness and training actions), and each with a total of 21 strategic lines. The Plan is applicable to all Cellnex geographies, demonstrating the importance of ESG within the company.

The ESG Master Plan was devised to enable Cellnex to implement initiatives to bolster the Company's influence on the Sustainable Development Goals (SDGs) over a period of 5 years. Additionally, the plan aligns its strategies with the specific SDGs and their corresponding targets. The ESG Master Plan underwent a mid-term review in 2023, in order to update the actions for 2023-2025,

"This year, we have updated our sustainability strategy through the mid-term review of the ESG Master Plan, taking into account the impacts on our stakeholders and in anticipation of the new regulations and requirements in this area."

Marissa Serrahima
ESG Expert - Cellnex Corporate

The Master Plan amalgamates ethical governance and social and environmental initiatives, aligning them with the SDGs and adhering to international standards. It encompasses the latest sustainability trends, with commitments and objectives tailored to meet the expectations of all Cellnex stakeholders. Cellnex incorporates ESG elements into its strategy, efficiently and responsibly measuring and managing the impacts on society and the surrounding areas.

Cellnex acknowledges the emergence of new risks and demands amidst globally prevailing environmental and social phenomena. Beyond the scope of purely economic aspects, this heightened awareness, along with the challenges encountered by organisations like Cellnex — greater emphasis on transparency, increased shareholder engagement, climate change, risks within the value chain, circular economy practices, SDGs and others — has driven the company to reinforce its dedication to Environmental, Social and Governance (ESG) matters in recent years.

"Driving telecom connectivity across geographies with a common and inclusive culture, striving to be part of the solution for society."

As indicated above, the 2023 review resulted in an increase in strategic lines from 17 to 21. The following changes were implemented:

Strategic Axe	17 Strategic Lines 2020		21 Strategic Lines 2022
Governance	Manage the risks and opportunities of our activity	=	Manage the risks and opportunities of our activity
	Act ethically, respecting compliance and regulation standards	=	Act ethically, respecting compliance and regulation standards
	Create strong relationships with our stakeholders and alliances with third parties	CH	(this strategic line changes of axis – to ESG Awareness)
		NEW	Cybersecurity & privacy of information
People	Create a common corporate culture among the group	=	Create a common corporate culture among the group
	Define and implement our equity, diversity and inclusion program	=	Define and implement our equity, diversity and inclusion program
	Promote and foster talent attraction and retention	=	Promote and foster talent attraction and retention
	Respect health and safety of our employees at their workplace	=	Respect health and safety of our employees at their workplace
Social	Participate and collaborate in social contribution initiatives	=	Participate and collaborate in social contribution initiatives
	Measure and manage our impact on the society	=	Measure and manage our impact on the society
Environment	Plan and manage our environmental sustainability strategy	=	Integrated environmental management
	Mitigate our impact and create an adaptation plan to climate change	=	Climate change
	Manage responsibly and circularly the use of resources within the group	=	Circular economy
	Respect and minimize our impact on natural spaces and biodiversity	=	Biodiversity and land use
		NEW	Energy management
		NEW	Water management
		NEW	Infrastructures environmental impacts
		NEW	Training, awareness and collaboration with the Community
Value Chain	Extend our commitment to suppliers	=	Extend our commitment to suppliers
	Extend our commitment to customers	=	Extend our commitment to customers
ESG Awareness	Ensuring that all employees in the company are aware of the ESG MP	}	ESG Awareness
	Promoting and communicating the ESG strategy within the Group		
		CH	Create strong relationships with our stakeholders and alliances with third parties

Materiality matrix		ESG Master Plan 2021-2025	Reporting	
ESG main topics	**ESG specific topics**	**Strategic priorities**	**GRI**	**Law 11/2018**
Company business model	Economic management and performance	Showing what we are, acting with integrity	2: The organisation and its reporting practices 201: Economic Performance 202: Market Presence 203: Indirect Economic Impacts 207: Tax 419: Socioeconomic Compliance	Business Model Tax Information
	Risks and opportunities management (business, ESG risks, etc.)		2: Strategy, policies and practices	Risks
Governance model and Compliance	Corporate Governance	Showing what we are, acting with integrity Ensuring awareness of our responsible way of behaving	2. Governance	Competitive Behaviour
	Ethics and Human Rights		2: Strategy, policies and practices 205: Anti-corruption 406: Non-discrimination 408: Child Labour 409: Forced or Compulsory Labour 412: Human Rights Assessment 414: Supplier Social Assessment	
People management	Corporate Culture	Boosting our talent, being diverse and inclusive	2: Activities and workers 401: Employment 405: Diversity and Equal Opportunity	Employment Work organisation Social relations Accessibility Equality
	Equity, diversity and inclusion		405: Diversity and Equal Opportunity 406: Non-discrimination	Employment Accessibility Equality
	Talent attraction and retention		401: Employment 404: Training and Education	Employment Work organisation Training
	Training and development		404: Training and Education	Training
	Health and Safety		402: Labour/Management Relations 403: Occupational Health and Safety 407: Freedom of Association and Collective Bargaining	Health and safety
Commitment to innovation	Boosting the digitalisation of society	Being a facilitator of social progress	413: Local Communities	Company's commitments to sustainable development

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

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

As a demonstration of its dedication to ESG transparency and accountability, the table below showcases the tracking of these KPIs and targets outlined across each dimension.

Notably, new objectives were incorporated into the ESG Master Plan following the mid-term review in 2023. A large part of the 2023 targets have been successfully achieved. Cellnex is also on the right track to meet short-term objectives. Cellnex has decided to move away from focusing on specific recruitment metrics to reflect its commitment to EDI. It believes that a holistic approach, including retention, talent development and organisational culture, is necessary to achieve a true EDI mindset. In this regard, the company has focused on career development, creating opportunities and internal promotion, reducing the gender pay gap, as well as fostering an inclusive workplace culture.

On the other hand, the level of engagement could be regarded as stable compared to previous years, but taking into account all the changes, this marks a significant success.

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

Follow-up of the ESG Master Plan

	Target year	Target	2023
Environmental [1]			
Growing with a long-term sustainable environmental approach			
Sourcing of renewable electricity (SBT) [2]	2025	100%	77%
Reduction of scope 1 and 2 GHG emissions and scope 3 GHG emissions from fuel and energy-related activities (SBT)	2030	(70%)	(83%)
Reduction of absolute scope 3 GHG emissions from purchased goods and services and capital goods (SBT)	2025	(21)%	(14%)
Reduction of the carbon footprint: scope 1, 2 and 3 (Carbon neutral) [3]	2035	Carbon neutral	(51%)
Net-zero (2050)	2050	(100)%	Work in progress
CDP: Minimum of 50% of the total invited suppliers each year from 2023	2025	50%	78%
Measure the 30% of Cellnex consumption by smart meter systems by 2025	2025	30%	31%
Deploy Global energy Platform for >70% of Cellnex consumption by 2025	2025	>70%	22%
% of Cellnex consumption to be ISO 50001 verified by 2025	2025	70%	22%
Integration of environmental standards within the purchasing management system	2025	100%	Work in progress
Social			
Boosting our talent, being diverse and inclusive			
Women in management positions [4]	2025	30%	30%
Hires of women [5]	2025	50%	—
Hires of young talent [5]	2025	30%	—
Appointments of international Directors at Cellnex HQ	2025	60%	80%
Appointments of international employees at Cellnex HQ	2025	40%	33%
Career advancement for women [4]	2025	40%	52%
Employee engagement Survey (ESS) - % Engagement	2025	≥70%	64%
EES - Overall Purpose dimension : % favorable scores	2023/2025	56-64% / ≥70%	61%
ESS - ≥60% Favorable wellbeing scores in all BUs or improve by 5 %	2023	≥60% / >5%	57% / +5%
Inclusive leadership positive scores on the employee pulse survey	2025	≥75% / ≥80%	78%
Being a facilitator of social progress			
% of the global headcount in all countries to participate in volunteering activities	2025	5%	7%
Extending our commitment to the value chain			
Critical suppliers homologated considering ESG criteria	from 2023	100%	95%
critical suppliers that have not complied with minimum ESG evaluation criteria, audited	2025	80%	Work in progress
Evaluation of critical/significant suppliers through CDP & Ecovadis	from 2023	100%	95%
Suppliers supported in corrective action plan implementation	2025	80%	Work in progress
Ensuring the awareness of our responsible way of doing			

Cellnex Group employees attending the ESG annual training	2023	80%	69%
Governance			
Showing what we are, acting with integrity			
Women directors	2025	40%	54%
Non-executive directors	2025	90%	92%
Independent directors	2025	60%	69%
Directors with ESG capabilities and expertise	2025	75%	100%
Nationalities in the BoD	2025	≥5	7
80% of Cellnex Group and 100% of Executive Committee and Directors receiving compliance training	2024	80/100%	Work in progress

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

(2) Electricity target (Scope 2) refer to the energy directly managed by Cellnex. Data calculated according to SBT and GHG Protocol methodology applied to the financial perimeter.

(3) By 2035 Cellnex will offset the residual emissions that could not be reduced with the aim of being carbon neutral by 2035 and net-zero by 2050.

(4) According to FY20 perimeter, companies acquired due to M&A will be included after 3 years of its intake.

(5) Cellnex has decided to move away from focusing on specific procurement metrics to reflect its commitment to EDI, as specified in the chapter 1.3.1 Sustainability Strategy.

99%
progress in action planning

90%
progress in action implementation

Strategic priority	Number of strategic lines rolled out in 2023	Planning status	Implementation status
Showing what we are, acting with integrity	3	95%	91%
Boosting our talent, being diverse and inclusive	4	100%	92%
Being a facilitator of social progress	2	100%	95%
Growing with a long-term sustainable environmental approach	8	100%	81%
Extending our commitment to the value chain	2	100%	93%
Ensuring awareness of our responsible way of behaving	2	100%	86%

Cellnex is **deeply committed** and focused in the achievement of its selected **SDGs**

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

The **Sustainable Development Goals** (SDGs) were defined as part of the United Nations 2030 Agenda for Sustainable Development to provide an opportunity for countries and their citizens to embark on a new path to improve the lives of people everywhere, leaving no one behind.

Cellnex is deeply committed to advancing the objectives with an active focus on contributing towards achieving the SDGs.

In 2020 Cellnex carried out a study to identify which SDGs the Company made the greatest contribution to, based on its activity. The initial identification of the SDGs, as well as the materiality study conducted in 2020, served as the starting point to prepare Cellnex's ESG Master Plan 2021-2025. These SDGs were redefined in 2023.

To identify these key SDGs, a variety of information (economic, social, environmental, etc.) was gathered from the countries where Cellnex operated at that point. Financial modelling was used to determine the significance of each SDG and its respective targets.

Following the analysis, three categories of SDGs were identified based on their importance for Cellnex:

- Business-related: SDGs 8, 9, 11 and 17.
- Related to top material topics: SDGs 5, 7, 12 and 13.
- Related to medium material topics: SDGs 3 and 10.

The ESG Master Plan was formulated to aid Cellnex in undertaking initiatives to enhance the Company's impact on the SDGs over a five-year period. Correspondingly, the plan establishes a correlation between its strategies and the specific SDGs and the targets that they address.

Action line	SDG	SDGs targets
Showing what we are, acting with integrity	Promote inclusive and sustainable economic growth, employment and decent work for all	8.3
	Reduce inequality within and among countries	10.2 10.3
	Take urgent action to combat climate change and its impacts	13.1 13.2
Boosting our talent, being diverse and inclusive	Ensure healthy lives and promote well-being for all at all ages	3.8
	Achieve gender equality and empower all women and girls	5.5
	Promote inclusive and sustainable economic growth, employment and decent work for all	8.3
	Reduce inequality within and among countries	10.2 10.3
Being a facilitator of social progress	Build resilient infrastructure, promote sustainable industrialization and foster innovation	9.1
	Reduce inequality within and among countries	10.2 10.3
	Make cities and human settlements inclusive, safe, resilient and sustainable	11.3
Growing with a long-term sustainable environmental approach	Ensure access to affordable, reliable, sustainable and modern energy for all	7.b
	Ensure sustainable consumption and production patterns	12.7
	Take urgent action to combat climate change and its impacts	13.1 13.2
Extending our commitment to the value chain	Promote inclusive and sustainable economic growth, employment and decent work for all	8.3
	Build resilient infrastructure, promote sustainable industrialization and foster innovation	9.1
	Ensure sustainable consumption and production patterns	12.7
	Take urgent action to combat climate change and its impacts	13.1 13.2
Ensuring awareness of our responsible way of behaving	Build resilient infrastructure, promote sustainable industrialization and foster innovation	9.1
	Make cities and human settlements inclusive, safe, resilient and sustainable	11.3
	Revitalize the global partnership for sustainable development finance	All

The actions carried out in 2023 that contributed to the main Sustainable Development Goals are presented below.

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

WE SUPPORT
UN GLOBAL COMPACT

Cellnex's main contribution to the SDGs in 2023

SDGs of high importance for the Cellnex group

5 GENDER EQUALITY

- Cellnex Equity, Diversity and Inclusion Plan
- Participation of Cellnex in the UN Target Gender Equity Programme
- Support from Cellnex to the Women's Acceleration Development Programme
- Boosting the Cellnex Equity, Diversity and Inclusion Community

7 AFFORDABLE AND CLEAN ENERGY

- Company activities are carried out using renewable energies.
- Cellnex's value creation model, based on the ESG Policy, is delivered through its 2021-2025 ESG Master Plan, which lays out the roadmap and action plan.
- Promotion and implementation of successful sustainable finance.

8 DECENT WORK AND ECONOMIC GROWTH

- Study of Cellnex's socioeconomic contribution
- Company commitments reflected in several policies and documents such as Due Diligence in Human Rights, ESG Policy, Health and Safety Policy, Code of Ethics Equity, Diversity and Inclusion Policy and Code of Conduct for suppliers.
- Boosting "ESG essentials" programme training course, launched for all employees. This online programme includes the basics to understand sustainability and how it is integrated into the Cellnex Strategy.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Promotion of projects related to exploring the impacts that existing and future technologies would have on the company's business.
- Projects closely related to mobility connections and intelligent infrastructures, such as highways, railway tracks and ports.
- Managing public health and emergencies using 5G.
- The third edition of the Cellnex Bridge programme was launched, focusing on accelerating social impact startups.

11 SUSTAINABLE CITIES AND COMMUNITIES

- Measures have been established to prevent, monitor and minimise negative consequences on cities and communities.
- Cellnex Ireland launched "Get Connected" on a pilot basis in 2021 as a way of identifying communities who need better coverage and who can come together to support the deployment of services in their area.
- Cellnex's brand, as a socially responsible company, generates a positive impact on local communities.
- Boosting the Youth Challenge, a Cellnex corporate volunteering initiative that strives to create a positive impact on vulnerable environments within local communities

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Cellnex promotes energy efficiency in processes and procedures.
- Cellnex supports the development of initiatives to reduce energy consumption at the Company's facilities.
- An Energy Transition Plan is being introduced. It has four pillars: Energy 4.0, Green Energy, Energy Efficiency and Self Generation,

13 CLIMATE ACTION

- Publication of the fourth annual Environment and Climate Change report in 2023.
- Publication on internal and external channels of a video to increase awareness and dissemination of Cellnex's environmental strategy and climate objectives.
- The climate action measures that were outlined have been successfully completed at a rate of 93%.

17 PARTNERSHIPS FOR THE GOALS

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

SDGs of medium importance

3 GOOD HEALTH AND WELL-BEING

- Cellnex ensures Health Surveillance through Occupational Medicine expertise.
- Ensures the formation and operation of Health and Safety committees.
- Employment a unified corporate system to efficiently handle incidents related to occupational safety and health.
- Cellnex obtained the WELL Certification in 2023 for its corporate headquarters in Barcelona (Spain) with the highest level of certification, PLATINUM.

10 REDUCED INEQUALITIES

- Cellnex Group's Equity, Diversity and Inclusion Programme.
- Promotion of the Corporate Volunteering Programme.
- Cellnex collaborates with small organisations through the Foundation and finance projects that align with its mission.

Stakeholders

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

Cellnex has identified seven stakeholders that are a priority for the Company: Suppliers, Media, Public Administration and Associations, Customers, Investors and Shareholders, Employees, and Society and Local Community. Cellnex has established specific communication tools with each stakeholder to foster engagement. Additionally, Cellnex also has common channels that it uses to communicate with all stakeholders, such as Cellnex's website, press releases, etc.

Furthermore, Cellnex deepens its commitment to each of the identified stakeholders by taking them into account during the development of its ESG Master Plan - each stakeholder is included in one or more strategic priorities within the Plan. Moreover, Cellnex consults each of its stakeholders when it updates its materiality analysis, making it possible to obtain their feedback on issues that they identify as relevant for Cellnex, in addition to expressing their expectations and needs.

Cellnex's stakeholder commitment and relationship map is shown bellow:

<table>
<tr><th rowspan="2">Stakeholders</th><th colspan="2">Communication tools and relationship with Stakeholders</th><th rowspan="2">Cellnex commitments</th><th rowspan="2">ESG Master Plan Strategic priority</th><th rowspan="2">SDG</th></tr>
<tr><th>Common</th><th>Specific</th></tr>
<tr><td>Suppliers

Group of companies, regardless of their size, that supply goods and/or provide services to Cellnex</td><td rowspan="4">ESG Committee

Nominations, Remunerations and Sustainability Committee (NRSC)

Ethical channel

Integrated Annual Report

Materiality Analysis

Corporate website

Social networks

Cellnex Trends

Newsletter</td><td>Ariba Tool (Supplier portal)

Supplier Code of Conduct

Ecovadis (Supplier evaluation)

CDP Supply chain

Confidential complaints channel</td><td>Creating long-term relationships with suppliers based on communication and transparency, seeking growth and continuous improvement.
Involving suppliers in Cellnex's corporate values and policies (for example, regarding human and labour rights protection, respect for the environment and the sustainable management of resources).</td><td>Extending our commitment to the value chain</td><td>8, 9, 12, 13, 17</td></tr>
<tr><td>Media

Channels and internal or external instruments to inform and communicate information regarding Cellnex. It includes press, communication, brand and advertising agencies, as well as Cellnex's website and social media.</td><td>Press releases

Online press room

Relationship with the media

Participation in forums and events</td><td>Ensuring the dissemination of truthful and transparent information on different platforms to ensure access to information by all interested parties.
Content creation through collaboration agreements with other entities.
Communication of regulated information through the National Securities and Markets Commission (CNMV).</td><td>Showing what we are, acting with integrity + Ensuring awareness of our responsible way of behaving</td><td>8, 9, 10, 11, 13, 17</td></tr>
<tr><td>Public administration and associations

Public entities that regulate Cellnex's activity. It includes European, national, regional and local administrations, regulators, industrial associations, technology platforms, universities and training centres.</td><td>Participation in associations

Interaction with Public Administrations

Collaboration agreements</td><td>Ensuring compliance with regulations applicable to Cellnex.
Contribution to the socio-economic development of the countries where Cellnex operates through collaborations to develop an inclusive and sustainable economy.
Building alliances for development and global well-being.</td><td>Showing what we are, acting with integrity + Being a facilitator of social progress</td><td>8, 9, 10, 11, 13, 17</td></tr>
<tr><td>Customers

Group of people, companies or entities, regardless of their size, that use Cellnex's services. Under Cellnex's business model, all clients are B2B.</td><td>Commercial network

Customer Service

Customer Engagement Survey

Connectivity days

Local, regional and international events and forums</td><td>Ensuring a good quality of service, personalised assistance, reliability and coverage to meet expectations and maintain trust and long-term collaboration.</td><td>Extending our commitment to the value chain</td><td>8, 9, 12, 13, 17</td></tr>
</table>

<table>
<tr><th rowspan="2">Stakeholders</th><th colspan="2">Communication tools and relationship with Stakeholders</th><th rowspan="2">Cellnex commitments</th><th rowspan="2">ESG Master Plan Strategic priority</th><th rowspan="2">SDG</th></tr>
<tr><th>Common</th><th>Specific</th></tr>
<tr><td>Investors and shareholders

Person or entity that owns Cellnex shares and/or makes an investment in the Company.</td><td rowspan="3">Nominations, Remunerations and Sustainability Committee (NRSC)

ESG Committee

Country ESG leaders

Ethical channel

Integrated Annual Report

Materiality Analysis

Corporate website

Social networks

Cellnex Trends

Newsletter</td><td>General Shareholder Meeting

Quarterly and annual results reports

Sustainability ratings

ESG KPIs

Investor relations (calls, meetings, roadshows, etc.)</td><td>Commitment to transparency and traceability of financial and non-financial metrics.
Maintaining the confidence of investors and shareholders by creating long-term value.</td><td>Showing what we are, acting with integrity + Ensuring awareness of our responsible way of behaving</td><td>8, 9, 10, 11, 13, 17</td></tr>
<tr><td>Employees

Professionals, regardless of their seniority, who work in each of the countries where Cellnex operates.</td><td>Intranet

Pulse survey

Holistic Performance Management

Training

Internal communications

Volunteer programme</td><td>Fulfilment of employee expectations through active listening, engagement and development of a corporate culture.

Ensuring respect for labour rights and freedom of collective association.
Promoting empowerment and management of professional development. All this taking into account the commitment to Equity, Diversity and Inclusion.</td><td>Boosting our talent, being diverse and inclusive</td><td>3, 5, 8, 10, 17</td></tr>
<tr><td>Society and local community

Group of people and entities that are part of the environment in which Cellnex operates and therefore receive its benefits and impacts.</td><td>Cellnex Foundation

Conferences, events and forums

Cooperation with NGOs and local entities

Participation in collaboration and sponsorship projects</td><td>Contribution to a better connected and socially-inclusive environment by reducing the digital, social and territorial GAP.
Generating social impact and boosting the economy, facilitating sustainable and respectful relationships with the environment.</td><td>Being a facilitator of social progress + Growing with a long-term sustainable environmental approach</td><td>7, 9, 10, 11, 12, 13, 17</td></tr>
</table>

Partnerships

Establishing partnerships with stakeholders enables Cellnex to fulfil its commitments to them and enhance its performance on ESG matters. Consequently, Cellnex engages actively in numerous organisations and associations across the countries where it operates. These collaborations serve to promote Cellnex's operations and business activities while establishing its position within the sector.

Associations	
ADEA	DigitalES
AEC	DIRCOM
AED | Asociación Española Directivos	DVB PROJECT OFFICE
AEMES SMART (AEBALL)	EBU/UER
APD	EIF
AS EMISORES ESPAÑOLES	ETSI
ASOCIACION AUDITORES INTERNOS	EWIA
BROADCAST NETWORK UE · BNE	FENITEL
CAMARA COMERCIO ESP	FOMENT
CAMARA COMERCIO ITALIANA	FORETICA
CIRCULO ECUESTRE	GSMA
CCI FRANCE	HBBTV COSORTIUM
CCIES	I2CAT
CCIS | Cámara de Comercio Italiana	LECE
CEDRO | Asociación derechos reprograficos	SMALL CELL FORUM
CIAC	TELECOM INFRA PROJECT
CLUSTER CCAC (CLUSTER AUDIVISUAL DE CATALUNYA)	TETRAMOU | TCCA
UHD Spain	UIT

Forums, events, and participation in working groups

Staying current with industry news and trends while sharing expertise and knowledge is vital for Cellnex to maintain its position as a leader in the European telecommunications sector. This commitment is behind Cellnex's membership of various foundations, active participation in forums and collaborations with universities and educational institutions.

Foundations		
EURECAT	Fundación Circulo de Tecnologías para la Defensa y la Seguridad	Banco Alimentos Portugal
i2CAT		Cruz Vermelha portuguesa
Fundación Seres	Nuestros pequeños hermanos	Banco alimentar contra a fam
Fundación Circulo de Telecomunicaciones (Roberto Prieto)	Refugees UK	Fundación Gran Teatre del Liceu
Het Oranje Fonds	Ajuda de Mãe - Escola de mães	Fundación Seres
Fundació BEST	Reading Family Aid Group	Cork Penny Dinners
	Coatbridge Community Foodbank	Cancer fund for children Ireland
Fundación CEDE	Sodalitas	Make a wish
Fundación Festival de Peralada	Emmeline's Pantry	Fundación Privada Cercle d'Infraestructures
	ViaData - against Cancer	Fundació La Marató
Community Foundation Ireland	Age UK	Fundación Privada Caja de Ingenieros
Fundación Pere Tarrés	Emmaus	

Universities and Educational Institutions		
Escola de Noves Tecnologies Interactives – Universitat de Barcelona	ESADE becas alumnos	IESE
BGSE - Escola Superior d'Economia de Barcelona	Bristol University	Cardiff University
Universidad de Granada	Universidad Politécnica de Madrid	Universidad Politécnica de Barcelona
HRC International Academy Srl	EADA	

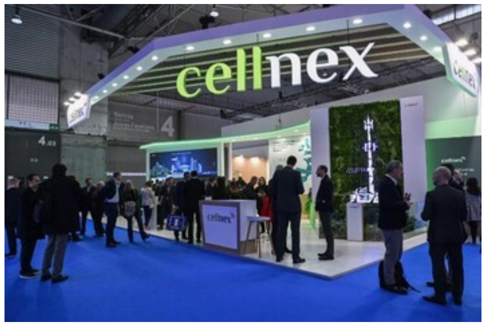
Participation in events in 2023

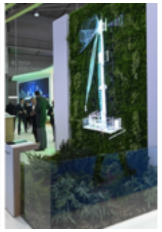
Cellnex Corporation

Cellnex took part in the 2023 **Mobile World Congress,** one of the major industry events. It presented its "Augmented Towerco" industrial model, which extends to sharing active equipment (RAN sharing) and assets adjacent to the tower.

Cellnex also presented specific instances demonstrating the implementation of neutral and shared infrastructures, alongside adjacent assets, to provide connectivity solutions to its clients. This collective effort is focused on advancing towards digitalisation and the gigabit society.

All this is centred on sustainability, made possible by the efficiency of the infrastructure sharing model and an emphasis on developing environmentally friendly sites. This is further achieved through an increasing reliance on renewable energy sources.





TowerXchange Cellnex, together with other key players in the tower industry, had the opportunity to discuss market opportunities, the changing dynamics of the infrastructure landscape and communication of Cellnex's strategic vision at the 2023 'ToweXChange Meetup Europe' event held in London.

Cellnex Denmark

Cellnex Denmark, represented by the Managing Director and the Head of Commercial, participated in the Copenhagen business summit between Spain and Denmark in November, organised by the Spanish Chamber of Commerce, with the participation of his Majesty the King of Spain and his Majesty the Crown Prince of Denmark.

Cellnex France

In October 2023, Cellnex France took part in the Union Sociale pour l'Habitat congress in Nantes, for the fourth consecutive year. The HLM Congress is an annual event that brings together decision-makers from low-income housing organisations to discuss the main directions and priorities for the social housing sector. This was an opportunity to speak with major landlords, customers, partners and political representatives.

Cellnex Italy

In 2023, Cellnex Italy actively engaged in several noteworthy events, showcasing its commitment to sustainability, innovation and stakeholder engagement:

The engagement in the 5G GAIL project was comprehensive, starting with consultations in Udine and Amaro on 22-23 March 2023, bringing together local communities directly affected by the projects. The final event, a high-profile gathering on 11 July 2023 in Udine, convened a diverse array of stakeholders, including the European Commission, local authorities, vendors and mobile network operators (MNOs). Subsequently, a Workshop in Brussels on 10 October 2023 facilitated the presentation and dissemination of study results, strategically aligned with the workshop's overarching objectives.

A pinnacle achievement for Cellnex Italy was receiving the CEO for LIFE Award on 25 October 2023. This prestigious recognition celebrated the company's sustainable and innovative solutions, notably spotlighting TEZE — an advanced real-time monitoring system for mobile networks, specifically designed to ensure the operational status of emergency call services inside road and motorway tunnels.

Further contributing to the sustainability discourse, Cellnex Italy showcased its exemplary stakeholder engagement practices at the Salone della CSR e dell'innovazione sociale held at Bocconi University in Milan on 4 October 2023. This event, a cornerstone in Italy focused on sustainability, provided a platform to highlight Cellnex Italy's commitment to responsible business practices.

Lastly, on 9 November 2023, Cellnex Italy participated actively alongside Accredia and DNV under the banner of #ESG - Talking about the G Factor. This collaborative effort aimed to share insights into the company's sustainability governance model, contributing valuable perspectives to the discussion on the measurability of Governance with the EASI Model.

In summary, Cellnex Italy's multifaceted engagements underscore its strategic alignment with key industry themes and its unwavering commitment to sustainability, innovation, and meaningful stakeholder connections.

Cellnex Netherlands

Cellnex Netherlands, on top of being represented at the Cellnex Telecom stand during the MWC23, also joined the Dutch Pavilion agenda to further connect with the Dutch Telecom ecosystem during the event. The Dutch Ambassador in Spain, Mr. Roel Nieuwenkamp, visited the stand.

The Dutch event Telecom Insights 2023 discussed the topic of "Next Generation Connectivity". Nuno Carvalhosa (recently appointed as Managing Director) was accompanied during the event by Tom Buskens (Commercial Director) and Yvette Meijer (Operations Director).

Additionally, the International Broadcasting Convention took place at RAI Amsterdam on 15-18 September. The Broadcasting division of Cellnex Netherlands were present with a stand sharing their portfolio of solutions.

Cellnex Netherlands was also invited by the Spanish Commercial Office in the Netherlands and ICEX to participate in the One Conference event that took place in The Hague on 3 and 4 October. The gathering, organised by the National Cyber Security Centre, the Ministry of Economic Affairs and Climate Policy, and The Hague Municipal Authority, is Europe’s prime cybersecurity event.

Finally, CloudFest is the world's top internet infrastructure event, connecting the global cloud computing industry.

Cellnex Poland

Cellnex Poland representatives participated in the two biggest public affairs events in Poland – the European Economic Congress in Katowice and the Economic Forum in Karpacz.

At the first event, the largest business conference in Central Europe, the President of the Board of Cellnex Poland talked about the benefits of sharing infrastructure which could be a response to the challenges in telecommunications. At the Karpacz Forum, Cellnex representatives participated in numerous conversations on sharing telecommunications infrastructure and securing connectivity in white spots.

In 2023, Cellnex Poland also published a report on connectivity in transportation, together with TOR Consultants think tank. After several months of a public affairs campaign, entailing meetings with the most important railway and roads infrastructure management stakeholders and interviews in the press, the main railway operator announced the tender procedure for the passive infrastructure suppliers that could help create GSM-R system. This event will be a first step towards securing seamless connectivity in railway in Poland.

Cellnex Portugal

Nuno Carvalhosa was interviewed in Jornal de Negócios by the journalist Silvia Abreu on 11 January, where he had the opportunity to discuss the results of operations and future perspectives for Cellnex:

“(…)In the coming 2 years, we will be focused on consolidating the very strong growth trajectory we have been on. All this has been achieved based on very committed customers, a great team and a group of highly professional and effective business partners.”

Additionally, the Managing Director of Cellnex Portugal at the time, Nuno Carvalhosa, participated in a panel on ESG topics, Negócios Sustentabilidade 2023, discussing the effects of the energy crisis on Cellnex's activity, how climate change is affecting Cellnex’s infrastructures in Portugal and Cellnex’s evaluation of mobile coverage in Portugal. Once again, he had the opportunity to present the benefits of Cellnex's pro-competitive and neutral model, based on maximising access and sharing its infrastructure, with the aim of boosting the climate transition.

Under the motto “Disruptions: The Great Digital Tech (R)Evolutions”, Nuno Carvalhosa also had the pleasure of being part of a panel focusing on telecommunication infrastructures, moderated by Carolina Freitas. In his intervention, Nuno Carvalhosa had the opportunity to discuss the challenges and opportunities for the infrastructure sector in the context of the very fast 5G adoption in Portugal and Cellnex's ambitious ESG agenda, and to demonstrate the benefits of Cellnex’s pro-competitive model, based on its wholesale, neutral and independent positioning.

Furthermore, the Managing Director of Cellnex Portugal, João Osório Mora, gave an interview for the APDC's magazine “Comunicações”, underlining the contribution of telecommunications infrastructure operators to support the development of 5G in Portugal.

In this article, he highlighted the rapid pace of adapting towers to provide them with 5G technology and meeting the implementation deadlines, all supported by the key contribution of the fantastic Cellnex team and professional Service Providers.

João Osório Mora also participated in Jornal Económico's 2023 "Who's Who in ICT in Portugal" yearbook, with a brief analysis of the ICT sector's prospects for the coming year, highlighting 5G, Artificial Intelligence, cybersecurity and the ESG area as unavoidable trends in the national technological landscape.

In this context, it is important to note Cellnex's commitment to adapt its current infrastructures and build new infrastructures to enhance the modernisation of operators' networks with 5G equipment, as well as its commitment to develop state-of-the-art technological solutions to provide security, resilience, traceability and privacy for information systems in different environments for Smart Cities, Industry 4.0 or critical infrastructures.

Additionally, the ESG 2021-2025 strategic plan shows a clear vision of the path Cellnex intends to take to transform the societies in which it operates, contributing through its wholesale, neutral and independent positioning to an increased level of economic rationality and environmental protection.

Cellnex Spain

In 2023, Cellnex Spain actively participated in key industry events, showcasing its commitment to innovation and collaboration. The following paragraphs are a snapshot of its most notable engagements:

Webinar Fan Experience:

Collaborating with its partner Synamedia, Cellnex Spain took part in a webinar focused on exploring the fan experience in stadiums. The Company presented its perspective, featuring a multi-camera solution and highlighting enhanced connectivity through DAS systems.

4K-HDR Summit in Malaga:

At the 4K-HDR Summit, held in Malaga, Cellnex provided insights into the broadcast innovation roadmap. This event served as a platform to update industry professionals on the latest developments in Ultra High Definition technology.

Telecom 5G Event:

The major players in the telecommunications sector gathered to reaffirm their strong commitment to 5G. This next-generation mobile connectivity is envisioned not only for urban areas but also for rural environments. With a focus on delivering the best possible service, these industry leaders came together to find common ground and enhance their services.

Telcom 2023 Fenitel:

At the invitation of the Spanish association of antenna installers, Fenitel, Cellnex took an active role in Telcom 2023. The Company's involvement included engaging in roundtable discussions and offering expertise on developments and challenges in the Spanish broadcast industry.

UHD Spain Demonstration:

Cellnex contributed to a UHD Spain demonstration showcasing the capabilities of 5G for UHD productions. This collaborative event, involving over 25 companies, tested the use of 5G across the entire signal workflow, from contributions through the 5G Stand Alone network to cloud production and distribution using 5G Broadcasting.

MWC Collaboration with COIT:

Cellnex inked a new agreement with COIT (College of Telecommunications Engineers), formally solidifying their collaboration. This partnership involves project approvals, technical training and sponsorships for national events such as the Engineer of the Year Award and Pioneers Award, along with regional events like the Telecommunications Nights across Spain.

These engagements underscore Cellnex Spain's dedication to industry leadership, technological advancements and fostering meaningful partnerships within the telecommunications landscape.

> *"By contributing to the Fulltäckning project, Cellnex has supported the deployment of mobile services into rural and commercially challenging areas. Our model of providing cost efficient infrastructure will help providing connectivity to parts of the country that otherwise would be at risk of not having this service"*
>
> **Staffan Lindback**
> **Country Manager Director - Cellnex Sweden**

Cellnex Sweden

Cellnex Sweden, in line with the company's goals, has engaged in an active dialogue with telecom authorities and other players in the sector to create better conditions for providers of infrastructure and mobile services. The company has participated in the #Fulltäckning project, with the purpose of establishing a model for deploying mobile services in rural areas. Cellnex Sweden has also participated in forums sponsored by the telecom authorities to enhance 5G deployment in Sweden.

Cellnex Switzerland

In the dynamic landscape of 2023, Cellnex Switzerland played a pivotal role as a partner in three prominent Swiss Telecommunications Association (asut) events, contributing its expertise to discussions that delved into the future of technology and connectivity.

The journey began at the IoT Conference, themed "IoT - Gamechanger for a sustainable Switzerland," where Cellnex Switzerland shared insights into the transformative potential of IoT in shaping a sustainable future.

Next on the agenda was the Swiss Telecommunication Summit, centred around the theme of "Resilience in a connected world." At this event, Cellnex Switzerland actively engaged in discussions and deliberations on bolstering resilience in an increasingly interconnected global landscape.

The culmination of these impactful participations took place at the DACH Mobility Conference, specifically the asut Colloquium/ Symposium ASTRA, its-ch, and TCS, with the topic "Networks in Mobility - How does connectivity work?" Here, Cellnex Switzerland brought its valuable perspectives to the forefront, contributing to the discourse on the intricate workings of connectivity in the realm of mobility.

In summary, Cellnex Switzerland's involvement in these asut events exemplifies its commitment to driving conversations and innovations that are integral to the evolving landscape of technology and connectivity in Switzerland and beyond.

Cellnex United Kingdom

Cellnex UK attended multiple events in 2023, including the key industry events TowerXChange, MWC and Connected Britain. The Commercial teams attended trade events for target customer industries such as PropTech connect, at which Colin Eddison from In-Building team hosted multiple sessions.

Cellnex UK also supported the Private Networks pipeline with the 'Edge on Wheels' campaign - a private network in a van that travelled to several target-industry events providing an interactive demonstration of the capabilities of private networks.

Awards and recognitions in 2023

COITT 2023 Awards

In February 2023, Cellnex was awarded the COITT 2023 Awards for Business Development and Initiative.

Best Corporate in Investor Relations in the Telecommunication Sector

Cellnex was recognised as the "Best Corporate in Investor Relations in the Telecommunication Sector" by Institutional Investor, a leading international business-to-business publisher in finance. Juanjo Gaitán, Global Investor Relations Director, received the award in person. The company excelled in additional categories, including Best Investor Relations Professional and Top Investor Relations Team. This accomplishment reflects Cellnex's commitment to values, entrepreneurship and active stakeholder engagement, making it a sector-wide reference.

CSR Leaves in Poland

Cellnex Poland achieved recognition in the Polish ESG ranking, "CSR Leaves," organised by POLITYKA weekly magazine, Deloitte, and the Responsible Business Forum. The initiative highlights companies leading in sustainable development in the country. Cellnex Poland was honoured with the White Leaf, based on evaluations derived from a survey aligned with ISO 26000, ESRS standards and current ESG trends. Notably, for the second consecutive year, Cellnex Poland was among the 19 companies awarded the Green Leaf for outstanding efforts toward climate neutrality.

GSMA Foundry Excellence Award 2023

The 5G Catalonia project, led by Cellnex and the MASMOVIL Group, received the GSMA Foundry Excellence Award 2023 at the Mobile World Congress. Launched in 2020, the project has successfully executed seven use cases showcasing the practicality of 5G technology. These cases span various domains, including urban mobility, education, remote shopping, industrial applications, audiovisual transmission, urban security, emergency management and connectivity in high-occupancy seasonal areas like coastal beaches. The project's overarching goal is to develop innovative 5G solutions in education, industry and mobility for the benefit of the community, public administrations, and the private sector. This prestigious award recognizes the project's major contributions to advancing technological solutions for societal and business applications.

Oracle Spain Planning Award

Cellnex Telecom received the Oracle Spain Planning Award on 3 October for its dynamic financial model aligned with the company's growth. The project, led by FP&A Director Mercè Castells Porta, seamlessly integrates reporting, planning and data consolidation across 12 European countries using Oracle Enterprise Performance Management (EPM). Ramon Macia, Global Head of Finance, accepted the award, emphasising the project's progress since 2017 and its success in overcoming complex challenges. This recognition underscores Cellnex's leadership in developing adaptive financial models for a growing multinational organisation.

2 GOVERNANCE

Showing what we are, acting with integrity

2023 main actions and KPIs

Several corporate policies were approved or updated in 2023: Procurement, Conflict of Interest, Gifts and Hospitality, Environment and Climate Change and Directors' Remuneration

The Business Continuity Framework was fully defined in 2023, along with the analysis, design, and implementation phases

The amendment of the Directors' Remuneration Policy was approved during the 2023 Annual General Shareholders' Meeting

In 2023, Cellnex consistently improved its overall score in the sustainability ratings, thus reaching all-time highs

Other internal regulations were amended: Supplier Code of Conduct and the Code of Ethics

The Global Integrated Management System and Information Security Management System were consolidated in 2023, maintaining the geographical scope and expanding by three companies

Two innovative policies were revised to enhance the ethical framework of Cellnex's body of law: the Disciplinary System and the Function of Criminal Responsibility

In 2023, Cellnex deployed the initiatives set out in the Global Security Master Plan for Cybersecurity and Physical Security, which identified the main security risks for the period 2022-25

Information security awareness-raising and training campaigns for all employees

- 6.4% of new organic PoPs vs. 2022, following strong growth in placements from new deployments and RAN sharing agreements, and construction of sites
- 69% independent Directors, 54% female Directors and 7 nationalities represented
- 100% of the Board of Directors with ESG capabilities and/or expertise
- 29 meetings of the Board of Directors, with an attendance of 93.08%
- 4 main ways of accessing the Whistleblowing Channel
- 100% of Business Units certified with ISO 14064 (Carbon Footprint)
- 4 awareness campaigns using "Phishing" simulations
- Cellnex has been included in 2023 in the DJSI Europe
- In 2023, S&P Global includes Cellnex for the first time in the "Sustainability Yearbook 2023" and in 2024 it remains in the "Sustainability Yearbook Member 2024"

Follow-up on the ESG Master Plan targets

	Target year	Target		2023
Women directors	**2025**	**40%**	↑	**54%**
Non-executive directors	**2025**	**90%**	↑	**92%**
Independent directors	**2025**	**60%**	↑	**69%**
Directors with ESG capabilities and expertise	**2025**	**75%**	↑	**100%**
Nationalities in the BoD	**2025**	**≥5**	↑	**7**
80% of Cellnex Group and 100% of Executive Committee and Directors receiving compliance training	**2024**	**80% / 100%**		**Work in progress**

Next steps for the upcoming years

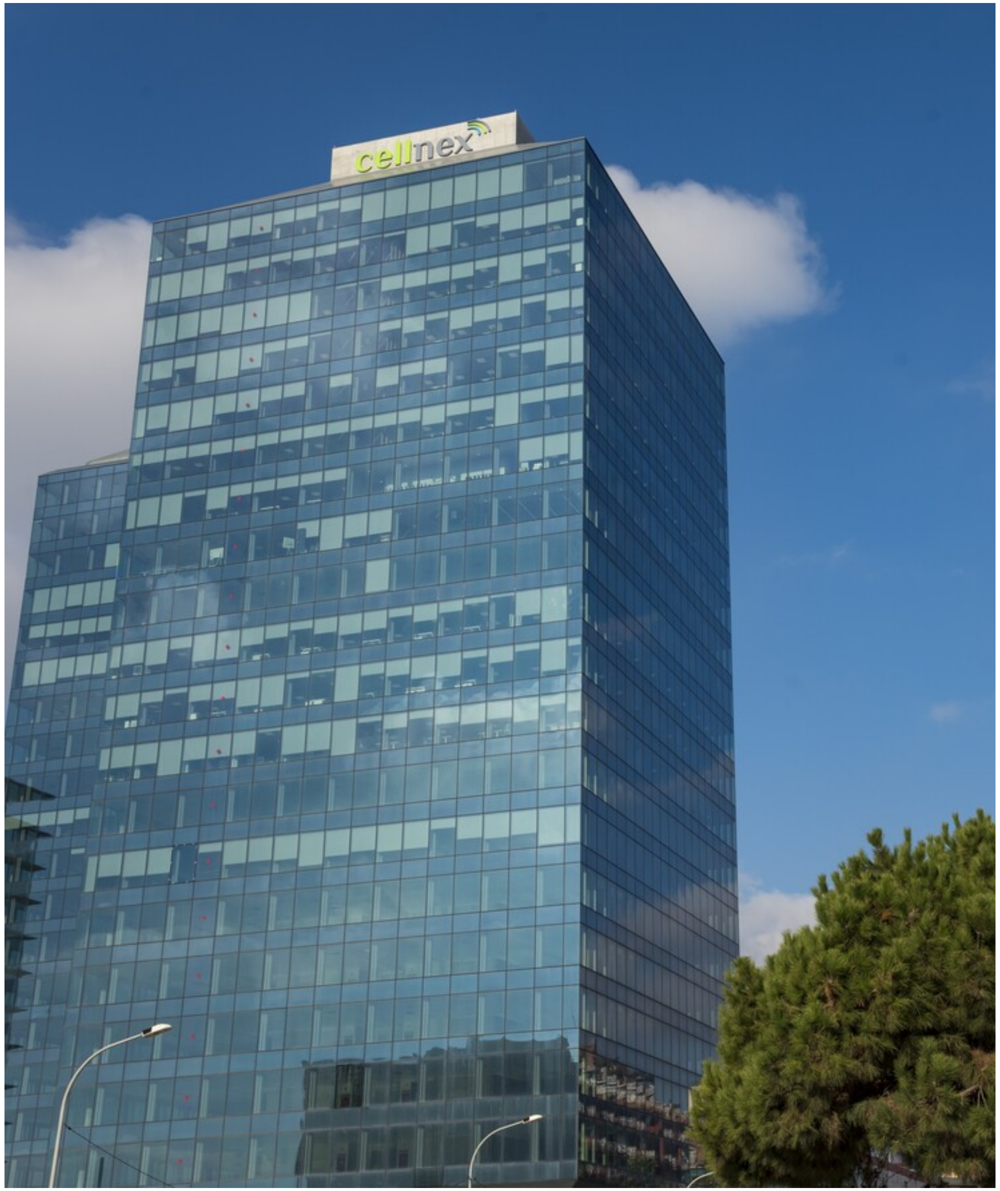
Continue carrying out awareness campaigns regarding any updates related to ethics and compliance

Adapting the reporting model to the new CDRS & EFRAG standards

Implement a Business Continuity Model at a global level, including all business units and countries of the company

Adapt and update the Information Security Management System framework to the new ISO 27001:2022 and ISO 27002:2022 standards.

2.1 Corporate Governance



In today's dynamic business landscape, the concept of corporate governance is the bedrock upon which organisations build their ethical and operational foundations. The firm commitment to conducting business under the banner of efficient and transparent corporate governance has become a clarion call for organisations seeking not just success, but also sustainability and long-term growth.

Cellnex's robust corporate governance framework not only safeguards the interests of stakeholders but also fosters a culture of integrity, responsibility, and excellence. Cellnex works to implement and consolidate best corporate governance practices, as set out in the Good Governance Code for listed companies, approved by the Spanish Securities Market Commission in February 2015 and revised in June 2020.

The Board of Directors' actions, in line with the Company's legal and statutory obligations and guided by its internal regulations, prioritise the company's well-being and mission. They also operate within the boundaries of the law and uphold explicit and implicit agreements with employees, suppliers, financiers, and customers in good faith. Additionally, they adhere to the ethical responsibilities expected of a responsible business entity and follow a revised Procurement Policy to enhance transparency in understanding value chain processes. In this regard, the Board of Directors is responsible for managing and representing the Company as set out by the terms of the Spanish Companies Law.

Cellnex has been working on incorporating the principles of the Good Governance Code of the Spanish Securities Market Commission (CNMV, from the Spanish abbreviation). This Good Governance Code comprises a number of recommendations designed to achieve multiple objectives, including fostering the effective operation of governing and administrative bodies within Spanish companies, enhancing competitiveness, instilling confidence and transparency for shareholders and both domestic and international investors, strengthening internal controls and corporate responsibility in Spanish companies, and ensuring a meticulous separation of functions, duties, and responsibilities within companies, all while upholding the highest standards of professionalism and rigour.

The amendment of the Directors' Remuneration Policy was approved by the 2023 Annual General Shareholders' Meeting

Progress made in 2023

Corporate policies

The following corporate policies were approved or updated in 2023:

- **Procurement Policy**; amended on 26 January 2023.
- **Code of Ethics**, approved on 26 January 2023.
- **Conflict of Interest Policy**; approved on 26 January 2023.
- **Gifts and Hospitality Policy**; approved on 26 January 2023.
- **Environment and Climate Change Policy**, amended on 31 May 2023.
- **Directors' Remuneration Policy**, amended on 1 June 2023.

The **policies** can be found on Cellnex's corporate website.

The Board of Directors of Cellnex Telecom, S.A., at its meeting held on 26 April 2023, approved the Nominations, Remunerations and Sustainability Committee's proposal to submit an amendment of the Directors' Remuneration Policy for financial years 2022, 2023, 2024, and 2025 to a binding vote during the 2023 Annual General Shareholders' Meeting, in accordance with the provisions of the restated text of the Spanish Companies Law (Ley de Sociedades de Capital) approved by Royal Legislative Decree 1/2010 of 2 July 2010, and as amended by Law 5/2021 of 12 April 2021 regarding the encouragement of long-term shareholder involvement in listed companies.

The amendment of the Directors' Remuneration Policy, approved during the 2023 Annual General Shareholders' Meeting, stems from the outcome of the voting on the resolution to approve the Directors' Remuneration Policy at the 2022 General Shareholders' Meeting, where there was a significant level of dissent. The Nominations, Remunerations and Sustainability Committee conducted specific consultations with the main proxy advisors and institutional shareholders who had voted against, to look more closely into the reasons for the dissenting vote. On the basis of the opinions and recommendations received, the main causes were identified and possible alternatives were analysed to (i) improve the degree of alignment of the CEO's long-term incentive with the expectations of the institutional investors, while maintaining the original principles and goals on which it was designed, and (ii) especially to promote the creation of value for the shareholders, which is one of Cellnex's strategic priorities. Consequently, the main changes were:

1. To modify the total shareholder return multiplier applicable to the CEO's long-term incentives;
2. To make other minor adjustments to remove (from the original wording) references to the financial year 2022;
3. To modify certain executive director's remuneration conditions described in the Directors' Remuneration Policy (including, among others, the maximum fixed remuneration, severance payments and exceptional incentives to attract talent); and
4. To increase the annual maximum amount for all directors in their capacity as such.

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

Detailed information is contained in the **Annual Report on Remuneration of Directors (Annex 8.10)**.

Other internal regulations amended

The list of other internal regulations amended in 2023 is as follows:

- **Supplier Code of Conduct**, approved on 26 January 2023.
- **Function of Criminal Responsibility**, approved on 27 July 2023.
- **Disciplinary System**, approved on 27 July 2023.

Moreover, the Board of Directors of Cellnex Telecom, S.A., at a meeting held on 27 July 2023, approved the amendment to the Board of Directors' Regulations. The purpose of this amendment was:

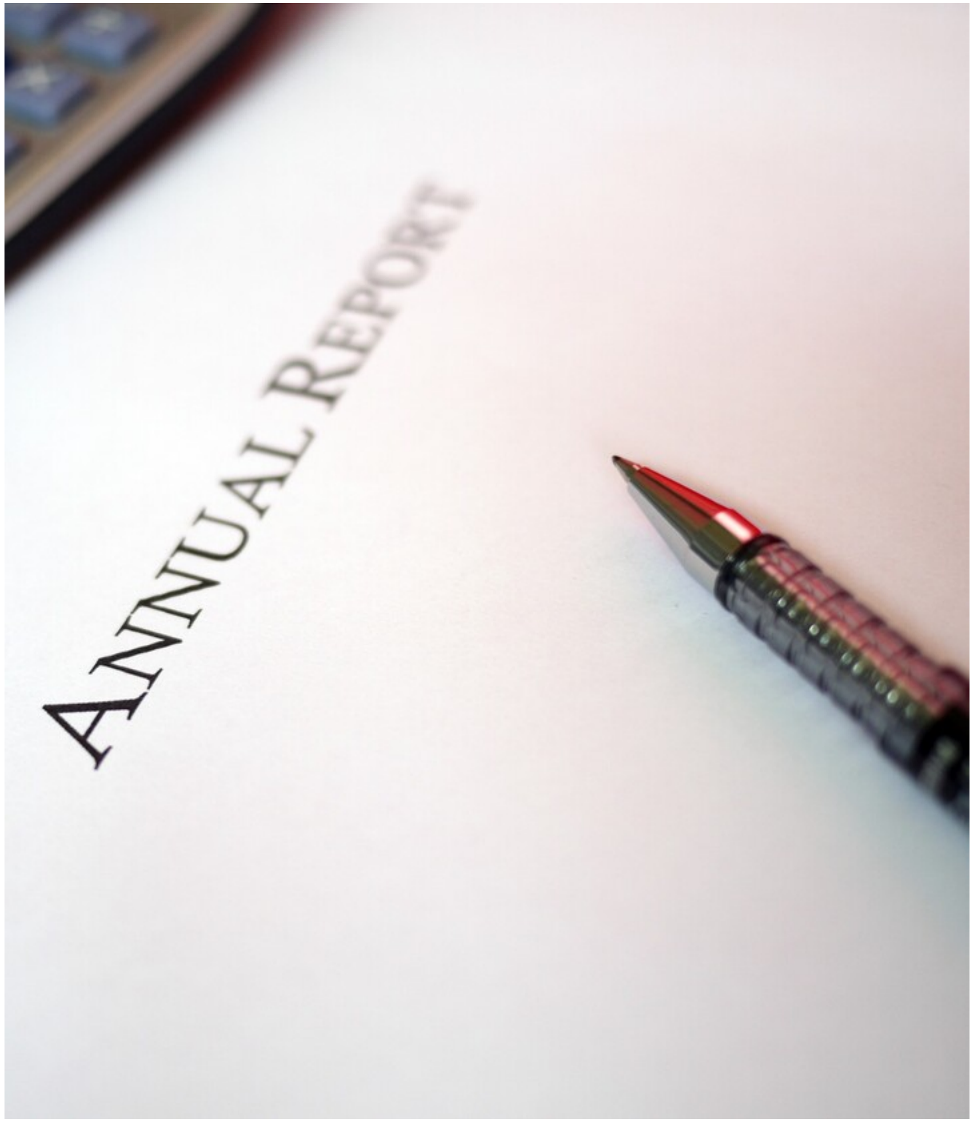
1. To redesign the functioning of the Board of Directors by creating the new Capital Allocation Committee and to adapt specific competencies and other matters relating to the functioning of the Board of Directors and its Committees; and
2. To take the opportunity to adapt the wording, without introducing any significant changes, and to unify the terminology used in the Board of Directors' Regulations. In addition, the proposed addition of an article to the Regulations of the Board of Directors made it necessary to renumber the subsequent articles.

Annual Corporate Governance Report

The 2023 Annual Corporate Governance Report has been prepared in free format to reinforce the Company's good governance practices in line with the highest IAGC standards, including CNMV Circular 3/2021, the Code of Good Governance of Listed Companies, and the European Commission Recommendation of 9 April 2014 on the quality of information presented in relation to corporate governance.

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

Detailed information is given in the **Annual Corporate Governance Report (Annex 8.11)**.



In 2024, the Board will keep its continuous training plan, which will mainly cover ESG, cybersecurity, operations and compliance issues, without prejudice to being able to expand this plan depending on Cellnex's needs throughout the year.

Training planning

During the 2022, the Board of Directors and Senior Management participated in an intensive training plan based on the development of the following skills: (i) Audit, finance and accounting; (ii) Cybersecurity; (iii) ESG; and (iv) Economic and financial.

In 2023, owing to the exceptional situation of the Company, the Board of Directors focused on overseeing the progress of Cellnex and the complex process of the succession of the CEO, with the consequent organisational changes. In addition, the Board of Directors has also ensured that the Company's new strategy is correctly implemented The Board of Directors held a total of 29 meetings in 2023, indicative of how intense the activity has been.

In 2024, the Board of Directors will resume the continuous training plan, which will mainly cover ESG, cybersecurity, operations and compliance issues, while allowing for the plan to be expanded depending on Cellnex's needs throughout the year.

Finally, Cellnex organises a Strategy Retreat, which also serves as a forum to discuss market trends, although it is also a recurring issue at Board meetings when deemed necessary or appropriate.

Cellnex's Board of Directors

Composition of the Board of Directors

The **Board of Directors** takes measures to promote diversity in the composition of the board, encompassing a wide range of knowledge areas, professional experiences, origins, nationalities, ages, and genders among its members. To that end, the Board of Directors has taken account of the Competence Matrix, which was updated in the 2023 financial year. It ensures that a substantial majority of the board consists of proprietary and independent Directors. Additionally, the board maintains the minimum required number of executive directors and ensures that independent Directors constitute at least half of the total directorship.

In this context, the Board of Directors should consist of a number of directors as specified by the General Shareholders' Meeting, remaining within the boundaries established by the **Company's Corporate Bylaws**. The Board of Directors is responsible for proposing a number to the General Shareholders' Meeting that, considering the evolving circumstances of the Company, best ensures the effective representation and efficient functioning of the Board. Consequently, the 2023 Annual General Shareholders' Meeting agreed to set the number of members of the Company's Board of Directors at thirteen (13).

As stated in the **Board of Directors' Regulations** and in the **Policy on the composition of the Board of Directors**, the gender with the lowest representation will always should make up a minimum of 40% of the overall Board membership. With the incorporation of Ms. María Teresa Ballester Fornés in 2023, the number of female Directors increases to seven (7) out of a total of thirteen (13) Board members and representing the 53,85%.

Furthermore, as a demonstration of Cellnex's commitment to diversity, the Board of Directors comprises individuals from seven distinct national backgrounds: Austria, France, Germany, Italy, Spain, Chile and the United Kingdom.

Another significant measure of the Board's good governance is the number of independent Directors, which amounts to nine (9) out of thirteen (13) (69,23%). Three (3) out of thirteen (13) (23,07%) are proprietary Directors and there is only one executive Director (7,69%). The roles of the CEO are distinct from those of the Chair, who is an independent Director.

The changes made to the composition of the Board of Directors in 2023 include the following:

- Mr. Tobías Martínez Gimeno submitted his resignation, as executive Director and, therefore, as Chief Executive Officer, by letter to the Board of Directors dated 10 January 2023, effective 3 June 2023.
- Mr. Bertrand Boudewijn Kan and Mr. Leonard Peter Shore submitted their resignations as independent Directors of the Board of Directors on 4 April 2023.
- Ms. Anne Bouverot was appointed non-executive Chair of the Board of Directors, replacing Mr. Bertrand Boudewijn Kan, on 27 March 2023.
- Ms. María Teresa Ballester Fornés joined the Board of Directors, as a new independent Director, on 26 April 2023. She was also appointed member of the Audit and Risk Management Committee on 22 May 2023 and member of the Nominations, Remunerations and Sustainability Committee on 27 July 2023.
- Mr. Jonathan Amouyal joined the Board of Directors, as a new proprietary Director, on 26 April 2023. He was also appointed member of the Capital Allocation Committee on 27 July 2023.
- Mr. Óscar Fanjul Martín was appointed, as a new independent Director, at the 2023 Annual General Shareholders' Meeting held on 1 June 2023. He was also appointed member of the Capital Allocation Committee on 27 July 2023.
- Mr. Dominique D'Hinnin was appointed, as a new independent Director, at the 2023 Annual General Shareholders' Meeting held on 1 June 2023. He was also appointed member of the Audit and Risk Management Committee and Chair of the Capital Allocation Committee on 27 July 2023.
- Mr. Marco Patuano was appointed, as the new executive Director, at the 2023 Annual General Shareholders' Meeting held on 1 June 2023. He has been serving as Cellnex's Chief Executive Officer since 4 June 2023.

Additionally, three Directors (Ms. Ana García Fau, Ms. Christian Coco, and Ms. Marieta del Rivero Bermejo) were re-elected and two Directors were ratified and re-elected (Ms. Maria Teresa Ballester Fornés and Mr. Jonathan Amouyal) during the 2023 Annual General Shareholders' Meeting for the three-year term specified in the Company's Corporate Bylaws.

The Board of Directors meets on a regular basis to discuss and supervise the.company's performance and evolution. In 2023, the Board of Directors held 29 meetings, with a person attendance and proxies given with specific instructions of 95,73%.

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

The current composition of the Board of Directors of the Cellnex Telecom, S.A. is as follows:

Independent Directors

Anne Bouverot has been an independent director at Cellnex since May 2018 and is also Chair of the Board of Directors of Technicolor Creative Studios and a Board member at Ledger. Her career includes 19 years at Orange holding both operational and strategic positions, including Executive Vice-President of Mobile Services (2009–2011). She then became Director General of GSMA (2011–2015) and then CEO of Morpho (2015–2017), a biometrics and cybersecurity company. She is currently Senior Advisor for Towerbrook Capital Partners and director at technology companies. She chairs the École Normale Superieure – Paris and she co-founded Fondation Abeona, which champions responsible Artificial Intelligence and is dedicated to studying its impacts on society. Anne holds a degree in Mathematics and a PhD in Artificial Intelligence from École Normale Supérieure – Paris Sciences & Lettres, and a Master's Degree in Engineering from Telecom Paris.

Marieta del Rivero Bermejo has held positions such as Global Marketing Director for Telefónica, Deputy Managing Director to the Digital Commercial Managing Director for Telefónica, Global CMO of Telefonica Group, CEO of Nokia Iberia, Marketing Director of Xfera Mobile, Marketing Director of Amena (Orange), Senior Advisor at Ericsson, partner at Seeliger & Conde, and Chair of International Women's Forum Spain. She was named one of 'The 500 Most Influential Women in Spain' in 2018, 2019, 2020, 2021, and 2022 by 'El Mundo' and one of 'The Top 100 Women Leaders 2018' by Mujeres & Cía. Marieta was also recognised as the 'Best Executive 2017' by the Spanish Association of Business Women. She is also the author of the book 'Smart Cities: a vision for the citizen'. She is currently a member of the Advisory Board of Mutualidad de la Abogacía, member of the Board of the Spanish Executives Association, and Co-Chair of Women Corporate Directors Spain. Furthermore, Marieta is an independent director and member of the Sustainability Committee at Gestamp Automotive, and Non-executive Chair at Onivia. Marieta completed an AMP (Advanced Management Programme) at IESE, an EP (Executive Programme) at Singularity University California and is an executive coach certified by ECC and ICF. She holds a BA in Business Administration from University Autónoma of Madrid (UAM).

Ana García Fau has developed her professional career in companies such as McKinsey & Company, Goldman Sachs, Wolff Olins, Telefónica Group, and Yell Group. During her time at Telefónica Group, she held several executive responsibilities at TPI-Páginas Amarillas as the CFO and was Managing Director of Corporate Development, while simultaneously holding positions on the Boards of Directors of several of its subsidiaries. She was CEO of Yell Group for Spain, Latin America, and the Hispanic market in the United States, member of the International Executive Committee, and Global Director of Strategy and Corporate Development. In recent years, she was an independent director at Renovalia, Eutelsat & Technicolor in France, Euskaltel, Globalvía, S.A.U. and DLA Piper. She is currently a member of several advisory boards that operate in the financial, insurance and technology sectors, such as Salesforce EMEA, Mutualidad de la Abogacía, Pictet Iberia, Femman Capital and Consentino Group. Ana is also a member of the Board of Trustees of the Foundation Universidad Comillas ICAI, an independent director at Gestamp Automoción S.A., Merlin Properties Socimi, S.A. and JDE Peet's, NV (listed for trading in the Netherlands). Additionally, she is Non-executive Chair of Finerge, S.A. Ana holds degrees in Law and in Economics and Business Administration (major in Finance) from the Universidad Pontificia Comillas (ICADE, E-3) and an MBA in Business Administration from Massachusetts Institute of Technology (MIT) in Boston, United States.

13 Directors	9/13 69% Independent Directors	7/13 54% Female Directors
9 Independent (including the Chair) 3 Proprietary 1 Executive (CEO)	7 Nationalities	Experience and knowledge of the sector
ARMC 4 Independent directors 1 Proprietary director Chair x3 x1	**NRSC** 4 Independent directors 1 Proprietary director Chair x2 x2	**CAC** 3 Independent directors 2 Proprietary directors Chair x1 x3

Dominique D'Hinnin is currently Lead Independent Director at Vantiva and Chair of its Remuneration Committee, Lead Independent Director at Edenred and Chair of its Nominations and Remunerations Committee, and member of the Board of Directors at Louis Delhaize SA and Chair of its Audit Committee. He is also Non-executive Chair at Eutelsat Group. He was a member of the Board of Directors of Le Monde SA and Chair of its Audit Committee between 2005 and 2010, Vice-Chair of the Board of Directors of Atari – Infogrames Entertainment SA and Chair of its Audit Committee between 2005 and 2011, and Vice-Chair of the Supervisory Board of Canal+ France and a member of its Audit Committee between 2007 and 2013. Dominique was also a member of the Board of Directors of EADS-Airbus and a member of its Audit Committee from 2007 to 2013, member of the Strategic Board of PricewaterhouseCoopers France between 2009 and 2013, member of the Board of Directors of Editions Amaury SA between 2011 and 2013, member of the Board of Directors of Marie Claire Album and Holding Evelyne Prouvost between 2014 and 2016, and member of the Board of Directors of the PRISA group and Chair of its Audit Committee between 2016 and 2021. Most recently, he was a member of the Board of Golden Falcon Inc, a US SPAC, between December 2020 and June 2023. Dominique was educated at the Ecole Nationale d'Administration and the Ecole Normale Supérieure, where he studied classical culture between 1979 and 1986.

Pierre Blayau has held relevant positions as CEO of Pont à Mousson (Saint-Gobain Group), PPR (now Kering), Moulinex, Geodis, and Freigth SNCF. He was also member of the Board of Credit Lyonnais and Fimalac, Chair of the Board of Areva and CCR (reinsurance), and Chair of the soccer club PSG. He is currently Senior Advisor of Bain and Coupa, Chair of Harbour Conseils, and Board member of Newrest. Pierre Blayau is a Finance Inspector and graduated from the École Nationale d'Administration de Paris and the École Normale Supérieure de Saint-Cloud.

María Luisa Guijarro Piñal has worked most of her career for the Telefónica group, (1996–2016), where she held positions including, among others, Global Marketing and Sponsorship Manager, CEO of Terra España, Director of Marketing and Business Development in Spain and, in her later years at the company, member of the Executive Committee in Spain as Head of Strategy and Quality. She is also Non-executive Chair of Adamo Telecom, S.L. María Luisa holds a degree in economics from the Universidad Autónoma of Madrid.

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

Maria Teresa Ballester Fornés is an international and multicultural investor with over 25 years of investment experience, focused on shareholders' value creation through Steering Committees and Boards. She has been CEO of 3i Private Equity in Spain where she has held over 10 board positions in portfolio companies. Currently, she is founder and managing partner of Nexxus Iberia Private Equity Fund I. She has been an independent director of Repsol, S.A. and a member of its Audit and Risk and Remuneration committee, and an independent director at Prisa, S.A., including Chair of its Sustainability Committee and member of its Audit & Risk Committee. María Teresa has also been an independent board member and audit committee at family-owned Grupo Lar and senior Advisor at EY Deals and AON Spain. She has chaired ASCRI (Spanish Private Equity Association) and Level 20's Spanish Chapter. Currently, she is member of the International Women's Forum (IWF) and the Board of Trustees of the Junior Achievement Foundation. She began her career at GTE Corporation (Verizon) as a financial executive and Booz Allen Hamilton as a strategy consultant in Mexico, the United Kingdom, Spain, and Portugal. She holds an MBA from Columbia University in New York City and graduated Cum Laude in Finance and Political Science from Boston College.

Óscar Fanjul Martín began his professional career at the Spanish INI and also worked at the Spanish Confederation of Savings Banks. Between 1983 and 1984, he served as technical secretary general and under secretary of the Ministry of Industry and Energy. He was the founding Chair and CEO of Repsol and he has also been Chair of Hidroeléctrica del Cantábrico. He has extensive experience in managing large multinationals and a deep understanding of the business world in many countries across the globe. He has been Vice-Chair of Omega Capital and a member of the Board of Directors of the London Stock Exchange, Unilever, Acerinox, BBVA, Areva, Lafarge, and Vice Chair of Holcim. He was also a member of the Competitiveness Advisory Group to the president of the European Commission and Trustee of the International Financial Reporting Standard. Óscar is currently Vice-Chair and independent director of Ferrovial and director of Marsh & McLennan Companies. Member of the Board of Trustees of the CEMFI, Aspen Institute and Norman Foster Foundation. He holds a degree in economics.

Proprietary Directors

Alexandra Reich has 20 years' experience in the telecommunications industry, after starting her career in investment banking. She was a Senior Advisor at Telenor, as well as CEO of Telenor in Thailand – DTAC (2018–2020) and CEO of Telenor Hungary (2016–2018), as well as Chair of the Boards of Directors of Telenor Serbia and Telenor Bulgaria. She also held various management positions at Swisscom (2006–2016) and Sunrise (2007–2009) in Switzerland, and at Hutchison (2005–2007) and United Telecommunications (2004–2005) in Austria. She is currently a member of the Board of Directors of Delta Fiber NL, Salt SA Switzerland and a member of the Supervisory Board of ING Group. Alexandra holds a degree in Business Administration and a Master's degree from the Vienna University of Economics and Business Administration.

Christian Coco began his professional career in strategic planning in the energy sector and in 2002 he joined Mediobanca in the acquisition finance department. Between 2007 and 2011, he worked at private equity firms that focused particularly on investments in infrastructure in Europe. Subsequently, and until joining the Edizione Group in 2015, he was head of Planning, Control, and M&A at the CIR Group of the De Benedetti family. He is currently Director of Mundys, Telepass, Benetton S.R.L. and Investment Director at Edizione S.p.A. Christian holds a degree in Engineering from Milan Polytechnic and a post graduate degree in Utility Companies from MIP Milan (Politecnico's Business School).

Jonathan Amouyal has spent time in the infrastructure, technology, media, aerospace, and consumer products sectors and has extensive experience in the field of tower and digital infrastructure. He began his professional career in Mergers and Acquisitions at Bank of America in London and New York. From 2008 to 2012, Jonathan joined Goldman Sachs Investment Partners (GSIP) where he ultimately became an Executive Director. At GSIP, Jonathan invested across the capital structure in both public and private markets. At GSIP, he started covering digital infrastructure space and the tower sector. Since 2012, he has been a Partner at The Children Investment Fund (TCI), where he spent the first three years building a non-real estate direct-lending business mostly focused on Spain. He has since been responsible for several large investments in infrastructure, aerospace digital infrastructure, telecom, and the consumer space across the US and Europe. He holds a master's in financial engineering with honours from EM Lyon Business School and graduated with honours in economics and accounting from University Lyon II.

Executive Director

Marco Patuano worked for more than 25 years at TIM in Italy, other EU countries, and South America. Between 2003 and 2011, he held a number of executive positions, including CFO at TIM Brasil (2003-2004), Managing Director for LATAM (2004-2005), CEO of Telecom Argentina (2005-2008), CFO of Telecom Italia (2008-2009), CCO (2009-2010), and COO (2010-2011). Finally, between 2011 and 2016 he was CEO of Telecom Italia. Additionally, from 2016 to 2019, Marco was the Chief Executive Officer of Edizione Holding. He was Chair of the Board of Directors of Cellnex as proprietary director of Edizione between 2018 and 2019. He has also been director at Autogrill, Atlantia (currently renamed Mundys) and GSM Association (during the time he was at TIM). He has been a Senior Advisor of Nomura Holdings, Inc. in Italy and member of the Telecom Italia Foundation, the Bocconi Foundation, and European Oncology Institute Foundation. He is Chair of Banco dell'Energia Foundation, Founder and CEO of MP Invest (Advisory & Club Investment), and Non-executive Director at Digital Value SPA. Marco holds a master's degree in finance from Bocconi University in Milan.

Non-Executive Secretary

Jaime Velázquez Vioque holds a law degree from the University of Extremadura and is a State Lawyer on leave from that post. He has extensive experience in commercial law, mainly in corporate merger and acquisition operations in regulated sectors and in matters related to the corporate governance of companies. He is currently running an international law firm in Spain, which he joined in 2005. Previously, he served as secretary of the Board of Directors and Director of Legal Advice for the Spanish Official Credit Institute (ICO), and General Secretary of the Council of the Telecommunications Market Commission (CMT). He has taken part in numerous talks and has also been an associate professor of Commercial Law at the Universitat Pompeu Fabra (UPF) in Barcelona.

Non-Directorial Vice-Secretary

Virginia Navarro Virgós is the Global General Counsel and Vice-Secretary of the Board of Directors. Previously, she was Global Director of Corporate Governance and Legal M&A & Financing at Cellnex (2019-2023). She was Senior Manager of the Legal Department at Abertis Infraestructuras, where she spent 10 years actively participating in M&A and financing projects for the Group both nationally and internationally, and Associate in the Corporate Department at Linklaters and in the legal department of Morgan Stanley. She holds a degree in law from the Universitat Pompeu Fabra (UPF) and has completed the master in international legal practice taught by the Instituto de Empresa (IE) and the Advanced Management Programme (AMP) 2022-2023 led by IESE.

Board of Directors


Anne Bouverot
Chair
Independent


Marco Patuano
Chief Executive Officer
Executive


Marieta del Rivero
Independent


Ana García Fau
Independent


Dominique D'Hinnin
Independent


Pierre Blayau
Independent


María Luisa Guijarro
Independent


Christian Coco
Proprietary


Alexandra Reich
Proprietary


Kate Holgate
Independent


Jonathan Amouyal
Proprietary


María Teresa Ballester
Independent


Óscar Fanjul
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)
- Capital Allocation Committee (CAC)

Committees of the Board of Directors

The committees of the Board of Directors of Cellnex are the Nominations, Remunerations and Sustainability Committee, the Audit and Risk Management Committee, and the Capital Allocation Committee as delegated bodies.

The **Nominations, Remunerations and Sustainability Committee (NRSC)** is composed of five (5) members (four (4) independent and one (1) proprietary). In 2023, 26 meetings were held with 93.08% attendance. On 27 July 2023, Ms. Alexandra Reich, proprietary Director, submitted her resignation as a member of the Committee. The NRSC appointed Ms. María Teresa Ballester Fornés, independent Director, as a new member.

The functions of the NRSC, among others, 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 regularly reports to the Board of Directors on the non-financial information that the Company must disclose. The NRSC is also responsible for assessing and periodically reviewing the corporate governance system and the Company's Environmental, Social and Governance Policy, in order to ensure that they fulfil their mission of promoting corporate interests.

The **Audit and Risk Management Committee (ARMC)** is composed of five (5) members (four (4) independent and one (1) proprietary). In 2023, 12 meetings were held with 96.08% attendance. On 4 April 2023, Mr. Leonard Peter Shore ceased to be a member of the Committee, as a consequence of his resignation as independent Director of the Board of Directors. On 22 May 2023, Ms. María Teresa Ballester Fornés, independent Director, was appointed a new member of the Committee. On 27 July 2023, Mr. Anne Bouverot, independent Director, submitted her resignation as member of the Committee. On the same day, Ms. Alexandra Reich, proprietary Director, was appointed a new member of the Committee. The ARMC's duties, among others, include reporting to the General Shareholders' Meeting on the outcome of the audit, explaining how the audit has contributed to the integrity of the Company’s financial and non-financial information, and the role that the Committee has played in this 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 **Capital Allocation Committee (CAC)** is composed of five (5) members (three (3) independent and two (2) proprietary). In 2023, 4 meetings were held with 95% attendance. On 27 July 2023, the Board of Directors created the new CAC with the following composition: Mr. Dominique D'Hinnin (Chair), Mr. Óscar Fanjul Martín, Ms. Ana García Fau, Mr. Jonathan Amouyal, and Mr. Christian Coco. The CAC's duties include informing and assisting the Board of Directors with the business plan, annual budget, and dividend policy, as well as informing and assisting the Board of Directors with investments or transactions of all types that, due to their high value or special characteristics, are of a strategic nature or entail a particular tax risk, except when their approval is the responsibility of the General Shareholders’ Meeting. Additionally, they inform and assist the Board of Directors with the preparation and review of the rules that set out the framework and limits of M&A transactions.

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

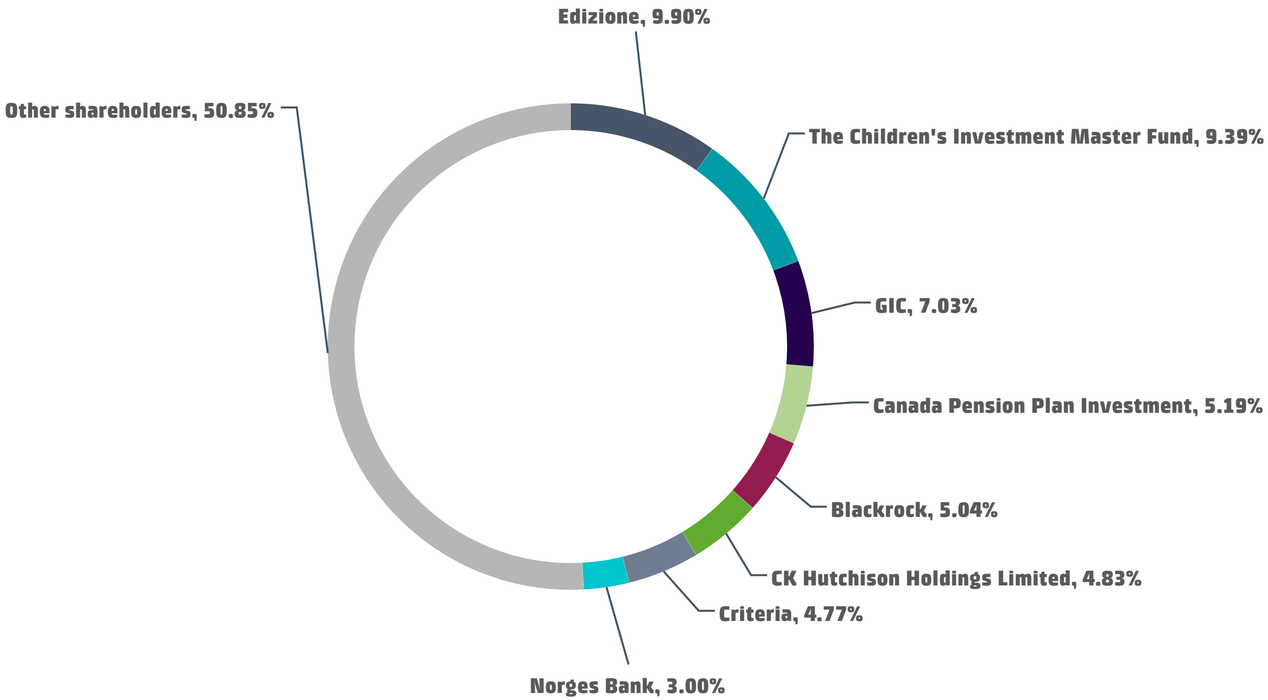
In accordance with Article 529 nonies of the Spanish Companies Law, the Board of Directors carries out an annual assessment of the functioning of the Board and its committees. Based on the results of the assessment, an Action Plan is drawn up for the following year, which is approved by the Board of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

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

Shareholding structure

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

The significant shareholders in Cellnex Telecom as of December 31, 2023 are:



Share capital
€176,618,843.75

Ordinary shares
706,475,375

The **Committee of Ethics and Compliance** ("CEC") is responsible for the proactive oversight in respect to **ethics, business integrity and the effectiveness** of the Cellnex compliance system

Ethics and Compliance

Committee of Ethics and Compliance

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

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

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

- Ethical competencies, as set out in the Cellnex **Code of Ethics** and in the **Whistleblowing Channel Policy**.
- Compliance competencies, as set out in the documents Function of Criminal Responsibility, the Corruption Prevention Procedure, and the Disciplinary System.
- Internal Corporate Integrity Regulations competencies, as established in the document Committee of Ethics and Compliance: Rule Zero.

The composition of the Ethics and Compliance Committee at the end of 2023 was as follows:

- Virginia Navarro (Chair). General Counsel
- Sergi Martínez (Secretary). Global Internal Audit and Risk Control Expert.
- Yolanda Menal. Global People Director.
- Daniela Sonno. Country Economic & Management Control Director at Cellnex Italy.
- Yvette Meijer. Deputy Country Managing Director at Cellnex Netherlands.

In this regard, it should be pointed out that, on 27 July 2023, Virginia Navarro, current General Counsel and Vice-Secretary to the Board of Directors, was appointed Chair of the CEC instead of Jose Maria Miralles Prieto.

Two new policies have been updated to improve the Cellnex ethics body of law, the Disciplinary System and the Function of Criminal Responsibility.

Corporate integrity regulations

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

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

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

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

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

Cellnex strives to forge business relationships based on honesty and transparency, rejecting any conduct aiming to gain preferential treatment in both the public and private sectors. Thus, two new policies were created to improve the Cellnex ethics body of law and comply with ISO 37001: the Gifts and Hospitality Policy and the Conflict of Interest Policy.

Both aspects were previously regulated under the Cellnex Code of Ethics but, in 2022, were developed into their respective stand-alone policies to reinforce the anti-corruption culture within Cellnex.

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

During 2023, two existing policies were updated: the Disciplinary System and the Function of Criminal Responsibility.

The Disciplinary System is the means by which Cellnex ensures that all persons subject to it comply with the principles, values, and internal and external regulations that apply to the Group. Its objective is to raise awareness among the such persons regarding compliance matters and to define a system to sanction any violation, non-compliance, or non-conformity with policies, procedures, processes, or other internal and external regulations that apply to Cellnex.

The Function of Criminal Responsibility details the functions and responsibilities that the Cellnex's Committee of Ethics and Compliance must exercise to prevent and, where appropriate, reduce criminal risk by promoting a culture of ethics and compliance (accordingly with the CEC Regulations).

Cellnex Telecom must post the Cellnex's Code of Ethics and all its implementing corporate integrity rules on its corporate website and Intranet network to make them accessible to and known by its stakeholders.

Likewise, when Cellnex contacts its interest groups, it must notify them of the existence of this Code of Ethics, its implementing rules, and the mandatory nature of its agreement in all aspects it may affect.

Crime Prevention Model

Cellnex's goal is to have a best-in-class Crime Prevention Model groupwide.

Article 31 bis of the Spanish Criminal Code, on the regulation of the criminal liability of legal persons, provides for the possibility of exonerating criminal liability if the management body has adopted and effectively implemented, prior to the commission of the offence, organisational and management models that include surveillance and control measures appropriate to prevent offences of the same nature or to significantly reduce the risk of their being committed.

Accordingly, in 2017 Cellnex drafted and implemented a model of general measures and controls designed to prevent, detect, and investigate the commission of not only all types of offences that attract criminal liability of a legal person, but also those offences that allow the application of accessory measures as defined in Article 129 of the Spanish Criminal Code, the Cellnex Crime Prevention Model (CPM).

Moreover, Article 31 bis 5 6º of the Spanish Criminal Code requires a periodic verification of the organisation and management model, and any necessary amendments to it.

Taking into account the regulatory changes that have taken place in the field of criminal liability of legal entities during 2022 (introducing new criminal offences regarding sexual harassment, moral integrity and other financial crimes) and Cellnex's evolution, the Company conducted a thorough review of the existing Crime Prevention Model in 2023 (previously reviewed and updated in 2019 and validated by an external Expert Witness in 2020) in order to update the list of existing controls in the various departments of the organisation, and to make the appropriate changes to attain an adequate crime prevention model.

The measures included in the CPM affect three fundamental aspects of the company: people, processes and systems.

- Regarding people, a person or body responsible for criminal compliance must be designated. This entity is responsible for surveillance, criminal risk management, advice, and monitoring of the system through a file/repository of evidence on the control exercised. The Code of Ethics must also be reviewed, and employees must be given appropriate training on conduct that may have criminal consequences.

- Regarding processes, the CPM requires an internal whistleblowing channel be established and operated, to receive complaints from employees regarding actions that may have criminal consequences. It also provides for action protocols to be prepared and implemented in response to the receipt of a summons or knowledge of an event that may have criminal consequences.

- Regarding systems, the CPM requires a review of the segregation of duties systems, technical and legal training to investigate employees through digital evidence systems and a review of the information security policy.

In order to carry out this work, Cellnex has been advised by both internal experts from its own organisation and an external expert team from two branches of PwC: and lawyers specialising in the field of corporate compliance.

Cellnex aims to have a best-in-class crime prevention model not only in Spain, but also for the group. Hence, to give continuity to such endeavours, during fiscal year 2024, Cellnex will work to expand the model across all the subsidiaries in all countries within the Group, with the aim of establishing a stronger common international crime prevention model.

Finally, during 2022, in line with its ongoing commitment to review and update the criminal risks identified and to foster the appropriate controls and measures to mitigate them, Cellnex carried out an initiative to integrate its criminal risk and control procedures into the tool that will support the review process: SAP GRC. In 2023, an initial control campaign was launched and, with the update of the Crime Prevention Model conducted over those years, the items in SAP GRC will be updated accordingly for the 2024 campaign.

The Corruption Prevention Procedure expresses Cellnex's commitment to combat corruption

Anti-corruption commitment

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

The dynamic and ever-changing landscape, the geographical diversity of Cellnex's operations, and ongoing interactions with external entities necessitate a wholehearted commitment from Cellnex in combating all manifestations of corruption. This commitment aims to address the primary legal, reputational, and economic risks to which the company is exposed.

Consequently, Cellnex has developed a Corruption Prevention Procedure (CPP) designed to establish the principles that ought to be followed in order to combat corruption and provide a guide to be followed by all Cellnex managers, employees, and governing bodies, including third parties. The CPP sets out appropriate standards of conduct regarding the prevention, detection, investigation, and redress of any corrupt practice within Cellnex. During 2022, the CPP was updated in correlation with all the other actions carried out by the Committee of Ethics and Compliance, aligning its content with the undertakings and regulations set out in the other policies.

The CPP therefore symbolises Cellnex's commitment to combat corruption, in line with the requirements laid out by the ISO 37001 standard. In this regard, no cases of corruption were identified in 2023, as was the case in 2022.

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

Moreover, during 2023 Cellnex continued working with a tool initially deployed as a pilot in 2021, that can automatically assess any compliance risk that Cellnex bears when contracting with third parties, such as customers or suppliers, with the aim of avoiding any kind of damage arising from relationships with such parties. This tool helps monitor data such as the presence on an international sanctions list of entities related to Cellnex, to treat its administrators as politically exposed persons, or if a company appears in the media or social network for reasons related to corruption, money laundering, or tax evasion.

In addition to the aforementioned actions, Cellnex is determined to make its employees and stakeholders aware of its compliance system and the anti-corruption commitments within it. Consequently, in December 2023 Cellnex launched anti-corruption training for Board Members.

To the same end, during 2023 Cellnex prepared new compliance training for all Group employees. The new mandatory Ethics and Compliance training, which updates the previous Code of Ethics course, covers all of the policies and documents related to Cellnex's corporate integrity and will be launched during February 2024.

Finally, in line with the desire for continuous improvement, and with the help of an independent third-party expert, in late 2021 a Gap-Analysis Report was drafted on the content of the Crime Prevention Model and the Corruption Prevention Procedure in relation to recommendations laid down by ISO 37001. After updating and improving Cellnex's compliance system accordingly with the results of that assessment, Cellnex is ready to apply for ISO 37001 (Anti-corruption Management Systems) for its holding company, Cellnex Telecom, S.A.

Whistleblowing channel

The Cellnex Group, as part of its mission to foster a robust culture of compliance, updated its complaints channel, the "Whistleblowing Channel", in March 2022 to comply with the EU Whistleblower Directive and reinforce its confidentiality and anonymity features.

Cellnex's Whistleblowing Channel serves as a communication tool accessible to individuals bound by its Code of Ethics, as well as any third party utilising it. This platform enables them to report, in good faith, any violations of current legislation and/or internal regulations within Cellnex, ensuring confidentiality and anonymity and protecting them from potential reprisals.

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

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

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

With this purpose in mind, and in order to guarantee and safeguard greater independence and confidentiality for potential whistleblowers, the management of the Whistleblowing Channel was outsourced to an independent third-party expert, the consulting firm PricewaterhouseCoopers (PwC), which acts as the Channel Manager.

The Whistleblowing Channel is easily accessible as follows:

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

The number of communications received through the Whistleblowing Channel in 2023 was 20 (nine in 2022), all being admitted for processing. Only four of them were complaints, the rest consisted of queries regarding the Cellnex Corporate Integrity regulations. None of the communications received were related to human rights violations or corruption.

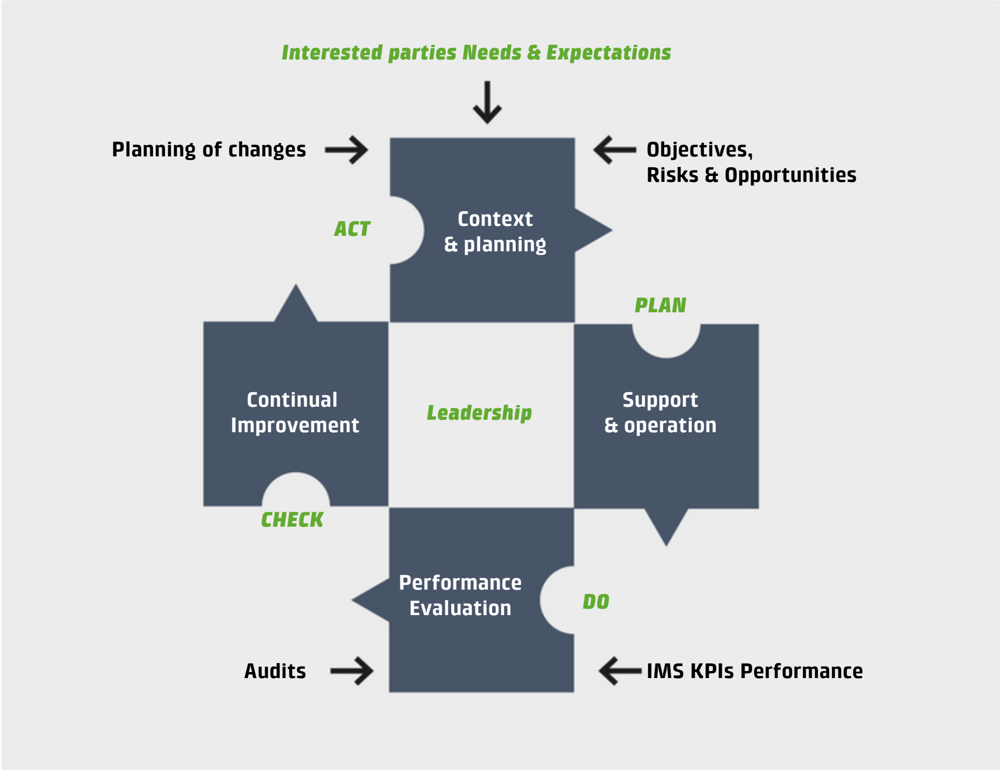
2.2 Global Management System

Global Integrated Management System

Cellnex has developed a Global Integrated Management System (Global IMS) that integrates Quality, Environment, and Health and Safety. In addition, Cellnex also has a Global Information Security Management System (Global ISMS), which has been incorporated into the Global IMS. This incorporation takes advantage of the common structure of ISO management systems, which facilitates integration among standards. Global IMS is based on processes and risk-based thinking.

In 2023, Cellnex worked on planning the implementation of the energy management system in several countries for subsequent certification.

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



In this way, the Global IMS enables new business opportunities, facilitates the implementation of the Cellnex Industrial Model, and enables continuous improvement and stakeholder engagement. It is currently implemented and certified in seven Cellnex business units and at the corporate level. More specifically, the geographical scope of the Global IMS currently includes France, Ireland, Portugal, Switzerland, the Netherlands, the United Kingdom, and Poland and, as of 2023, new companies in France and the United Kingdom.

Moreover, Italy and Spain also have certified management systems which, owing to their maturity, they run locally. The incorporation of these local certifications from Spain and Italy into the Global IMS is planned for the coming years.

The Global Information Security Management System was the first system to be certified globally at Cellnex in 2019, and since then the company has been working to encompass all of the business units within the system's scope. Cellnex currently has 11 certified countries, plus the corporate level: Spain, Italy, Switzerland, the Netherlands, France, United Kingdom, Ireland, Portugal, Austria, Denmark, and Sweden.

Quality

- Quality Master Plan
- Quality policies and certifications
- Improving customer satisfaction
- Continuous improvement and Business Excellence
- Quality engagement
- Increase stakeholder trust

Environment

- Environmental performance
- Ensure that environmental requirements are addressed
- Manage significant environmental aspects
- Be prepared to respond to emergency situations

Health & Safety

- Health and Safety Master Plan
- Global Health and Safety Model
- Adequate tools to improve the well-being of our employees

Information Security

- Security Master Plan 2022-2025
- Information Security operational planning and control
- Information Security Risk Assessment
- Information Security Risk Treatment

Quality and certifications

"ISO 9001 Quality Management is the framework of the Global Integrated Management System. Implementing and maintaining Quality is a strategic decision that will help us to improve our performance as a company and is a solid basis for the development of sustainable initiatives."

Brunela Nardi
Senior EHS-Q Project Manager - Cellnex Corporate

Quality

Cellnex Group has a **Global Quality Policy**, with the basic principle of providing high availability and high-quality services as a neutral operator of wireless telecommunications infrastructures. Accordingly, the Board of Directors has established the Quality and Certifications strategy and is committed to the application of best practices in the countries in which the Company operates, based on international reference standards.

Quality enhances Cellnex's brand and reputation, protects it against risks, increases its efficiency, boosts its profits, and enables the company to continue consolidating its reputation and positioning in a strong and sustainable way – all the while maintaining a focus on customer experience and opinions and suggestions of Cellnex's stakeholders. This is all made possible through the Quality Management System, which leads, deploys and integrates the rest of Cellnex's existing systems by unifying the common requirements of the following aspects:

- Environment
- Health & Safety
- Information Security
- Energy
- Service Management

European leader in telecommunications infrastructure services

Endless opportunities to bring the world closer through telecom connectivity #EndlessOpportunities

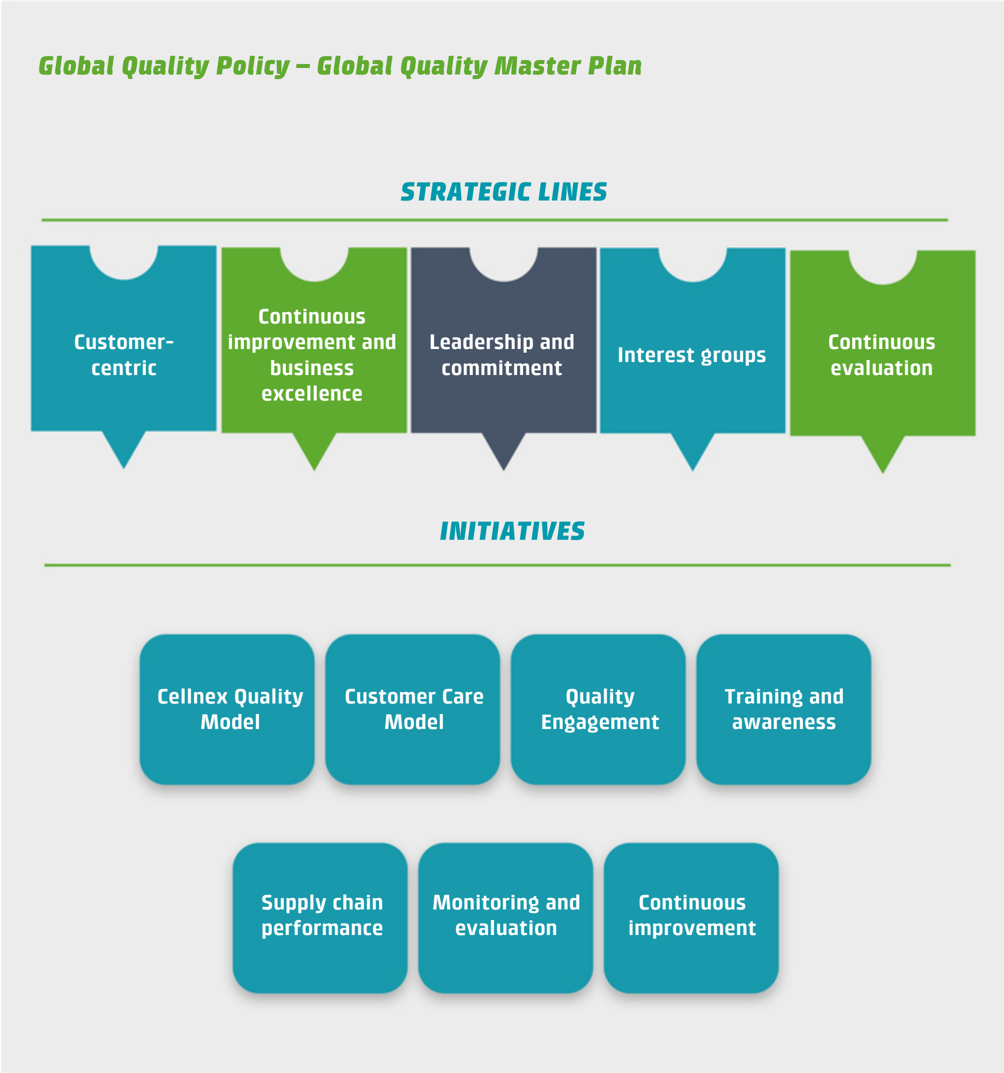
We bring value through innovative, efficient, neutral and quality management and the drive and development of our staff team

Cellnex's quality objectives aim to instil a culture of quality by embedding Cellnex values, raising awareness, and providing training at every level

Through Quality, Cellnex contributes to its sustainable development and is consistent with the Company's purpose, values, objectives and strategy.

Cellnex's quality objectives aim to instil a culture of quality by embedding Cellnex values, raising awareness, and providing training at every level. The primary goals are to attain the utmost levels of quality and customer commitment, enhance stakeholder perception through product and service innovation and improvement, ensure quality across the value and supply chains, and foster a culture of ongoing enhancement by implementing methodologies and procedures to manage emerging improvement opportunities effectively. Additionally, Cellnex prioritises exemplary practices by aligning its activities with the Sustainable Development Goals. Operating within this framework, Cellnex focuses on meeting stakeholder needs and expectations, delivering high-quality services, satisfying customers, and continually refining its services and management through the Plan-Do-Check-Act model.

In accordance with the Global Quality Policy, Cellnex devised a two-year Quality Master Plan in 2021 (2021-2022) applicable to the whole company. During 2023, deadlines for certain actions were extended.



Certifications

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

During 2023, the Quality and Certifications Department worked jointly with the business units on the maintenance of the certifications of the countries included within the scope of the Global Integrated Management System, which as already mentioned are: France, Ireland, Portugal, Switzerland, the Netherlands, United Kingdom, Poland and Corporate. In addition, new companies have been included in the scope in France and the UK.

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

Standard	Expiry date												
ISO 9001 Quality Management System	2025	2025	2027	2025	2025	2025	2025	2025	2025	2025			
ISO 14001 Environmental Management System	2025	2025	2026	2025	2025	2025	2025	2025	2025	2025			
ISO 45001 Occupational Health & Safety Management System	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025			
ISO 27001 Information Security Management System	2026	2026	2026	2026	2026	2026	2026	2026	2026		2026	2026	2026
ISO 14064 Carbon Footprint (*)													
ISO 14046 Water Footprint (*)													
SA 8000 Social Accountability			2024										
UNI/PdR 125:2022 Gender equality			2025										
Modello EASI			2026										
ISO 50001 Energy		2026											
ISO 20000-1 Service Management		2024											
National Security Scheme		2026											

(*) No expiry date for ISO 14064 and ISO 14046, since both are verified annually.

In 2023, Cellnex has deployed the initiatives foreseen in the Global Security Master Plan for Cybersecurity and Physical Security which identified the main security risks for the period 2022 - 2025.

"Achieving certification on the ISO27001 Management System was very important for Portugal, since we wanted to reassure our clients and landlords that we follow the best practices in Information Security, Cybersecurity and Privacy Protection."

Rui Castro
Country Head of Engineering - Cellnex Portugal

Information security

In 2019, Cellnex reviewed and approved a new global **Information Security Policy,** which aims to establish the guidelines and lines of action in Information Security that govern the way in which Cellnex Group manages and protects its information and services, as well as its communication to stakeholders and implementation in all companies and functional areas of the Group.

The basic principle of the policy is that information is a very important asset for Cellnex, and it is necessary to guarantee the confidentiality, integrity, and availability of information in accordance with recognised standards of Information Security management in the provision of services as a Telecommunications infrastructure operator to Operators, Broadcasters, Public Administrations, and Corporations. Therefore, steps are taken to identify and protect Information assets from unauthorised access, modification, communication, or destruction, whether intentional or accidental, ensuring that they are used only for purposes approved by Management.

Moreover, continuous improvement is pursued within the framework of a Management System, which Management undertakes to lead in accordance with the ISO 27001 standard, and which applies to all the Group's Business Units. All of this is based on people management, process management and continuous improvement; guaranteeing its effectiveness and efficiency. In 2023, the scope of ISO 27001 certification has been maintained for the following Cellnex business units: Spain, Portugal, Italy, France, Switzerland, Ireland, United Kingdom, Netherlands, Austria, Denmark, Sweden, and at corporate level.

The Global Security Master Plan for Cybersecurity and Physical Security, which covers the period 2022-2025, was designed to identify and manage the main security risks at Cellnex. In 2023, the security initiatives outlined in this plan were carried out successfully. Some of the key initiatives that enhanced Cellnex's security posture in 2023 were:

- New platforms for better access control of privileged users.
- Forensic analysis tools to quickly locate entry points in case of an attack.
- Advanced protection measures in the OT network that serves the customers.
- Automation of incident response processes when security incidents are detected.
- Improvement of cyber crisis management procedures with technical and process drills.

The Cyber Crisis Management Plan has been revised in line with the Cellnex Group's Global Crisis Management Plan.The Global Crisis Management Plan outlines a five-phase approach to crisis management, encompassing Alert, Impact Evaluation, Declaration of crisis situation, Crisis situation management and monitoring, and Declaration of the end of the Crisis and return to normality.

In Cellnex, a distinction is made between local and global crises: local crises entail critical effects on a specific Business Unit, while global crises involve highly critical impacts on a business unit or critical impacts on more than one business unit. All cyber crises are considered global in scope owing to their ability to spread rapidly across geographies. Furthermore, the three identified disaster scenarios have been reviewed: ransomware, data breach, and denial of service, each accompanied by a Disaster Recovery Plan (DRP).

In terms of Cybersecurity Governance, it is noteworthy that regular updates on the top risks, including cybersecurity breaches, are communicated to the Board of Directors at least twice a year. Furthermore, dedicated Board sessions are conducted to enhance awareness and monitor progress related to the Cybersecurity Master Plan.

During 2023, no data breaches or incidents involving theft or loss of information or affecting the business were detected in any of Cellnex's business units.

Automation of security processes

Cellnex is committed to the automation of security processes, for example through the development of tools that allow the automatic execution of actions when certain events are detected to block sophisticated attacks suffered. This has made it possible to gain detection, prevention, and protection capacity, thereby increasing response capacity and therefore the level of security and mitigating the associated risks. The security incidents detected and blocked have increased in complexity owing to the evolution of increasingly targeted attacks.

Awareness

During 2023, several awareness-raising and training campaigns were carried out for employees on information security. Here are some specific examples:

- Four awareness campaigns using "Phishing" simulations (where an attacker sends a fraudulent message designed to trick an employee into revealing confidential information or to implement malicious software in the victim's infrastructure).
- Campaigns in which all Cellnex users must explicitly agree to the security policies.

In addition, information security advice has been provided and alerts have been given on virus and phishing campaigns aimed at Cellnex staff. This has contributed to a 9% drop in the rate of phishing campaigns from the first campaign in 2023 to the latest one this year, despite the increased sophistication of the attacks. In addition, the same campaign launched in July 2021 was conducted during 2023, and all countries have seen a decrease in the failure rate of 11% overall (from 16% in 2021 to 5% in 2023).

2.3 Risk Management

Cellnex operates in accordance with international reference standards and voluntary initiatives

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

Cellnex has a **Global Risk Management Policy** approved by the Board of Directors that sets out the group-level risk strategy. The approval of this policy also established the strategy for Global Risk Management and its commitment to the application of best practices in the countries in which the Company operates, based, in turn, on international reference standards.

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

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

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

Cellnex's Board has focused its work on defining the risk management strategy, supervising its application and monitoring it, as well as promoting best corporate governance practices. As a function entrusted by the Board, the Audit and Risk Management Committee (ARMC) supervises the effectiveness of the Global Risk Management Model and the information provided to third parties, and must ensure that the risk management framework identifies, prioritises, controls, monitors, and reports them properly. A Global Risk Committee was established in 2022, including members from all functional Corporate departments and advised by the internal audit unit. In 2023, three Global Risk Committee meetings were held, covering the following main topics:

- Progress report on the strategic risk plan (risk assessment and internal control models, SAP GRC implementation, communication and awareness, and governance model),
- Update of the governance model for the operating regulations and Global Risk Committee members,
- Approval of the new risk management model and the new risk management blueprint,
- Presentation of the due diligence report on human rights,
- Presentation of the impact report on Cellnex's geopolitical situation,
- Presentation of Cellnex's risk maps for 2023,
- Selection of a shortlist of company-relevant risks,
- Presentation of internal audit reports on risk maps, findings, and improvement action plans,
- Dissemination of the crisis management plan within Cellnex's business continuity framework.

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

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

1. Identify risks: Identification and preparation of the risk inventory. Risks are classified using the four categories of the COSO methodology:

- **a.** **Strategic**: Risks that affect the business strategy or strategic objectives of any company.
- **b.** **Operational**: Risks of potential losses resulting from the inadequacy of the operations processes, as well as the people, equipment and systems that support those processes.
- **c.** **Financial and reporting**: Risks that have a direct impact on the financial and reliability variables of the Cellnex Group.
- **d.** **Legal and compliance**: Risks related to legal or administrative sanctions, significant financial losses or reputational damage owing to non-compliance with laws, regulations, internal rules or codes of conduct applicable to the business.

2. Assess risks: Carry out an assessment of the risks identified both at corporate level and in the business units. Risks are assessed considering their impact, and the probability of their occurrence. The potential impact of a risk should be considered on the basis of the following variables:

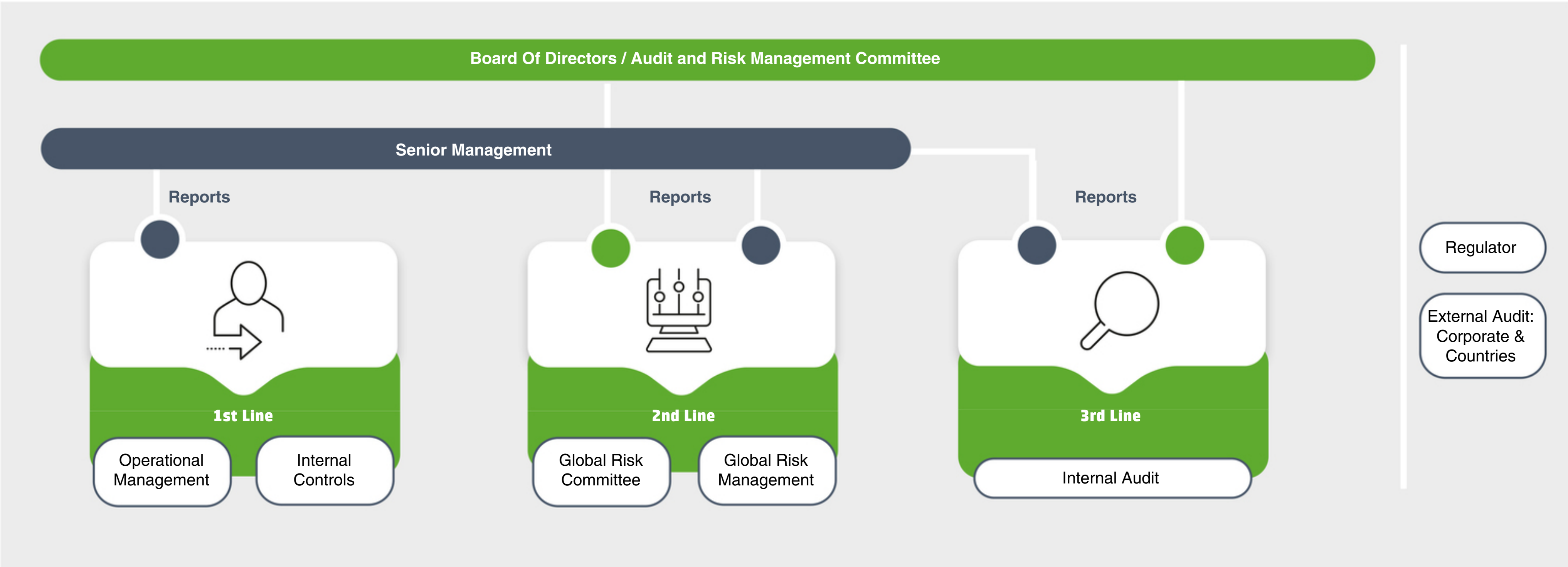
- a. Financial (40%): Impact on the company's expected revenues.
- b. Operational (40%): Interruption of processes with a finite or indefinite impact over time, as well as possibly affecting relations with third parties.
- c. Reputational (20%): Impact on the media and/or shareholders, with consequent media coverage at local, national and/or international level, which leads in turn to a number of liability actions.

3. Define risk responses: Definition of a response to address or mitigate these risks in order to achieve acceptable risk levels. The possible responses are framed in the following options: avoid, transfer, accept and reduce. If the answer is reduce, define internal controls where possible.

4. Monitor risks: Check that risk levels, once a risk response has been applied, match the risk appetite defined by the organisation.

5. Continuous improvement: Continuous monitoring and review of the process to achieve improvements in the risk management life cycle.

Risk management lifecycle


Board Of Directors / Audit and Risk Management Committee
Senior Management
Reports
Reports
Reports
1st Line
Operational Management
Internal Controls
2nd Line
Global Risk Committee
Global Risk Management
3rd Line
Internal Audit
Regulator
External Audit: Corporate & Countries

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

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

- **First Line**: all the functional departments of the Cellnex Group, both at corporate level and in the business units, are the owners and are responsible for identifying, assessing, monitoring and mitigating risks, as well as maintaining effective internal controls.

- **Second Line**: The Risk Management function facilitates and supervises the implementation of effective risk management practices and supports the definition of target risk exposure and the communication of risk information throughout the Group. The Global Risk Committee ensures adequate risk coverage by promoting a risk culture in the Company. All functional departments are represented in the Global Risk Committee.

- **Third Line**: Internal Audit provides an independent guarantee to the Board of Directors, the ARMC, and Senior Management on the effectiveness with which the Cellnex Group assesses and manages its risks, validating how the First and Second Lines operate.

Cellnex is currently developing a new Global Risk Management Master Plan 2024-2026, featuring three strategic lines (resilience, anticipation, and risk culture) and five key initiatives (risk assessment, internal control model, communication and awareness, governance model, and SAP GRC implementation). Those three modules are already in production in SAP GRC, and internal control campaigns for ICFR (SCIIF in Spanish), TAX, and Compliance have been launched, along with Cellnex's general Entity Level Controls (ELC).

The Business Continuity Framework was fully defined (policy, scope, etc.) in 2023, along with the analysis phases (BIA, risk assessment), design (continuity strategies, mitigation controls), and implementation (response teams, BCPs, DRPs). There's a special focus on the crisis management plan, which will include dissemination of the plan and a corporate-level drill in 2023. The Business Units will conduct these drills in 2024.

Regarding the Risk Management Communication Plan, training and awareness-raising actions regarding the new risk management methodology were carried out in 2023 with the Risk Partners, to support them as Second Line. In addition, training and awareness-raising actions on the new risk management methodology were also carried out in the corporate departments during the risk assessment process.

Cellnex's risk department has also been working closely with its ESG department throughout 2023 to anticipate and adapt to the new way of conducting non-financial reporting according to CSRD/ESRS in a joint and coordinated manner. The ESRS emphasise the critical role of risk management, underlining the paramount importance for companies to remain prepared and proactive in addressing potential risks and uncertainties.

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

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

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

2.4 Financial information

Milestones and key figures for 2023

The year ended on 31 December 2023 highlighted a unique combination of defensive and high-quality structural growth, which was achieved through consistent and sustainable organic growth, a solid financial performance and a tireless focus on integration.

Alternative Performance Measures

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

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

In accordance with the provisions of the Guide issued by the European Securities and Markets Authority (ESMA), in force since 3 July 2016, on the transparency of Alternative Performance Measures, Cellnex provides below information on the following APMs: Adjusted EBITDA; Adjusted EBITDA Margin; EBITDA after leases ("EBITDAaL"); EBITDAaL Margin; Gross and Net Financial Debt; Capital Expenditures; Net Payment of Interest; Available Liquidity, Recurring Leveraged Free Cash Flow and Free Cash Flow. Please note that during 2023, two new APMs (EBITDAaL and EBITDAaL Margin) have been incorporated and are presented together with the corresponding comparative information for 2022 year-end.

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

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

1. Adjusted EBITDA

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

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

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

As at 31 December 2023 and 2022, respectively, the amounts were as follows:

		Thousands of euros
Adjusted EBITDA	**31 December 2023**	**31 December 2022**
Broadcasting infrastructure	230,027	223,497
Telecom Infrastructure Services	3,680,767	3,159,629
Other Network Services	138,429	112,054
Operating income[3]	**4,049,223**	**3,495,180**
Staff costs[4]	(333,984)	(270,383)
Repairs and maintenance[5]	(111,246)	(91,969)
Utilities	(366,014)	(283,085)
General and other services and change in provisions	(311,272)	(298,733)
Depreciation, amortisation and results from disposals of fixed assets[6]	(2,552,635)	(2,320,694)
Operating profit	**374,072**	**230,316**
Depreciation and amortisation	2,552,635	2,320,694
Non-recurring expenses [7]	77,724	75,983
Advances to customers	3,983	3,442
Adjusted operating profit before depreciation and amortisation charge (Adjusted EBITDA)	**3,008,414**	**2,630,435**

Non-recurring and non-cash expenses, as well as advances to customers at 31 December 2023 and 2022 are set out below (see Note 20.d to the accompanying consolidated financial statements):

i. Donations, which relate to a financial contribution by Cellnex to various institutions (non-recurring item), amounted to EUR 1,126 thousand (EUR 1,832 thousand in 2022).

[3] See note 20.a to the accompanying consolidated financial statements.
[4] See note 20.b to the accompanying consolidated financial statements.
[5] See note 20.c to the accompanying consolidated financial statements.
[6] See note 20.e to the accompanying consolidated financial statements.
[7] See note 20.d to the accompanying consolidated financial statements.

ii. Redundancy provision, which mainly includes the impact at 2023 and 2022 year-end derived from the reorganisation plans detailed in Note 19.b to the accompanying consolidated financial statements (non-recurring item), amounted to EUR 29,942 thousand (EUR 3,367 thousand at 2022 year-end).

iii. LTIP remuneration, which corresponds to the LTIP remuneration accrued at the year-end (see Note 19.b to the accompanying consolidated financial statements, non-cash item), amounted to EUR 14,977 thousand (EUR 16,649 thousand at 2022 year-end), and extra compensation and benefits costs, which corresponds to an extra non-conventional bonus for the employees (non-recurring item), amounted to EUR 7,326 thousand (EUR 418 thousand at 2022 year-end).

iv. Costs and taxes related to acquisitions, which mainly includes taxes and ancillary costs incurred during the business combination processes (non-recurring item), amounted to EUR 24,353 thousand (EUR 53,717 thousand at 2022 year-end).

v. Advances to customers, which Includes the amortisation of amounts paid for sites to be dismantled and their corresponding dismantling costs, amounted to EUR 3,983 thousand (EUR 3,442 thousand at 2022 year-end). These costs are treated as advances to customers in relation to the subsequent services agreement entered into with the customer (mobile telecommunications operators ("MNOs")). These amounts are deferred over the life of the service contract with the operator as they are expected to generate future economic benefits in existing infrastructure (non-cash item).

During 2023, Cellnex carried out relevant investments mainly related to BTS and disposals due to agreed remedies. If all the relevant investments and remedies carried out during 2023 had been completed by 1 January 2023 and had been fully consolidated for the full year ended on 31 December 2023, the Adjusted EBITDA would have amounted to some EUR 3,065 million and the payments of lease instalments in the ordinary course of business would have been approximately EUR 846 million.

2. Adjusted EBITDA Margin

Adjusted EBITDA Margin corresponds to Adjusted EBITDA (as defined above), divided by Services (Gross) excluding Utility Fee. Thus, it excludes elements passed through to customers from both expenses and revenues, mostly electricity costs, the utility fee as well as Advances to customers. Please note that the Adjusted EBITDA Margin for the year ended 31 December 2022 has been restated to exclude the Utility Fee from Services (Gross), The Group uses Adjusted EBITDA Margin as an operating performance indicator and it is widely used as an evaluation metric among analysts, investors, rating agencies and other stakeholders.

Accordingly, the Adjusted EBITDA Margin as at 31 December 2023 and 2022 was 82% and 83%, respectively.

		Thousands of Euros
	31 December 2023	31 December 2022
Services (Gross) [1]	3,808,059	3,251,155
Utility Fee [1]	149,290	71,257
Other operating income [1]	245,147	247,467
Advances to customers [1]	(3,983)	(3,442)
Operating income [1]	**4,049,223**	**3,495,180**
Adjusted EBITDA	**3,008,414**	**2,630,435**
Services (Gross) excluding Utility Fee	**3,658,769**	**3,179,898**
Adjusted EBITDA Margin	**82%**	**83%**

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

3. EBITDA after leases ("EBITDAaL")

EBITDAaL refers to Adjusted EBITDA after leases. It deducts payments of lease instalments in the ordinary course of business to Adjusted EBITDA.

The Company uses EBITDAaL as an operating performance indicator 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 EBITDAaL is not a measure adopted in accounting standards and, therefore, should not be considered an alternative to cash flow as an indicator of liquidity. EBITDAaL does not have a standardized meaning and, therefore, cannot be compared to the EBITDAaL of other companies.

One commonly used metric that is derived from EBITDAaL is EBITDAaL margin.

		Thousands of Euros
	31 December 2023	31 December 2022
Adjusted EBITDA	**3,008,414**	**2,630,435**
Payments of lease instalments in the ordinary course of business and interest payments	(851,469)	(791,743)
EBITDA after leases(EBITDAaL)	**2,156,945**	**1,838,692**

4. EBITDAaL Margin

EBITDAaL Margin corresponds to EBITDAaL, divided by "Services (Gross) excluding Utility Fee". Thus, it excludes elements passed through to customers from both expenses and revenues, mostly electricity costs, the utility fee, as well as Advances to customers.

The Group uses EBITDAaL Margin as an operating performance indicator and it is widely used as an evaluation metric among analysts, investors, rating agencies and other stakeholders.

		Thousands of Euros
	31 December 2023	31 December 2022
Service(Gross) [1]	3,808,059	3,251,155
Utility Fee [1]	149,290	71,257
Other operating income [1]	245,147	247,467
Advances to customers [1]	(3,983)	(3,442)
Operating income [1]	**4,049,223**	**3,495,180**
EBITDAaL	**2,156,945**	**1,838,692**
Services(Gross) excluding Utility Fee	**3,658,769**	**3,179,898**
EBITDAaL Margin	**59 %**	**58 %**

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

5. Gross Financial Debt

The Gross Financial Debt corresponds to “Bond issues and other loans”[8], “Loans and credit facilities”[9] and “Lease liabilities”[10], but does not include any debt held by Group companies registered using the equity method of consolidation, “Derivative financial instruments”[11] or “Other financial liabilities”[12]. "Lease liabilities" is calculated as the present value of lease payments payable over the lease term, discounted at the rate implicit or at the incremental borrowing rate.

In line with the above, its value as at 31 December 2023 and 2022, respectively, is as follows:

		Thousands of euros
Gross Financial Debt	31 December 2023	31 December 2022 restated
Bond issues and other loans (Note 15)	14,303,672	14,045,410
Loans and credit facilities (Note 15)	4,391,837	3,838,178
Lease liabilities (Note 16)	2,814,419	2,985,855
Gross financial debt	**21,509,928**	**20,869,443**

[8] See note 15 to the accompanying consolidated financial statements.
[9] See note 15 to the accompanying consolidated financial statements.
[10] See note 16 to the accompanying consolidated financial statements.
[11] See note 11 to the accompanying consolidated financial statements.
[12] See note 15 to the accompanying consolidated financial statements.

6. Net Financial Debt

The Net Financial Debt corresponds to "Gross financial debt" less "Cash and cash equivalents"[13] and "Other financial assets"[14]. Together with Gross Financial Debt, the Group uses Net Financial Debt as a measure of its solvency and liquidity as it indicates the current cash and equivalents in relation to its total debt liabilities. One commonly used metric that is derived from Net Financial Debt is "Net Financial Debt / Adjusted EBITDA" which is frequently used by analysts, investors and rating agencies as an indication of financial leverage.

"Net financial debt" at 31 December 2023 and 2022 is as follows:

		Thousands of euros
Net Financial Debt	**31 December 2023**	**31 December 2022 restated**
Gross financial debt	21,509,928	20,869,443
Cash and short term deposits (Note 13.a)	(1,292,439)	(1,038,179)
Other financial assets (Note 13.b)	(115,581)	(93,242)
Net financial debt	**20,101,908**	**19,738,022**

At 31 December 2023, net financial debt amounted to EUR 20,102 million (EUR 19,738 million in 2022 restated), including a consolidated cash and cash equivalents position of EUR 1,292 million (EUR 1,038 million in 2022) and EUR 116 million of other financial assets (EUR 93 million in 2022).

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

• Net financial debt evolution

		Thousands of euros
Net Financial Debt evolution	**31 December 2023**	**31 December 2022 restated**
Beginning of Period	**19,738,022**	**14,609,225**
Recurring leveraged free cash flow (1)	(1,545,381)	(1,367,925)
Expansion (or organic growth) capital expenditures (1)	458,193	349,553
Expansion capital expenditures (Build to Suit programs) and Remedies (1)	936,899	2,133,206
M&A Capital Expenditures (1)	695,969	3,542,589
Divestments (1)	(551,109)	—
Non-Recurrent Items (cash only) (1)	25,478	59,334
Other Net Cash Out Flows (2)	59,326	(137,129)
Issue of equity instruments, Treasury Shares and Payment of Dividends (3)	296,349	338,842
Net repayment of other borrowings (4)	(9,416)	(1,957)
Change in Lease Liabilities (5)	(171,436)	80,093
Accrued Interest Not Paid and Others (6)	169,014	132,191
End of Period	**20,101,908**	**19,738,022**

(1) See footnotes 1 to 12 in heading "Recurring leveraged free cash flow" of the accompanying Consolidated Management Report.

(2) Corresponds to "Other Net Cash Outflows" (see footnote 14 in heading "Recurring Leveraged Free Cash Flow" of the accompanying Consolidated Management Report), excluding other financial assets (€22Mn, see note 13.b to the accompanying Consolidated Financial Statements).

(3) 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 2023, minus the contribution of minority shareholders (€56Mn, see the relevant section in the Consolidated Statement of Changes in Net Equity and Note 14.f to the accompanying Consolidated Financial Statements), corresponding to (i) the net impact of the equity component of the recently repurchased Convertible Bond and the newly issued Convertible Bond and (ii) dividends paid (€40Mn, see Note 14.d. to the accompanying Consolidated Financial Statements).

(4) Corresponds to "Net repayment of other borrowings" (see the relevant section in the Consolidated Statement of Cash Flows for the year ended on 31 December 2023).

(5) Changes in "Lease liabilities" long and short term to the accompanying Consolidated Balance Sheet as of 31 December 2023. See Note 16 to the accompanying consolidated financial statements.

(6) "Accrued interest not paid and others" include, mainly, arrangement expenses accrued, change in interest accrued not paid, convertible bonds accretion and Foreign exchange differences.

7. Net Payment of Interest

Net Payment of Interest corresponds to i) “interest payments on lease liabilities”[15] plus ii) “Net payment of interest (not including interest payments on lease liabilities)” and iii) non-recurring financing costs[16].

The reconciliation of the heading “Net Payment of Interest” from the Consolidated Statement of Cash Flows corresponding to the year ended on 31 December 2023 and 2022, with the “Net financial loss” in the Consolidated Income Statement is as follows:

		Thousands of euros
Net Payment of Interest	**31 December 2023**	**31 December 2022**
Interest Income [17]	76,445	22,519
Interest Expense [18]	(884,294)	(751,478)
Bond & loan interest accrued not paid	175,581	164,621
Interest accrued in prior year paid in current year	(159,962)	(134,998)
Amortised costs – non-cash	82,682	93,913
Net payment of interest as per the Consolidated Statement of Cashflows	**(709,548)**	**(605,423)**

Net payment of interest as per the Consolidated Statement of Cash Flows, which corresponds to i) “interest payments on lease liabilities” for an amount of €327,324 thousand (see Note 16 to the accompanying consolidated financial statements) plus ii) “Net payment of interest" (not including interest payments on lease liabilities) for an amount of €381,111 thousand (see section “Recurring leveraged free cash flow” of the accompanying Consolidated Management Report) and plus iii) non-recurring financing costs (€1,113 thousand, see heading “Recurring leveraged free cash flow” of the accompanying Consolidated Management Report).

8. Available Liquidity

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

The breakdown of the available liquidity at 31 December 2023 and 2022 is as follows:

		Thousands of Euros
Liquidity availability	**31 December 2023**	**31 December 2022**
Available in credit facilities	3,180,218	3,344,826
Cash and cash equivalents[19]	1,292,439	1,038,179
Other financial assets[20]	115,581	93,242
Available Liquidity	**4,588,238**	**4,476,247**

9. Capital Expenditures

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

The Group classifies its capital expenditures in four main categories:

- **Maintenance capital expenditures**

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

[15] See note 16 to the accompanying consolidated financial statements.
[16] See note 20.d to the accompanying consolidated financial statements.
[17] See note 20.f to the accompanying consolidated financial statements.
[18] See note 20.f to the accompanying consolidated financial statements.
[19] See note 13.a to the accompanying consolidated financial statements.
[20] See note 13.b to the accompanying consolidated financial statements.

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

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

  Includes adapting sites for new tenants, ground leases (cash advances), and efficiency measures associated with energy and connectivity, and early site adaptation to increase site capacity, and also engineering services. Thus, it corresponds to investments related to business expansion that generates additional recurring leveraged free cash flow (including among other things, decommissioning, adaptation of telecom sites for new tenants, engineering services and prepayments of land leases).

- **Expansion capital expenditures (build-to-suit programmes) and remedies**

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

- **M&A capital expenditures**

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

Total capital expenditure for the years ended 31 December 2023 and 2022, including property, plant and equipment, intangible assets, advance payments on land leases, business combinations and divestments, is summarised as follows:

		Thousands of euros
Capital expenditures	**31 December 2023**	**31 December 2022 restated**
Maintenance capital expenditures	138,884	107,726
Expansion (or organic growth) capital expenditures	458,193	349,553
Expansion capital expenditures (build-to-suit programmes) and remedies	936,899	2,133,206
Expansion capital expenditures (build-to-suit programmes)	1,568,330	2,282,650
Remedies [(2)]	(631,431)	(149,444)
M&A capital expenditures	695,969	4,881,163
Total investment [(1)]	**2,229,945**	**7,471,648**

[(1)] “Total Investment”, amounting to €2,230Mn (€7,472Mn in 2022), corresponds to “Total net cash flow from investment activities” in the accompanying Consolidated Statement of Cash Flows amounting to €1,592Mn (€5,950Mn in 2022), plus i) “Cash and cash equivalents” of the acquired companies in business combinations amounting to €0Mn (€101Mn in 2022, see Note 6 to the accompanying consolidated financial statements); plus ii) "Cash advances to landlords" and "Long-term rights of use to land" amounting to €104Mn (€133Mn in 2022, see Note 16 to the accompanying Consolidated Financial Statements); plus iii) the divestment of a 49% stake in Cellnex Nordics (€551Mn, see Notes 2.h.iv) and 14 to the accompanying Consolidated Financial Statements), plus iv) the payment for the Hutchison UK acquisition through Cellnex Telecom SA shares (€1,237Mn in 2022, see Note 6 to the accompanying consolidated financial statements); minus iv) "Others" amounting to €17Mn (€51Mn in 2022), which includes, mainly, timing effects related to assets purchases and other financial assets amounting to €-22Mn (€-93Mn in 2022, see note 13.b to the accompanying Consolidated Financial Statements), partly offset by the reimbursement of contributions of the initial investment in DIV amounting to €12Mn (€52Mn in 2022, see note 10 to the accompanying Consolidated Financial Statements).

[(2)] Corresponds to the price in relation to the Divestment Remedy with Phoenix France Infrastructures required by the French Competition Authority ("FCA") in France amounting €631Mn in 2023 (€0Mn in 2022) and WIG in the United Kingdom amounting €0Mn in 2023 (€149Mn in 2022).

10. Recurring Leveraged Free Cash Flow

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

At 31 December 2023 and 2022 the Recurring Leveraged Free Cash Flow ("RLFCF") was calculated as follows:

		Thousands of euros
Recurring Leveraged Free Cash Flow	**31 December 2023**	**31 December 2022**
Adjusted EBITDA (1)	**3,008,414**	**2,630,435**
Payments of lease instalments in the ordinary course of business and interest payments (2)	(851,469)	(791,743)
Maintenance capital expenditures (3)	(138,884)	(107,726)
Changes in current assets/current liabilities (4)	18,356	(16,803)
Net payment of interest (without including interest payments on lease liabilities) (5)	(381,111)	(257,652)
Income tax payment (6)	(107,988)	(88,586)
Net dividends to non-controlling interests(7)	(1,937)	—
Recurring leveraged free cash flow (RLFCF)	**1,545,381**	**1,367,925**
Expansion (or organic growth) capital expenditures (8)	(458,193)	(349,553)
Expansion capital expenditures (Build to Suit programs) and Remedies (9)	(936,899)	(2,133,206)
Free Cash Flow	**150,289**	**(1,114,834)**
M&A capital expenditures (10)	(695,969)	(3,542,589)
Divestments (11)	551,109	—
Non-Recurrent Items (cash only) (12)	(25,478)	(59,334)
Net Cash Flow from Financing Activities (13)	355,974	1,784,471
Other Net Cash Out Flows (14)	(81,665)	43,887
Net Increase of Cash (15)	**254,260**	**(2,888,399)**

(1) Adjusted EBITDA: Profit from operations before D&A (after IFRS 16 adoption) and after adding back (i) certain non-recurring items, such as costs and taxes related to acquisitions (€24Mn), redundancy provision (€30Mn) and donations (€1Mn), and/or (ii) certain non-cash items, such as advances to customers (€4Mn) which include the amortisation of amounts paid for sites to be dismantled and their corresponding dismantling costs, LTIP remuneration (€15Mn) and extra compensation and benefits costs (€7Mn).

(2) Corresponds to i) payments of lease instalments (€524Mn) in the ordinary course of business, excluding non-ordinary lease payments, and; ii) interest payments on lease liabilities (€327Mn). See Note 16 to the accompanying consolidated financial statements.

(3) Maintenance capital expenditures: see definition in section "Alternative Performance Measures".

(4) Changes in current assets/current liabilities (see the relevant section in the Consolidated Statement of Cash Flows for the year ended on 31 December 2023).

(5) Corresponds to the net of “Interest paid” and “interest received” in the accompanying Consolidated Statement of Cash Flows for the year ended on 31 December 2023 (€710Mn), excluding “Interest payments on lease liabilities” (€327Mn) (see Note 16 to the accompanying consolidated financial statements) and non-recurring financing costs (€1Mn, see footnote 13).

(6) Corresponds to “Income Tax received/(paid)” in the accompanying Consolidated Statement of Cash Flows for the year ended on 31 December 2023, excluding €72.6Mn of tax paid as detailed in footnote 14.
(7) Corresponds to the “Dividends to non-controlling interests” as per the Consolidated Statement of Cash Flows.

(8) Investment related to business expansion that generates additional RLFCF, including among others, decommissioning, telecom site adaptation for new tenants, engineering services and prepayments of land leases. Corresponds to cash advances to landlords (€56Mn), efficiency measures associated with energy and connectivity (€24Mn), and others (€378Mn, including early site adaptation to increase the capacity of sites).

(9) Committed Build-to-Suit Programmes and further initiatives (consisting of sites, backhauling, 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 that have been contractualized with various customers, including any ad-hoc capex eventually required, and cash-in from the disposal of assets (or shares) due to antitrust bodies’ decisions. As of 31 December 2023 includes prepayments in France (see Note 8 to the accompanying Consolidated Financial Statements) in relation to committed Build-to-Suit Programmes, and further initiatives as well as the impact of Remedies (€631Mn, see caption “Capital Expenditures” in the accompanying Consolidated Directors’ Report for the year ended on 31 December 2023).

(10) Corresponds to investments in shareholdings of companies as well as significant investments in acquiring portfolios of sites, land and long-term rights of use of land (asset purchases), after integrating into the consolidated balance sheet mainly the "Cash and cash equivalents" of the acquired business. Mainly corresponds to the acquisition of the remaining minority stake in Poland (the acquisition of Hutchison UK and Iliad minority stakes in France and Poland in 2022).

The amount resulting from (3)+(8)+(9)+(10), hereinafter the “Total Capex” (€2,230Mn), corresponds to “Total Investment” (€2,230Mn, see heading “Capital Expenditures” in the accompanying Consolidated Directors’ Report for the year ended on 31 December 2023) minus the “Cash and cash equivalents” of the acquired companies (€0Mn, see Note 6 to the accompanying consolidated financial statements).

Total Capex (€2,230Mn) also corresponds to “Total net cash flow from investing activities” (€1,592Mn, see the relevant section in the accompanying Consolidated Statement of Cash Flows for the year ended on 31 December 2023) + "Cash advances to landlords" (€56Mn, see footnote 8) and "Long-term rights of use to land" (€48Mn) (see Note 16 to the accompanying Consolidated Financial Statements) + disposal of the 49% stake in Cellnex Nordics (€551Mn, see footnote 11) - Others (€17Mn, which includes, mainly, timing effects related to assets purchases and other financial assets (€22Mn, see note 13.b to the accompanying Consolidated Financial Statements)).

(11) Divestment in shareholdings of companies corresponding to the disposal of the 49% stake in Cellnex Nordics (Sweden and Denmark). Please, see Note 2.h) to the accompanying Consolidated Financial Statements.

(12) Corresponds to costs and taxes related to acquisitions (€24Mn) and Donations (€1Mn) (see footnote 1).

(13) Corresponds to “Total net cash flow from financing activities” (€206Mn, see the relevant section in the accompanying Consolidated Statement of Cash Flows for the year ended on 31 December 2023), minus: i) payments of lease instalments in the ordinary course of business (€524Mn, see footnote 2), ii) Cash advances to landlords (€56Mn) (see footnote 8), iii) long-term rights of use of land (€48Mn, see footnote 10), and iv) Dividends to non-controlling interests (€2Mn, see footnote 7), plus: i) others (€68Mn), mainly corresponding to the contribution of minority shareholders (€56Mn, see the relevant section in the Consolidated Statement of Changes in Net Equity), and non-recurring financing costs (€1Mn, see heading "Net Payment of Interest").

(14) Mainly corresponds to €72.6Mn of tax paid (see see footnote 6), derived from (i) the one-off tax payment upon the execution of the Divestment Remedy relating to the Hivory Acquisition (see Note 7 to the accompanying consolidated financial statements), and (ii) the advanced Spanish Corporate Income Tax payment relating to the disposal of 49% stake in Cellnex Nordics (see Note 14.f to the accompanying consolidated financial statements), which is based on accounting rather than taxable profits. With the filing of the 2023 Spanish Corporate Income Tax return in July 2024, such advanced payment shall be fully recovered (see Note 18.b to the accompanying consolidated financial statements).
(15) “Net (decrease)/increase in cash and cash equivalents from continuing operations” (see the relevant section in the accompanying Consolidated Statement of Cash Flow for the year ended on 31 December 2023).

11. Free cash flow

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

		Thousands of euros
Free Cash Flow	**31 December 2023**	**31 December 2022**
Recurring leveraged free cash flow (RLFCF)	**1,545,381**	**1,367,925**
Expansion capital expenditures (build-to-suit programmes) and Remedies	(936,899)	(2,133,206)
Expansion (or organic growth) capital expenditures	(458,193)	(349,553)
Free Cash Flow	**150,289**	**(1,114,834)**

Revenues and results

Operating Income for the year ended in December 2023, by country and type of service, can be broken down as follows: Spain accounted for EUR 611 million (of which i) Telecom Infrastructure Services ("TIS") accounted for EUR 252 million – EUR 198 million colocations and DAS, EUR 8 million Engineering Services, EUR 44 million pass-through and EUR 3 million data centres, ii) Broadcasting Infrastructure EUR 230 million and iii) Other Network Services EUR 129 million), while fibre revenues reported both at Telecom Infrastructure Services and Other Network Services amounted to EUR 43 million), Italy accounted for EUR 797 million (of which i) Telecom Infrastructure Services ("TIS") accounted for EUR 794 million – EUR 618 co-locations and DAS, EUR 11 million Engineering Services and EUR 165 million pass-through and ii) Other Network Services EUR 3 million), France accounted for EUR 795 million (entirely from Telecom Infrastructure Services – EUR 630 million co-locations and DAS, EUR 84 million Engineering Services, EUR 19 million pass-through, EUR 29 million data centres and EUR 33 million fibre) and the rest of Europe accounted for EUR 1,848 million (of which, Telecom Infrastructure Services accounted for EUR 1,841 million – EUR 1,516 million co-locations and DAS, EUR 152 million Engineering Services the largest contributors being the i) UK with EUR 98 million, ii) Switzerland with EUR 20 million, iii) Poland with EUR 17 million and iv) Portugal with EUR 12 million, EUR 167 million pass-through, EUR 6 million data centres and EUR 0.1 million fibre and Other Network Services for EUR 7 million). The Operating Income breakdown in 2022 was: Spain EUR 566 million (of which, Telecom Infrastructure Services accounted for EUR 234 million, EUR 179 million co-locations and DAS, EUR 6 million Engineering Services, EUR 47 million pass-through and EUR 2 million data centres, Broadcasting Infrastructure for EUR 223 million and Other Network Services for EUR 109 million, while fibre revenues reported both at Telecom Infrastructure Services and Other Network Services amounted to EUR 35 million), Italy amounted to EUR 735 million (entirely from Telecom Infrastructure Services – EUR 567 million co-locations and DAS, EUR 22 million Engineering Services and EUR 146 million pass-through), France amounted to EUR 749 million (entirely from Telecom Infrastructure Services – EUR 607 million co-locations and DAS, EUR 97 million Engineering Services, EUR12 million pass-through, EUR 18 million data centres and EUR 15 million fibre –) and Rest of Europe amounted to EUR 1,446 million (of which, Telecom Infrastructure Services accounted for EUR 1,444 million – EUR 1,185 million co-locations and DAS, EUR 143 million Engineering Services, the largest contributors being the UK with EUR 92 million, Switzerland with EUR 19 million, Poland with EUR 15 million and Portugal with EUR 12 million, EUR 111 million pass-through, EUR 5 million data centres and EUR 0.4 million fibre and Other Network Services for EUR 2 million).

Operating Income for the year ended on 31 December 2023 was EUR 4,049 million, which represents a 16% increase over the 2022 year-end. This increase was mainly due to the twelve month consolidation in 2023 of the business combination carried out during second half of 2022, in relation to the Hutchison United Kingdom Acquisition (please see Note 6 of the 2022 Consolidated Financial Statements).

Operating Income from Telecom Infrastructure Services income increased by 16% to EUR 3,681 million, due to both the organic growth achieved and the business combination performed during 2022 in the UK, as detailed above. The Group provides its customers in Telecom Infrastructure Services with coverage-related services and access to the Group's telecom or broadcasting infrastructures for MNOs to co-locate their equipment on the Group's infrastructure, offering additional services that allow MNOs to rationalise their networks and optimise costs, through the dismantling of duplicate infrastructure (decommissioning) and building new infrastructure (build-to-suit) on strategic sites that can offer service to one or more MNOs. These services have the aim of completing the deployment of 4G and 5G in the future, reducing areas with no signal coverage and extending network densification. The Group acts as a neutral operator for MNOs (for example, by not having one or more MNOs as a significant shareholder represented on the Board of Directors or other governance bodies) and other telecom operators who generally require full access to network infrastructure in order to provide services to end users. The Group acts as a multi-infrastructure operator. Its customers are responsible for the individual communication equipment hosted on the Group's telecom and broadcasting infrastructure. 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 co-locations and Associated revenues (which include new third-party co-locations as well as further initiatives carried out in the period such as special connectivity projects, indoor connectivity solutions based on DAS, mobile edge computing, fibre backhauling, site configuration changes as a result of 5G rollout and Engineering Services as well as housing services to broadcasters outside of Spain). The perimeter, therefore the number of tenants, may also be increased as a result of both acquisitions and executing BTS programmes. The foreseeable new technological requirements linked to 5G along with other ordinary maintenance services such as investment in infrastructure, equipment and information technology systems, generally at the request of its customers, will translate into asset investment commitments in the coming years. In this context, the Group carries out engineering services, consisting of works and studies such as adaptation, engineering and design services as well as Installation Services at the request of its customers, which represent a separate income stream and performance obligation. Engineering services carried out in Cellnex infrastructure are invoiced and accrued when the customer's request is finalised and collected in accordance with each customer agreement with certain margin[28]. Also, Engineering services can be deployed under the heading of Capex Recovery which are carried out, invoiced, accrued and collected over several years with a certain margin[28]. The costs incurred in relation to these services, that will be classified as capital expenditures, can be an internal expense or otherwise outsourced and the revenue in relation to these services is generally recognised when the capital expense is incurred. The margin[21] is significantly lower than the Adjusted EBITDA margin of the Group, tending to be a mid-single-digit percentage. In terms of engineering services, when a new PoP is installed, the following concepts are usually involved: As-built drawings, strength calculation, reports (electro, static, EMF...), joint site survey, site adequacy, energy meter installation, access cards and keys or tower/mast modifications. On the other hand, installation services are a type of engineering services carried out mainly in Cellnex' infrastructure, accrued as projects progress, invoiced and collected in accordance with certain milestones. If the project is finalised and rejected by the customer, the cost is reclassified as an expense. Installation services include the installation of customers' equipment on site, such as installation of antennae, microwave equipment or remote radio units. The total amount of revenues associated with these engineering services during 2023 was EUR 254Mn (EUR 267Mn during 2022). The total amount of capital expenditures incurred related to engineering services during 2023 is disclosed in Note 8 to the accompanying consolidated financial statements. Until 2022, Engineering services were considered within the BTS programmes disclosed to the market: various acquisition business plans have contractualised engineering services. From 2023 onwards, if more engineering services are required, the capital expenditures associated with the projects will be reported within Expansion Capex or Maintenance Capex, depending on its nature and magnitude, and, if required, as a new capex line. Some of this capex devoted to engineering services, especially in the UK, can be advances of capex to be recovered through future engineering services revenues as well as the corresponding margin (Capex Recovery).

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

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

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

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

The Group has extensive experience in DAS network solutions. The Group has deployed approximately 9,678 DAS nodes, with a customer ratio of three MNOs per infrastructure, in venues such as stadiums, skyscrapers, shopping malls, dense outdoor areas, airports, underground lines and railway stations. DAS is a network of spatially distributed antennae connected to a common source, thus providing wireless service within a specific geographical area. The system can support a wide variety of technologies and frequencies, obviously including 2G, 3G, 4G and 5G in the future. The Group works as a true neutral host, together with the MNOs,

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

in order to provide the optimal solution for the increasing need for coverage and densification in complex scenarios. The Group manages the complete life cycle of the solution: infrastructure acquisition, design, installation, commissioning, O&M, supervision and service quality assurance. The Group also operates the active network equipment for the DAS nodes that the Group manages.

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

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

Operating Income from the Broadcasting Infrastructure business amounted to EUR 230 million, which represents a 3% increase compared with 2022 year-end. This business segment consists of the distribution and transmission of TV and radio signals as well as the O&M of broadcasting networks, the provision of connectivity for media content, OTT broadcasting services and other services, all of them in Spain. The provision of these services requires unique high-mast infrastructure that, in most cases, only the Group owns, substantial spectrum management know-how, and the ability to comply with very stringent service levels. In Spain, the Group covers more than 99% of the population with DTT and radio of the broadcast infrastructure, which is a portfolio larger than all of its competitors combined. The Group's broadcasting infrastructure segment is characterised by predictable, recurrent and stable cash flows as well as in-depth technical know-how that allows the Group to provide consulting services. The Group classifies the services that it provides to its customers as a broadcast network operator in three groups: (i) Digital TV, (ii) Radio and (iii) Other broadcasting services. The Group's customers within the broadcasting infrastructure segment include all national and most regional and local TV broadcasters as well as leading radio station operators in Spain. Some of the key customers for DTT services include Atresmedia, CTTI, Mediaset España, Net Televisión, Veo Televisión and RTVE. The DTT broadcasting contracts have no volume risk, but do feature stable and visible pricing of MUXs, compliance with applicable regulations and attractive indexation terms. The main features of the Group's DTT broadcasting contracts are: medium-term contracts with high renewal rates, no volume risk, stable and visible pricing, and generally a high degree of indexation to the CPI that allows the Group to cover increases in operational costs where the CPI is positive (except for the RTVE contract that was renewed in 2023 with the same fees but with no annual escalator, while other nationwide broadcasters have indexing to the CPI capped at 3% when inflation stands at or below 5% and at 4% when inflation stands above 5%), as the decrease cannot be less than 0%. Note that Cellnex completed a general cycle of renewing contracts with customers in the broadcasting field, although in recent years the relative weight of this segment has decreased significantly. The strategy in this business segment is to maintain its strong market position while capturing potential organic growth. Cellnex plans to maintain its leading position in the Spanish national digital TV sector (in which it is the sole operator of national TV MUXs) by leveraging its technical knowledge of infrastructure and network infrastructure, its market understanding and the technical expertise of its staff. A significant portion of the contracts of the Group with these customers are inflation-linked, taking into consideration that the decrease cannot be less than 0%. In the past, the Group has experienced a high rate of renewal for the contracts in this business segment, although there can be price pressure from customers when renegotiating contracts. The Group plans to continue working closely with regulatory authorities in relation to technological developments in both the TV and radio broadcasting markets and to leverage its existing infrastructure and customer relationships to obtain business in adjacent areas where it benefits from competitive advantages.

Operating Income from the Other Network Services segment increased its income by 23%, to EUR 138 million. The Group classifies the type of services that it provides in this segment in five groups: connectivity services, mission-critical and private network ("MC&PN") services, O&M, urban telecom infrastructure and optical fibre. "Connectivity services" include connectivity between different nodes of the telecommunication networks (backhaul) of the Group's customers and/or connectivity with its customers' premises (enterprise leased lines), using radio-links, fibre or satellite. The Group also provides specialised leased lines to telecom operators such as MNOs or FNOs, public administrations, and small and medium-sized enterprises as well as companies in rural areas of Spain offering high-speed connectivity. Under "MC&PN services", the Group operates seven regional and two municipal TETRA networks in Spain which are critical for the communication needs of regional governments and municipalities where the networks are located and a highly reliable Global Maritime Distress and Safety System (GMDSS) for the Maritime Rescue Service for the Safety of Life at Sea, which provides communication services to ships in distress and hazardous situations in the coastal areas around Spain. Under "O&M" the Group manages and operates infrastructure (as opposed to outsourcing it to third parties) and provides maintenance services for customer equipment and infrastructure to the Group's customers (other than its broadcasting customers that are serviced by the Broadcasting Infrastructure segment). Through urban telecom infrastructure, the Group provides communications networks for smart cities and specific solutions for efficient resource and service management in cities. Under "optical fibre" the Group uses optical fibre to connect its, or its customers', infrastructure (macro cells, DAS and Small Cells) and edge-computing facilities. When the main customer of such business is the public administration, rather than an MNO, this business is reported under the Other Network Services business segment. The Group's main customers for its connectivity services are BT, Orange Spain, COLT, and Vodafone. Connectivity contracts usually have an initial term of three years and the fees charged are linked to the number of circuits deployed and the capacity used. Please note that, like Broadcasting Infrastructure, Other Network Services are provided in Spain only.

The transactions performed during the previous years, especially in the Telecom Infrastructure Services business segment, helped boost operating income and operating profit, the latter also being impacted by the measures to improve efficiency and optimise operating costs. Regarding land, which is the most important cost item, the Group makes cash advances, which are prepayments to landlords related to specific long-term contracts that allow Cellnex to reduce its annual recurring payments and extend the duration of the contracts, basically in order to obtaining efficiencies.The cash advances to landlords and long-term right of use lands executed during the year ended on 31 December 2023 amounts to EUR 103,998 thousand (EUR 132,708 thousand in 2022), and approximately c.8% of this cash advances are covering a lease period of 10 years or less (approximately 6% in 2022).

In line with the increase in operating income, Adjusted EBITDA was 14% higher than at the 2022 year-end, reflecting the Group's capacity to generate cash flows on a continuous basis.

In this previous context of intense growth, the "Depreciation, amortisation and results from disposals of fixed assets" expense has increased substantially, by 10% compared to the 2022 year-end, as a result of the higher fixed assets (property, plant and equipment, and intangible assets) in the accompanying consolidated balance sheet, following the business combination undertaken during the second half of 2022.

Moreover, the net financial loss increased by 11%, derived largely from the new bond issuances and credit facility disposals carried out during 2023 and 2022 year end.

Therefore, the net loss attributable to the parent company on 31 December 2023 amounted to EUR 297 million due to the substantial effect of higher amortisations and financial costs associated with the intense investment effort carried out during the previous years, and the consequent geographical footprint expansion, as mentioned above. Thus, as detailed in the Annual Results Presentation, the Group expects to continue experiencing a net loss attributable to the Parent company in the coming quarters.

Consolidated Balance Sheet

Total assets at 31 December 2023 stood at EUR 44,365 million, a 1% increase compared with the 2022 year-end, due mainly due to both the investments carried out during 2023, offset by the amortisation of the intangible and tangible fixed assets, as well as the divestment of sites in France in accordance with the Divestment Remedy required by the FCA in the Hivory Acquisition (see Note 7 to the accompanying Consolidated Financial Statements). Around 82% of total assets concern property, plant and equipment and other intangible assets, in line with the nature of the Group's business related to the management of terrestrial telecommunications infrastructure.

Thus, total investments made in 2023 amounted to EUR 2,230 million, mainly 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), as well as expansion capital expenditures related to committed build-to-suit programmes and engineering services with various clients (see Note 8 to the accompanying consolidated financial statements). Moreover, over this period the Group has also invested in maintaining its infrastructure and equipment, keeping sites in good working order, which is key to maintaining a high level of service.

Consolidated net equity at 31 December 2023 stood at EUR 15,147 million, in line with the 2022 year-end. During 2023, the Group has carried out some equity transactions with minority interests. In Poland, Cellnex acquired an additional 30% stakel of On Tower Poland, after which the Group now holds a 100% shareholding in this subsidiary. In addition, Cellnex completed the divestment of a 49% stake in Cellnex Nordics, which owns the Group business in Sweden and Denmark. Consequently, as a result of this transaction, the Group did not modify the controlling position in Cellnex Nordics (see Note 2.h to the accompanying consolidated financial statements).

In relation to bank borrowings and bond issues, the Cellnex debt structure is marked by flexibility, low cost and high average life, and the 76% at a fixed interest rate. During 2023 the Group has issued a new convertible bond for an amount of EUR 1,000 million, and has also repurchased the outstanding amount of EUR 800 million convertible bonds due 2026.

The Group's net financial debt as at 31 December 2023 stood at EUR 20,102 million compared with EUR 19,738 million at the end of 2022 (restated). Likewise, on 31 December 2023, Cellnex had access to immediate liquidity (cash & undrawn debt) to the tune of approximately EUR 4.6 billion (EUR 4.5 billion at the end of 2022).

Corporate Rating

Regarding the Corporate Rating, at 31 December 2023, Cellnex maintained 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 7 February 2024 and a long-term "BB+" with positive outlook according to the international credit rating agency Standard & Poor's Financial Services LLC as confirmed by a report issued on 29 November 2023.

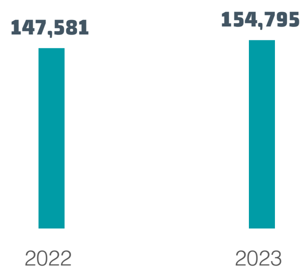
Business indicators

+6.4% new PoPs

vs. FY 2022 and strong progress on BTS programs

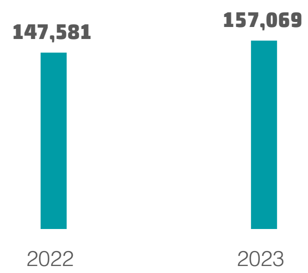
PoPs - Total

+c. 5%



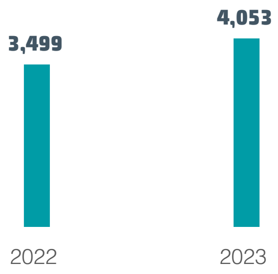
PoPs - Organic Growth

+c. 6%



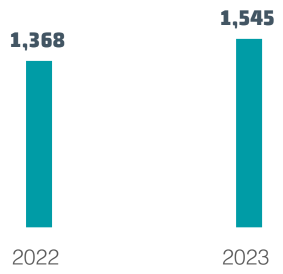
Revenues (€Mn)

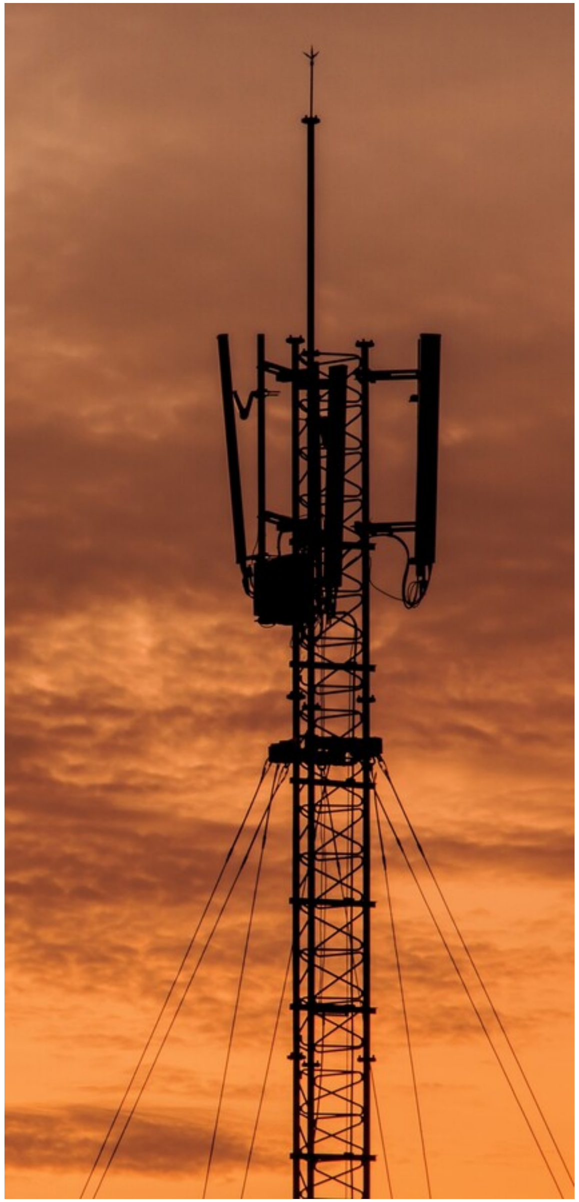
+c. 16%



RLFCF (€Mn)

+c. 13%





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

Organic growth generation

Recurring Leveraged Free Cash Flow (please see section **Milestones and Key Figures for 2023** of this Annual Integrated Report) organic growth generation in the year ended 31 December 2023 amounted to 254 million euros (please see full year 2023 results presentation), driven by a number of contributors: i) BTS programme execution (approximately 104 million euros), ii) escalators or inflation (approximately 67 million euros), iii) Operating expenses, ground lease efficiencies and synergies (approximately 20 million euros) and, iv) New co-locations and associated revenues (approximately 63 million euros). Management has taken account of the following assumptions:

- The contribution from BTS programmes corresponds to approximately 4,500 average annual BTS PoPs, adjusting for its respective incremental contribution in 2023 compared to the year ended 31 December 2022, along with an average fee of approximately EUR 20 thousand (taking account of the resulting volume executed through each programme). Furthermore, this average fee may change in future periods as the overall composition of the BTS programmes delivered may result in a different weighted average figure. Additionally, Nexloop and other contracted projects contributed around 25 million euros.

- Escalators or inflation as the annual update of the base fee. As per management estimates, around 65% of total operating income is linked to domestic CPI with different caps and floors (depending on each contract - please see paragraph "Telecom Infrastructure Services" of this section), while the remaining c.35% is linked to fixed escalators (1% of 2% - please see paragraph "Telecom Infrastructure Services" of this section). For the year ended 31 December 2023, management estimates assume approximately 3% average escalator. Please note this average may change in future periods.

- Operating expenses, ground lease efficiencies and synergies correspond to the efficiencies that are achieved mostly as a result of the investment in cash advances and other initiatives on ground lease efficiencies. It also includes operating expense savings related to energy consumption and connectivity costs that are offset by the impact of the CPI (allowing for like-for-like OPEX growing below inflation including the contribution from efficiencies to payment of leases (not accounted for as Opex under IFRS 16) and excluding energy price increases that are passed through to customers). Management estimates that the corresponding investments deliver an approximate 10 year pay-back.

- New co-locations and associated revenue corresponds to new third party co-locations (around 4,300 average annual third party PoPs, adjusting for its respective incremental contribution in 2023 compared to the year ended 31 December 2022, along with an average fee that is approximately half of the fee of BTS PoPs) as well as further initiatives carried out in the period, such as special connectivity projects, indoor connectivity solutions based on DAS, mobile edge computing, fibre backhauling, site configuration changes as a result of 5G rollout and other engineering services (certain works and studies carried out on request of Cellnex's customers such as adaptation, engineering and design services, which represent a separate income stream and performance obligation). Please see Engineering Services disclosed in **Note 8** of the accompanying Consolidated Financial Statements and section **Milestones and key figures for** 2023

Information on average supplier payment period

Please see **Note** 17 to the accompanying Consolidated Financial Statements.

Use of financial instruments

Please see **Note** 4 to the accompanying Consolidated Financial Statements.

Long-term value creation

Cellnex´s Financial Structure (1)

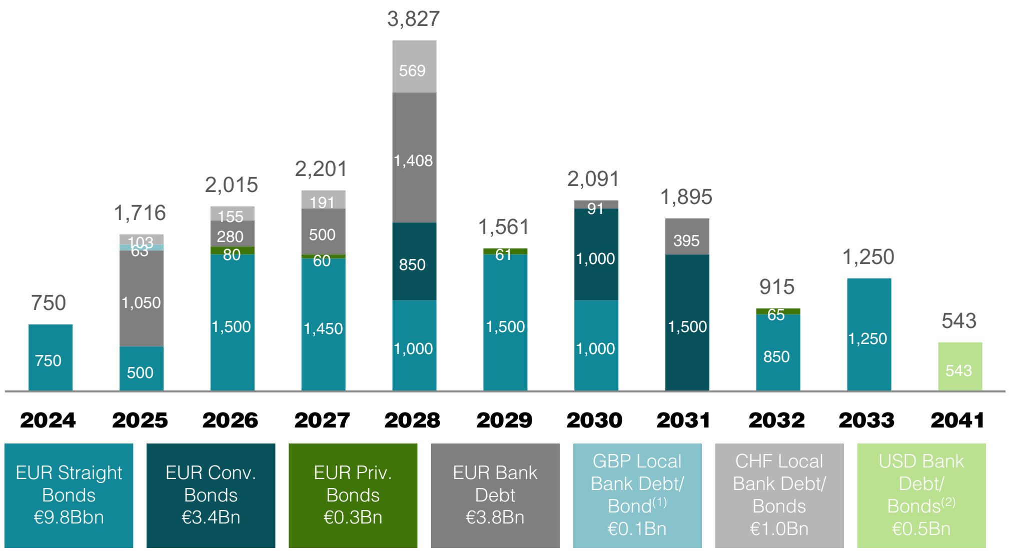
Cellnex's borrowing is represented by a combination of loans, credit facilities and bond issues. At 31 December 2023, the total limit of loans and credit facilities available was EUR 7,553,300 thousand (EUR 7,178,743 thousand as at 31 December 2022), of which EUR 3,958,010 thousand in credit facilities and EUR 3,595,290 thousand in loans (EUR 3,885,213 thousand in credit facilities and EUR 3,293,530 thousand in loans as at 31 December 2022).

						Thousands of euros
	Notional as of 31 December 2023 (*)			Notional as of 31 December 2022 (*)		
	Limit	Drawn	Undrawn	Limit	Drawn	Undrawn
Bond issues and other loans	14,428,249	14,428,249	—	14,215,194	14,215,194	—
Loans and credit facilities	7,553,300	4,373,082	3,180,218	7,178,743	3,833,917	3,344,826
Total	**21,981,549**	**18,801,331**	**3,180,218**	**21,393,937**	**18,049,111**	**3,344,826**

(1) Without including the "Lease liabilities" heading of the accompanying consolidated financial statements.

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

The following graph sets out Cellnex's notional contractual obligations in relation to borrowings as at 31 December 2023 (EUR million):



Key highlights

- **Liquidity** of c.€4.6 Bn: c.€1.4 bn cash and c.€3.2 Bn undrawn credit lines.
- **Fixed rate debt** c.76%
- **Gross Debt** c.€18.8 Bn (bonds and other instruments)
- **Net Debt** c.€17.4 Bn (3)
- **Flexibility preserved**: Cellnex Finance debt without financial covenants, pledges or guarantees

(1) Includes EUR bonds swapped to GBP.; (2) Includes USD bonds swapped to EUR. (3) Corresponds to Notional Debt.

In accordance with the financial policy approved by the Board of Directors, the Group prioritises securing sources of financing at Parent Company level. The aim of this policy is to secure financing at a lower cost and longer maturities while diversifying its funding sources. In addition, this encourages access to capital markets and allows greater flexibility in financing contracts to promote the Group's growth strategy.

Responsible tax policy and values of Cellnex

Tax Policy

The Cellnex Group's Tax Policy, approved in July 2021 by its Board of Directors, establishes the fundamental guidelines governing the decisions and actions of the Cellnex Group in tax matters, in line with the basic principle of regulatory compliance, i.e. due compliance with the tax obligations which the Group is required to meet in each of the countries and territories where it does business, fostering cooperative relationships with tax administrations based on the duties of transparency, good faith and loyalty, and mutual trust. The policy is applicable to all Group entities and, consequently, is intended to be followed by the employees.

This Tax Policy reinforces and updates the first Group Tax Strategy approved in 2016.

It should be noted that Group's Tax Policy establishes, among other things, its commitment to pay any applicable taxes in all countries in which it operates and the alignment of its taxation with the effective performance of economic activities and value generation. As a consequence of this principle, the Cellnex Group is present in the territories where it operates purely for business reasons. Additionally, the Group's Tax Policy prohibits operating in territories considered as tax havens under Spanish law or included in the "European Union's black list of non-cooperative tax jurisdictions" in order to evade tax obligations which would otherwise be applicable. In this regard, the Cellnex Group companies are entities incorporated in European countries that are not listed as countries or territories classified as such.

Tax Control Framework

In July 2021, the Board of Directors approved a new Fiscal Control and Risk Management Standard that establishes a three-lines-of-defense model:

The first line is comprised of the heads of various business and organisational units, including the Global Tax Department itself, to the extent that they own the different processes that may lead to fiscal risk and, therefore, are responsible for executing the controls assigned to them.

As the second line, ensuring the proper functioning of the Fiscal Control and Risk Management System and the adequate compliance with fiscal policies, monitoring action plans, controlling the evolution of fiscal risks, etc., Cellnex has the Tax Compliance Committee.

Finally, the third line of defense is responsible for the evaluation and assurance of the effectiveness and efficiency of the internal control systems, risk management, and governance systems and processes implemented in the fiscal risk domain. The head of this line of defense is Internal Audit. Additionally, to achieve these objectives and have a reliable, better, and more accurate model, the Fiscal Risk Management and Control System has been reviewed every year in accordance with the model's life cycle, which is based on five key stages: Identification, Assessment, Definition of Responses, Monitoring, and Continuous Improvement.

The Tax Compliance Committee reports to the Audit and Risk Management Committee and to the Board of Directors. Regarding the fiscal risk management process in the Cellnex Group, it is a continuous cycle based on five key phases (Identification, Assessment, Definition of Response, Monitoring, and Continuous Improvement). Finally, compliance with fiscal governance is assessed through the establishment of periodic controls on the various heads of different business and organisational units. In the event of detecting incidents in these controls, action plans are agreed upon.

Tax Compliance Committee

To guarantee the proper functioning, supervision and effectiveness of the Tax Control Framework, in July 2021 the Board of Directors approved the incorporation of the Tax Compliance Committee. This new body reports to the Audit and Risk Management Committee and is structured as a collegiate body made up of a chairperson, three members and a technical secretary (the latter with no voting rights). While the three members belong to the Cellnex Group, the chairperson is an independent tax expert with extensive and recognised standing in the tax field.

The Tax Compliance Committee is required to promote and assess the correct implementation and efficacy of the Cellnex Tax Risks Control and Management System, and to enable the prevention, detection, management and mitigation of tax risks.

To do so, the Tax Compliance Committee supervises the planning and implementation of the processes and procedures necessary to meet the established requirements of the Tax Risks Control and Management System, which must be reviewed and controlled periodically, and ensures that tax compliance objectives are being met.

Furthermore, Cellnex Telecom, through its Ethics and Compliance Committee, provides all its employees and stakeholders with the Whistleblowing Channel. This is a communication tool that allows individuals to report, in a confidential and anonymous manner, irregularities, whether tax-related or in any other area, of potential significance observed within the companies that make up the Group.

In the case of tax-related communications, these are forwarded to the Tax Compliance Committee for analysis and resolution. In the year 2022, the operation of this mechanism was adjusted to comply with the provisions of Directive (EU) 2019/137 of the European Parliament and of the Council, dated October 23, 2019, regarding the protection of persons reporting breaches of Union law (Whistleblowing Directive), and it was outsourced to provide more guarantees to the pillars of confidentiality and anonymity.

Cooperative relationship and tax transparency

Cellnex is fully committed to transparency in tax matters and to fostering a relationship with tax authorities based on the principles of mutual trust, good faith, transparency, collaboration and loyalty, and has been recognised as one of the top IBEX-35 companies in terms of tax transparency by Fundación Haz in its annual report "**Contribución y Transparencia 2022**", being awarded the top three-star rating.

RESPONSABILIDAD FISCAL **2022**

In particular, and with regard to Spain, in September 2020, the Board of Directors of Cellnex Telecom, SA approved its adoption of the Code of Good Tax Practice of the Spanish Tax Authorities. In line with the principles of cooperative relationship with the Tax Authorities and transparency provided for in the Group's Tax Policy, in 2023 the Cellnex Group submitted the Tax Transparency Report for the year 2022 (in 2021 and 2022, the Tax Transparency Reports for 2020 and 2021, respectively, were also submitted), (see the list of entities that have submitted the **Tax Transparency Report**). Although submission is not compulsory for entities or groups adopting the Code, the Group considered that the submission of this report was essential to forge a strong two-way relationship with the Spanish tax authorities.

Furthermore, looking at other territories where the Group has a presence, in September 2021 a Senior Accounting Officer was appointed for certain UK entities of the Group, with the main duties of adopting reasonable steps to ensure that the Group establishes and maintains appropriate tax accounting arrangements. Additionally, the Senior Accounting Officer must monitor the arrangements and identify and remedy or report any aspects in which these fall short of the requirement.

Tax inspections and litigations

As a consequence of the having deployed a Tax Risk Control and Management System allowing the Group to manage taxes under the best quality standards, the Group considers that no significant impacts derived from a different interpretation of the law will be revealed during the course of tax inspections or litigations.

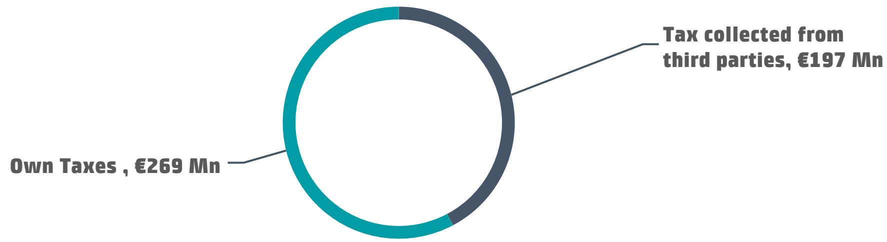
See Section 18 of the Consolidated Financial Statements for further information regarding tax inspections and litigations.

Cellnex tax contribution

Cellnex is also sensitive to and aware of its responsibility for the economic development of the territories in which it operates, helping to create economic value by paying taxes, both on its own account and those collected from third parties. Accordingly, it makes a substantial effort and pays close attention to fulfilling its tax obligations, in accordance with the applicable rules in each territory.

Tax contribution in 2023

€465 Mn



Following the OECD's cash basis methodology, Cellnex's total tax contribution in its normal course of business in 2023 was EUR 465 million (EUR 513 million in 2022). Own taxes are those borne by the Group and those of third parties are those that are collected and paid to the various tax authorities on behalf of such third parties, and therefore do not represent a cost for the Group.

CELLNEX TAX CONTRIBUTION (millions of euros)						
	31 December 2023			31 December 2022		
	Own taxes(1)	Tax collected from third parties(2)	Total	Own taxes(1)	Tax collected from third parties (2)	Total
Spain	109	98	207	37	75	112
Italy	10	63	73	25	73	98
France	74	(55)	19	30	42	72
Netherlands	5	20	25	11	20	31
United Kingdom	15	10	25	40	35	75
Switzerland	13	8	21	9	7	16
Ireland	3	12	15	4	9	13
Portugal	7	5	12	2	18	20
Austria	0.5	0.7	1.2	0	3	3
Sweden	1	6	7	5	7	12
Denmark	0	7	7	0	2	2
Poland	31	22	53	28	31	59
Total	**269**	**197**	**465**	**191**	**322**	**513**

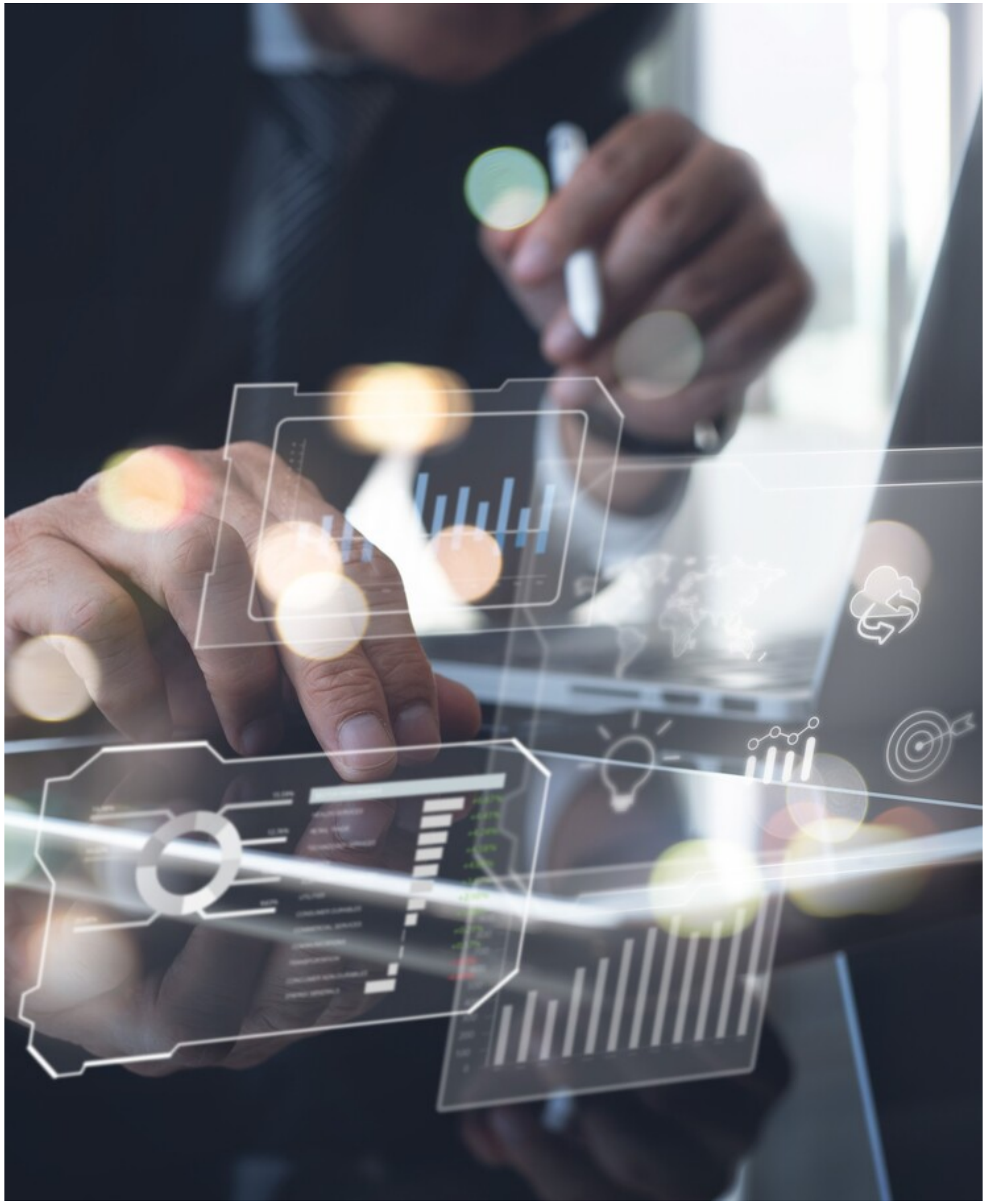
(1) Includes taxes that incur an actual cost for the Group (basically includes payments of income tax, local taxes, various rates and employers' social security contributions).

(2) Includes taxes that do not affect the result, but are collected by Cellnex on behalf of the tax authorities or are paid on behalf of third parties (they basically include the net value-added tax, with deductions from employees and third parties and employees' social security contributions).

Income tax payment

The reconciliation of the heading “Income Tax Payment” from the Consolidated Statement of Cash Flows for the year ended on 31 December 2023 and 2022, with “Income tax” in the Consolidated Income Statement is as follows:

		Thousands of euros
Income tax payment	**31 December 2023**	**31 December 2022**
Current tax expense[22]	**(135,270)**	**(24,358)**
Payment of income tax prior year	(14,669)	(22,164)
Receivable of income tax prior year	35,725	9,143
Income tax (receivable)/payable	(57,108)	2,790
Non-recurring Income tax paid[23]	—	(7,342)
Others	(9,272)	(53,997)
Payment of income tax as per the Consolidated Statement of Cashflows	**(180,594)**	**(95,928)**



[22] See note 18.b to the accompanying consolidated financial statements.
[23] See note 18.b, section "The reverse merger transaction" to the accompanying consolidated financial statements.

The breakdown of income tax payments by country for the 2023 financial year is as follows:

BREAKDOWN OF THE INCOME TAX PAYMENT BY COUNTRY (millions of euros)										
	2023					2022				
	Income from sales to third parties	Income from intra-group operations with other tax jurisdictions	Tangible assets other than cash and cash equivalent	Corporate income tax accrued on gains/losses	Corporate income tax paid	Income from sales to third parties	Income from intra-group operations with other tax jurisdictions	Tangible assets other than cash and cash equivalent	Corporate income tax accrued on gains/losses	Corporate income tax paid
Austria	613	0	831	(43)	—	79	2	226	8	_
Denmark	797	1	1,716	16	—	36	2	87	3	—
France	794	—	5,000	38	68	749	5	4,571	48	21
Ireland	166	—	258	8	2	57	2	193	(2)	3
Italy	142	1	146	9	1	735	1	1,605	13	9
Netherlands	63	—	—	—	7	130	5	148	(32)	10
Poland	659	—	1,139	57	9	413	—	1,234	3	7
Portugal	149	—	550	5	6	129	4	516	2	1
Spain	83	73	257	3	80	567	96	887	14	9
Sweden	60	0	157	2	1	56	1	142	6	5
Switzerland	38	2	94	2	12	158	5	228	(6)	9
UK	485	1	1,519	24	(7)	386	9	861	133	15
Total	**4,049**	**78**	**11,667**	**121**	**181**	**3,498**	**132**	**10,695**	**190**	**89**

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 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 to cover any upcoming sustainability-linked financings, whether through Sustainability-Linked Bonds, Sustainability-Linked Convertible Bonds, Sustainability-Linked Loans or other debt instruments such as credit facilities and derivatives, whose financial characteristics are linked with sustainability performance targets. All Sustainability-Linked financing instruments will be referred to collectively as sustainability-linked financings.

The Framework has been reviewed by Sustainalytics, providers of **Second Party Opinions (SPO)** which considers it to be aligned with the International Capital Markets Association's Sustainable Bond Principles 2020 and the Loan Market Association's Sustainable Lending Principles 2023.

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 1b: 21% reduction of absolute Scope 3 GHG emissions from purchased goods and services and capital goods by 2025 vs 2020.
- KPI 2 - Environmental: Increase annual sourcing of renewable electricity to 100% by 2025
- KPI 3 - Social: Increase the percentage of women in director and senior management/manager roles in the Cellnex Group to 30% by 2025.

During the year ended at 31 December 2023 , the Group structured EUR 4.3Bn (EUR 3.4Bn as at 31 December 2022) in facilities linked to the Sustainability Framework for 5 years with two of the indicators included in the Framework. (see **note 15**).

The most up-to-date information on ESG financing programmes is available in the "**Debt programmes**" section of the corporate website. Additionally, **Annex 8. Sustainable finance** includes detailed information on the performance of the KPIs.

Indicator	Description	Status 2023	Target 2025	Target 2030
KPI 1a	Reduction in Scope 1, 2 and 3 from fuel and energy-related activities GHG emissions	(83)%	(45)%	(70)%
KPI 1b	Reduction of absolute Scope 3 GHG emissions from purchased goods and services, and from capital goods	(14)%	(21)%	_
KPI 2	Annual sourcing of renewable electricity	77%	100%	_
KPI 3	Percentage of women in director and senior management/manager roles	30%	30%	_

Post balance sheet events

Disposal of the private network business

As further explained in Note 21 ii) to the accompanying Consolidated Financial Statements, on 29 February 2024 the Group completed the sale of its private network business.

Payment of the bond maturing in January 2024

On January 2024 the maturing EUR 750,000 thousand bond redemption was paid with existing cash.

New Financing for Cellnex Nordics

On January 2024 Cellnex Nordics signed a EUR 80,000 thousand 5-year facility to fund the future capex requirements. Drawdowns from such facility can also be made in DKK or SEK.

2.5 Business outlook

Business outlook for 2025 maintained

The Group has previously issued long-term targets up to 2025 that are considered valid by the group as of the date of this Integrated Annual Report (the "2025 Targets").

The 2025 Targets are underpinned by highly visible financials and could trend to the upper end of the range if current high inflation levels are sustained at revenue and Adjusted EBITDA level, whereas owing to higher interest cost, RLFCF is trending to the low end of the range.

	Guidance 2025 (€Mn)
Operating Income	4,100 – 4,300
Adjusted EBITDA	3,300 – 3,500
RLFCF	2,000 – 2,200

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.

2.6 Investor relations

Cellnex in the stock market

On 20 June 2016, the IBEX 35 Technical Advisory Committee approved the inclusion of Cellnex Telecom (CLNX: SM) in the benchmark index of Spain's stock exchange, the IBEX 35, which brings together the principal companies on the Spanish stock exchange in terms of capitalisation and turnover. This milestone brought with it a broadening of the shareholder base, giving Cellnex higher liquidity and making it more attractive to investors. At present Cellnex has a solid shareholder base and the majority consensus of analysts who follow our company c.+70% is a recommendation to buy.

As at 31 December 2023, the share capital of Cellnex Group stood at EUR 176,619 thousand, a similar figure compared with 31 December 2022, represented by 706,475,375 cumulative and indivisible ordinary registered shares of EUR 0.25 par value each, fully subscribed and paid (see Note 14.a to the accompanying consolidated financial statements).

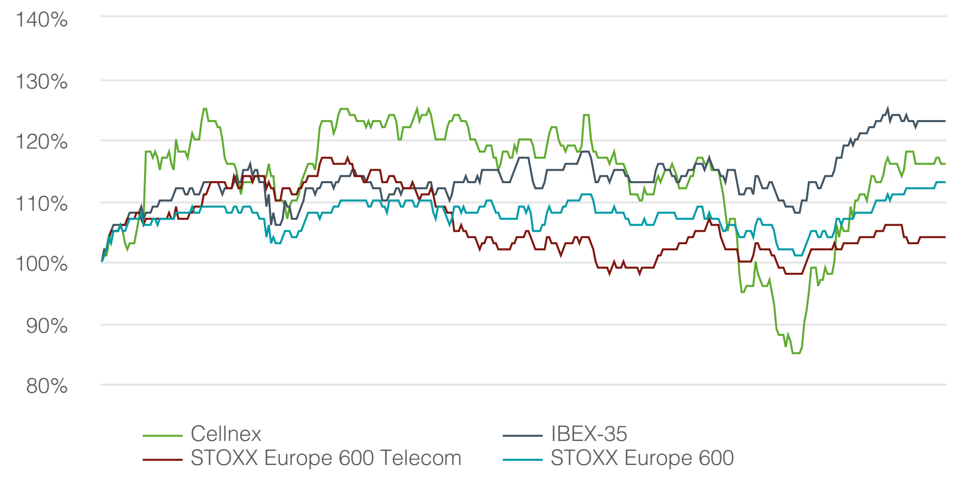
Cellnex's share price increased +16% during 2023, closing at EUR 35.66 per share. The average volume traded has been approximately 1,722 thousand shares a day. The IBEX 35, STOXX Europe 600 and the STOXX Europe 600 Telecom were down by +23%, +11% and +2% over the same period.

Cellnex's market capitalisation stood at EUR 25,193 million at the year ended on 31 December 2023, 777% higher than at start of trading on 7 May 2015, compared with a 10% drop in the IBEX 35 over the same period.

The performance of Cellnex shares during 2023, compared with the evolution of IBEX 35, STOXX Europe 600 and STOXX Europe 600 Telecom, was as follows:

BREAKDOWN OF THE MAIN CELLNEX STOCK RATIOS AT DECEMBER 31, 2022 AND 2021:	31 December 2023	31 December 2022
Number of shares	706,475,375	706,475,375
Stock market capitalisation at period/year end (millions of euros)	25,193	21,844
Share price at close (EUR/share)	35.66	30.92
Maximum share price for the period (EUR/share)	38.97	51.70
Date	16/02/2023	03/01/2022
Minimum share price for the period (EUR/share)	26.02	28.02
Date	23/10/2023	13/10/2022
Average share price for the period (EUR/share)	34.77	38.75
Average daily volume (shares)	1,274,360	1,721,999

Performance of Cellnex shares



Treasury shares

TREASURY SHARES

950,688

0.135% of its share capital

On 31 May 2018 the Ordinary General Shareholder's Meeting of Cellnex Telecom, S.A. resolved to delegate in favour of the Board of Directors the faculty to purchase treasury shares up to a limit of 10% of the share capital.

In 2021, Cellnex Board of Directors approved the Cellnex's Treasury Shares Policy, which is available on the Corporate Website. Thus, during 2023, Cellnex did not carry out discretional purchases of treasury shares (302,207 thousand in 2022). These purchases were carried out under the delegation from the Ordinary General Shareholder's Meeting to the Board of Directors of May 2018 and fulfilling the principles established in the treasury shares policy. The use of the treasury shares acquired under discretional purchases will depend on the agreements reached by the Corporate Governance bodies. On 1 June 2023, the Ordinary General Shareholder's Meeting resolved to approve the aforementioned delegation in the same terms. At 31 December 2023 and 2022, 52,399 and 291,258 treasury shares have been transferred to employees in relation to employee remuneration payable in shares, respectively. In addition, during 2023, 108,578 shares have been transferred to bondholders in relation to the repurchase of senior unsecured convertible bonds. Finally, 7,342 treasury shares have been transferred as payment in kind for professional services.

The number of treasury shares as at 31 December 2023 and 2022 amounts to 950,688 and 1,119,007 shares, respectively and represents 0.135% and 0.158%, respectively, of the share capital of Cellnex Telecom, S.A.

Shareholder remuneration

The approved shareholders' remuneration policy aims to maintain an appropriate balance between shareholder remuneration, the parent company's profit generation and the parent company's growth strategy, while pursuing an adequate capital structure. When implementing the Shareholders' Remuneration Policy, the Group is focused on distributing an annual dividend of 10% above the dividend distributed for the prior year. As a result, each year the parent company distributes dividends against either net profit or distributable reserves attributable to the Group for the respective financial year.

On 21 July 2020, the General Shareholders' Meeting approved the distribution of a dividend charged to the share premium reserve with a maximum of €109 million, to be paid upfront or in instalments over the years 2020, 2021, 2022 and 2023. It was also agreed to delegate to the Board of Directors the authority to establish, if appropriate, the amount and the exact date of each payment during that period, while always remaining within the maximum overall amount stipulated.

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

On 15 December 2022, the Board of Directors approved the following Shareholders' Remuneration Policy corresponding to fiscal years 2023 and 2024: (i) the shareholder remuneration corresponding to fiscal year 2023 will be equivalent to that of 2022 (EUR 36.6 million) plus 10% (EUR 40.3 million); (ii) the shareholder remuneration corresponding to fiscal year 2024 will be equivalent to that of 2023 plus 10% (EUR 44.3 million).

On 1st June 2023, the Annual Shareholders' Meeting approved the distribution of a dividend charged to the share premium reserve to a maximum of EUR 85 million, to be paid upfront or through instalments during the years 2023, 2024 and 2025. It was also agreed to delegate to the Board of Directors the authority to establish, if this is the case, the amount and the exact date of each payment during said period, always attending to the maximum overall amount stipulated.

During 2023, and in compliance with the Group´s Shareholders' Remuneration Policy, the Board of Directors, pursuant to the authority granted by the decision of the General Shareholders' Meeting of 21 July 2020, approved the distribution of a dividend charged to the share premium reserve in the amount of EUR 11,822 thousand, which represents EUR 0.01676 for each existing and outstanding share giving entitlement to receive such a cash pay-out. In addition, the Board of Directors, pursuant to the authority granted by the resolution of the Annual Shareholders' Meeting of 21 July 2020, approved the distribution of a dividend charged to the share premium reserve in the amount of EUR 28,468 thousand, which represents EUR 0.04035 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 Group's ability to distribute dividends depends on several circumstances and factors including, but not limited to, the net profit attributable to the Group, any limitations included in financing agreements and the Group's growth strategy. As a result of such (or other) circumstances and factors, the Group may amend the Shareholders' Remuneration Policy or may not pay dividends in accordance with the Shareholders' Remuneration Policy at any given time. In any case, the Group will duly announce any future amendment to the Shareholders' Remuneration Policy.

Shareholders

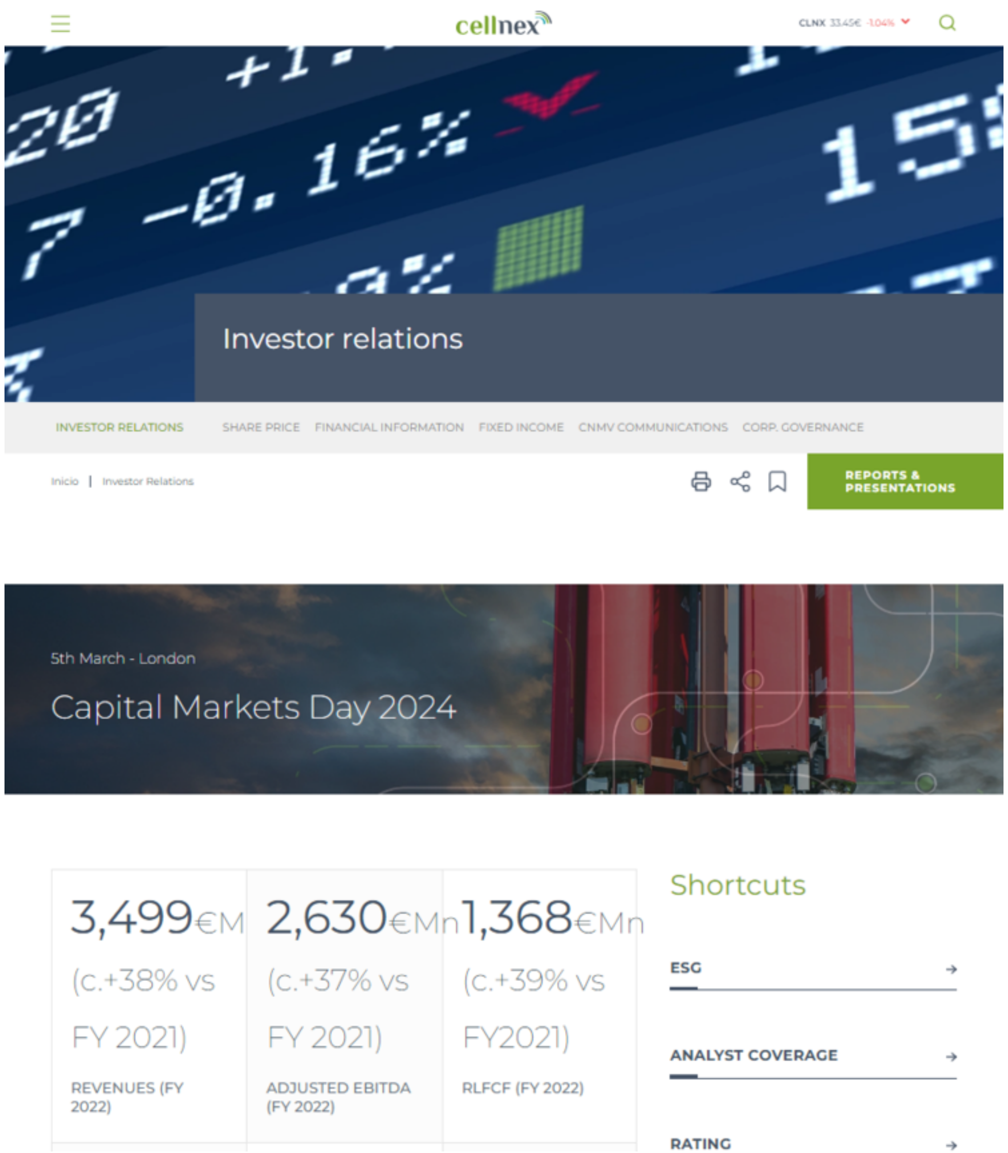
Cellnex provides various *communication channels* to its shareholders

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 the management of the Group, and for establishing mechanisms for the regular exchange of information with institutional investors that hold shares in the Group.

The Group has several communication channels to ensure effective compliance with the principles of the above-mentioned Policy, some of which are general channels, designed to disseminate information to the public, while others are private and primarily intended for shareholders, institutional investors and proxy advisors.

The general channels are the website of the Spanish Stock Exchange Commission (CNMV) and other bodies, and the Cellnex corporate website. The private channels for use by shareholders and investors are the various social networks on which Cellnex has an account (such as LinkedIn, Twitter and YouTube), as well as the "Shareholders and Investors" section on the Group website and the Investor Relations Area. Concerns may also be expressed at the General Shareholders' Meeting.

Further information on stakeholder engagement can be found in section 1.3 Our commitment - Stakeholders.



In 2023, Cellnex consistently **improved its overall score** in the sustainability ratings, **reaching all-time highs**

Cellnex in Sustainability ratings

In recent years, there has been an increase in European legislation regarding a number of ESG topics, many of which are already being applied (Green Deal, EU Taxonomy) and others that will come into force over the coming years (Corporate Sustainability Reporting Directive, Human Rights Due Diligence Directive). This has translated into a considerable increase in interest among stakeholders in knowing, demanding, and evaluating the level of companies' commitment in relation to various ESG issues, as the implementation of actions aligned with ESG criteria carries a lot of weight with investors when choosing one investment over another.

In this regard, more and more companies are integrating ESG as a fundamental pillar of their business model, thereby increasing competition between them in relation to ESG performance. Information is therefore needed to measure and compare companies' contributions and responsibility in relation to ESG topics. To do this, analysts, agencies, and information providers in the field of sustainability evaluate the exposure of companies to ESG risk as well as their risk mitigation and management capacity, obtaining a rating for companies in terms of sustainability performance.

Cellnex is evaluated in the main international sustainability ratings, including CDP, Sustainalytics, MSCI, CSA from S&P Global, FTSE4Good, and Standard Ethics, among others. Through its ESG performance Cellnex demonstrates its commitment to meeting investors' expectations based on transparency and accountability in terms of sustainability.

Compared with the previous year, in 2023 Cellnex consistently improved its overall score in the sustainability ratings, thus reaching all-time highs. The 2023 score ratings are summarised below.

Sustainability ratings in 2023

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

79
Max: 100
Min: 0

Corporate Sustainability Assessment (CSA)- S&P Global

In 2023, Cellnex was included in the DJSI Europe, scored 79 (out of 100) in the 2023 S&P Global Corporate Sustainability Assessment (CSA Score as of 22/12/23), +43 points relative to the sector average, and increased its percentile by one point. Since 2017, Cellnex has improved its score by +49.1%.

MSCI

A
Max: AAA
Min: CCC

MSCI ESG Rating

Cellnex has upgraded its rating from A to AA where only 29% of companies in the Telecommunications Services sector have obtained this rating. Cellnex continues to stand out for its leadership in Environmental and Corporate Governance; in 2022 it maintained its A rating, upgraded from BBB in 2021.

CDP
DISCLOSURE INSIGHT ACTION

A
Max: A
Min: D-

CDP Climate Change

Cellnex remains in the A list for the fifth consecutive year, maintaining its leadership position with an score of A, which is above the sector average (B).

Bloomberg Gender-Equality Index 2022

78
Max: 100
Min: 0

Bloomberg Gender Equality Index

Cellnex was included in the Bloomberg Gender Equality index for the first time in 2022 and has consolidated its position in 2023, increasing its overall score c.+4p

SUSTAINALYTICS

11.4
Max: 0
Min: +40

Sustainalytics ESG Risk Rating

Consolidated as a low-risk ESG company for the fourth consecutive year and bringing the company closer to negligible risk (-1.2).
This year 2024 is the third year that Cellnex has been included in Sustainalytics Top Rated ESG Companies List.

FTSE4Good
FTSE Russell

4.3
Max: 5
Min: 0

FTSE4Good

In 2023 Cellnex has maintained the global score performance (4.3) and total score is still above the subsector average (mobile telecommunications) by +1 point and industry average (telecommunications) by 1.3 points.

standard ethics

EE
Max: EEE
Min: F

Standard Ethics Rating

In early 2023, Cellnex was upgraded in the Corporate Standard Ethics Rating (SER) to “EE”, from “EE-“ previously, with a positive outlook. Member of the SE Spanish Index since 2017.

GRESB
Public Disclosure 2021

A
Max: A
Min: E

GRESB Public Disclosure

In 2023 Cellnex has increased its leadership position (+1,2%) with an overall score of 86p maintaining its rating in group A, compared to the sector average, which remains in group C.

"At Cellnex we see ESG as a constituent element of our company's strategy, fully embedded in it, and thus we focus on the sustained progress in the series of KPIs that measure our performance as a company and as a team in the ESG arena. The ESG indices are a tool that help us to better assess and grasp how the market perceive our execution. We are happy with the continuous improvement achieved and in 2023 we do feel proud to consolidate our top tier position in the CDP's 'A list', and have joined, as the first towerco in doing so, the selective 'DJSI Europe."

Toni Brunet
Global Public Affairs Director - Cellnex Corporate

Sustainalytics

Sustainalytics measures a company's ESG risk and is usually used by investors worldwide, as it is an environmental, social, and corporate governance (ESG) research and rating company. The rating ranges from 0 to 100, where the higher the score, the higher the risk, understood as the degree to which a company's economic value is at risk due to ESG factors. Score values from 0 to 10 indicate negligible risk.

Cellnex is part of the STOXX Global ESG index, which offers a representation of the world's leading companies in terms of ESG criteria, based on the indicators provided by Sustainalytics.

In 2023, Cellnex has continued working on its risk management, improving its **ESG Risk Rating** by 20%, achieving a score of 11.4 points (-2.6 vs 2022 score), which consolidates Cellnex position as a low ESG risk company for the fourth consecutive year and brings the company closer to negligible risk, at a distance of 1.4 points.

Furthermore, the risk is classified as negligible in five out of the seven categories, indicating practically no risk, and two of them are valued within the low risk category. The only risk which did not improve in relation to the previous year is Human Capital, although it still remains a negligible risk.

In 2023, Cellnex improved its relative performance, going from the fifth (2022) to the first percentile (2023) in relation to the Telecommunication Services Industry.

Additionally, in 2022, 2023, and 2024 Cellnex was awarded the ESG Top-Rated Badge from Sustainalytics, making it one of the top 50 ranked companies in the ESG Risk Ratings universe.

ESG 2024 INDUSTRY TOP RATED

Dow Jones Sustainability Index

In 2023, Cellnex was included in the DJSI Europe, scored 79 (out of 100) in the 2023 S&P Global Corporate Sustainability Assessment (CSA Score as of 22/12/23), +43 points relative to the sector average, and increased its percentile by one point. Particularly noteworthy is the substantial increase of 10 points in the environmental dimension.

Since 2017, Cellnex has improved its score by +49.1%.

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

S&P Global Corporate Sustainability Assessment (CSA)

The S&P Global **Corporate Sustainability Assessment (CSA)** ranges from 0 to 100, where 100 is the best score that can be obtained.

The CSA score determines the companies included in Dow Jones Sustainability Indices (DJSI), which are a family of best-in-class benchmarks for investors who have recognised that sustainable business practices are critical to generating long-term shareholder value and who wish to reflect their sustainability convictions in their investment portfolios. Cellnex participates each year in the CSA as an invited company.

In recent years, the Cellnex Group has progressively improved its score, attaining an overall score of 79 points in 2023 (two points less than 2022, but maintaining the same percentile).

The company has maintained the gap with the Industry best player at 16 points. This result has enabled Cellnex to remain 43 points above the Telecommunication Services sector average and among the top 10% companies in Telecommunication Services (percentile 92).

Regarding the evolution of the score by dimension, in 2023 Cellnex dropped 7 points in the Governance & Economic dimension, with a score of 77, and improved in the Environmental dimension, with a score of 91 (+10 points), while in the Social dimension it dropped two points with a a score of 76 points.

In 2023, Cellnex was recognised by CDP as 'Supplier Engagement Leader 2022' for its action combating climate change and its efforts to measure and reduce environmental impact in its supply chain

Carbon Disclosure Project (CDP)

The CDP is a global standard that uses an independent methodology to assess companies' transparency when disclosing environmental and sustainability matters. CDP awards a score from A to D- based on completeness of reporting, awareness and management of environmental risks, as well as demonstration of good practices associated with green leadership, such as setting serious and ambitious targets. The maximum score that can be achieved is an A, and companies that do not disclose or provide insufficient information are given an F rating.

In 2023, Cellnex obtained an A for the fifth consecutive year, which means that it continues to be a Leadership Company in terms of Climate Change. The score obtained continues to be above the sector average and it is among the 23% of companies that achieved the Leadership level in the Activity Group.

Cellnex's commitment to sustainability and tackling climate change made it one of the most outstanding high-performing organisations in this index. Of the 18,700 companies that CDP evaluated this year, the telecom company remained on the Climate Change 'A List'. Through its commitment to the climate, Cellnex is also at the forefront of its sector in terms of transparency and commitment to combating climate change.

In the 2023 assessment Cellnex improved its score in the categories "Value chain engagement" (from B- to A-) and "Energy" (from B to A-). Moreover, Cellnex is positioned higher than in the previous year compared with the industry and global companies, as those scores fell whilst the Cellnex score remained stable.

In 2023, Cellnex was been recognised by CDP as 'Supplier Engagement Leader 2022' for its action combating climate change and its efforts to measure and reduce environmental impact in its supply chain. The Group has continued to provide this information as part of the CDP Supply Chain questionnaire 2023.

FTSE4Good

The FTSE4Good index series are used by investors wishing to incorporate environmental, social and corporate governance factors into their investment selection processes, as the index identifies companies that best manage the risks associated with these factors. They are also used for tracking index funds, for structured financial products and as a benchmark, as well as being used as a framework for assessing corporate commitment and rating corporate governance.

In terms of overall ESG rating, Cellnex maintained the score of 4.3 in 2023, remaining in the percentile rank 100 for the Telecommunications sector. Note that Cellnex's score is above the sub-sector average (mobile telecommunications) and industry average (telecommunications) by +1 points and +1.3 points respectively.

Cellnex maintained its score for all dimensions with a maximum score in Governance (5 out of 5). The highest scores were achieved in: Human Rights & Community, Labour Standards, Anti-Corruption, Corporate Governance, and Tax Transparency.

MSCI

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

Cellnex upheld its MSCI ESG Rating in 2022, securing an A status. However, in 2023 Cellnex upgraded its rating from A to AA - only 29% of companies in the Telecommunications Services sector having obtained this score. Cellnex continues to stand out for its leadership in Environment within telecommunications services, obtaining the highest achievable score (10/10).

GRESB

Cellnex Netherlands achieved the maximum score of 100 points and Cellnex Switzerland achieved 85

Bloomberg Gender-Equality Index

The Bloomberg Gender-Equality Index (GEI) is the global reference index that measures gender equality across five pillars: female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, anti-sexual harassment policies, and pro-women brand.

Cellnex was included in this index for the first time in 2022 and has consolidated its position in 2023. The Group has been selected as one of 485 companies across 45 countries and regions to join the 2023 Bloomberg Gender-Equality Index, a modified market capitalisation-weighted index that aims to track the performance of public companies committed to transparency in gender-data reporting.

The Bloomberg Gender-Equality Index recognises Cellnex's commitment to advancing gender equality in the labour market by rolling out policies and initiatives to promote women's professional careers and greater female representation in the organisation.

In terms of performance, Cellnex improved its score by 4.3 points, obtaining an overall score of 77.73 points (73.40 points in 2022).

GRESB

The GRESB Public Disclosure Level assesses the alignment of listed real-estate companies with GRESB infrastructure asset assessment. The public disclosure level provides information on the ESG disclosure activities of GRESB participants and non-participants and provides investors with information that is not currently captured in the GRESB Infrastructure Asset Assessment. The rating is based on an A-E scale, where A is the best achievable score.

For the third consecutive year, Cellnex is proving its ongoing commitment to transparency in sustainability issues and now ranks as the best valued company in the telecommunications infrastructure sector in the GRESB Infrastructure Public Disclosure 2023.

For the third consecutive year, the company has maintained its position in group “A”, the highest level, compared to the sector average, which remains at “C”. In 2021, Cellnex achieved first place, becoming the best positioned company in the telecommunications infrastructure ranking, rising from “B” to “A”. This year, the company increased its score by 1 point over the previous year, achieving 86 points out of 100.

Furthermore, on 2 October, Cellnex Netherlands achieved the maximum score of 100 points and 5 stars in the GRESB 2023 Assessment, solidifying its position as the sector leader for 2023. Switzerland achieved 85, also improving its performance compared to the previous year.

Standard Ethics

Standard Ethics is a self-regulated sustainability rating agency that issues non-financial sustainability ratings. The rating scale goes from EEE (max) to F (min), where a classification of “EE-” or above indicates compliance.

Cellnex has been a member of the SE Spanish Index since 2017. In early 2023, Standard Ethics upgraded Cellnex’s Corporate Standard Ethics Rating (SER) to “EE” from the previous rating of “EE-”, with a Positive Outlook.

Ecovadis

Cellnex has improved its rating from 40 to 81, entering the Top 1 of companies evaluated by Ecovadis. Cellnex continues to stand out for its leadership in Environment with outstanding sustainability results (90/100).

Vigeo Eiris

The Vigeo indexes are composed of listed companies and are ranked according to an assessment of their ESG performance. In 2021 Cellnex Group increased its overall ESG score for the third consecutive year, achieving a score of 60 (c.+33%). In 2022 and 2023, there was no update for Cellnex assessment

3 PEOPLE

Boosting our talent, being diverse and inclusive

2023 main actions and KPIs

Cellnex has launched several awareness campaigns and workshops and invested a significant number of training hours in EDI topics

Organisational restructuring designed to enhance efficiency and impact way of working and Governance Model

Cellnex has increased its visibility to be known as a great employer: Employer Branding Strategy created

After a huge acquisition period, consolidation is key, with the same policies and processes applying equally to all company areas

Progress in social objectives, recognised externally: Included in the Bloomberg Gender Equality Index 2023, in the S&P Global Sustainability Yearbook 2023 as an Industry Mover, and in 2024, as a Member in the Sustainability Yearbook 2024

Employee Engagement survey assessed periodically in all Cellnex Group

Fostering skills and development, ensuring equal opportunities through the Talent Academy:

- Global Leaders Programme
- Women's acceleration development programme
- Cellnex MBA

Engagement activities carried out in all countries to foster Cellnex culture and boost well-being

Development of Mobility Plans to improve and promote sustainability mobility

- 64% engagement and 77% participation in the Pulse survey
- 80 top leaders from 12 different countries took part in the Global Leaders Programme
- 18 actions were launched in the Health and Safety strategic priority in 2023, achieving 95% compliance
- 30 EDI champions across the Group
- In 2023, year to date, 57% of vacancies filled by Cellnex talent from different countries

Follow-up on the ESG Master Plan targets

	Target year	Target		2023
Women in management positions [4]	2025	30%	↑	30%
Hires of women [5]	2025	50%		—
Hires of young talent [5]	2025	30%		—
Appointments of international Directors at Cellnex HQ	2025	60%	↑	80%
Appointments of international employees at Cellnex HQ	2025	40%	→	33%
Career advancement for women [4]	2025	40%	↑	52%
Employee engagement Survey (ESS) - % Engagement	2025	≥75% / ≥80%	→	64%
EES - Overall Purpose dimension : % favorable scores	2023 / 2025	56-64% / ≥70%	↑	61%
ESS - ≥60% Favorable wellbeing scores in all BUs or improve by 5 %	2023	≥60%	↑	57% / +5%
Inclusive leadership positive scores on the employee pulse survey	2025	≥75% / ≥80%	↑	78%

(4) According to FY20 perimeter, companies acquired due to M&A will be included after 3 years of its intake.
(5) Cellnex has decided to move away from focusing on specific procurement metrics to reflect its commitment to EDI, as specified in the chapter 1.3.1 Sustainability Strategy.

Next steps for the upcoming years

Consolidation of the new organisation and its new ways of working, aligned with current Cellnex Strategy

Foster global internal mobility

Leadership will continue to be a priority

Define action plans based on the results of the 2023 Employee Engagement survey

Keep fostering a sense of belonging and the One Cellnex Culture across the company

Keep implementing the Well-being Programme and safe workplaces

Keep progressing in the pursuit of excellence in terms of equality and integration

3.1 People Strategy

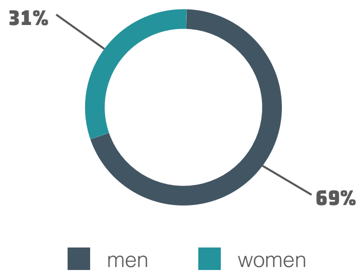
By growing together, we will not only meet the challenges of today but also shape the future of telecommunications and infrastructure, as our purpose states: "Endless opportunities to bring the world closer through telecom connectivity".

At Cellnex people are the main asset and the best competitive advantage

Cellnex's people are its fundamental core value. In recent years, Cellnex has experienced exponential business growth, leading to a substantial expansion of its European presence and heightened complexity in management, as well as the introduction of new products, services and solutions. In its efforts to strengthen its presence in existing operational countries through its new strategy, Cellnex is dedicating significant resources to support and fortify its diverse teams spanning various nations. The company has initiated a comprehensive process aimed at optimising processes for improved efficacy and alignment with evolving objectives.

Cellnex operates on a global scale and its people-focused mission strategy is tailored to serve every country. Consolidation and cooperation stand as pivotal success factors, enabling Cellnex to harness the strengths of its diverse teams and integrate the wealth of cultural diversity within the company. This approach fosters increased innovation and improved decision-making, and empowers individuals to deliver their best for the benefit of customers. Cellnex prioritises listening, adding value and leveraging best practices among teams. The company operates as One Cellnex, respecting the unique realities and cultures of each country simultaneously.

Operating in a dynamic and rapidly changing environment has become the new reality for Cellnex. Being agile, swift and responsive is of crucial importance to meet the company's current challenges, making it indispensable to provide empowerment, trust and transparency for employees. Given the landscape of emerging technologies, the provision of cutting-edge services makes attracting and retaining talent a strategic priority for Cellnex. Consequently, the company is implementing various initiatives to establish Cellnex as an international leader in employer branding. At Cellnex, a strong foundation is built on pride in belonging and living its values, professional motivation and a sense of purpose – the company's teams share a passion for innovation, diversity and societal impact.



99%
permanent contracts

55 nationalities

2,866
employees in 12 European countries

	1,182 '(2023) 1,274 '(2022)	
	245 '(2023) 254 '(2022)	
	274 '(2023) 283 '(2022)	
	53 '(2023) 55 '(2022)	
	124 '(2023) 104 '(2022)	
	321 '(2023) 352 '(2022)	
	35 '(2023) 43 '(2022)	
	61 '(2023) 65 '(2022)	
	27 '(2023) 28 '(2022)	
	25 '(2023) 28 '(2022)	
	25 '(2023) 28 '(2022)	
	494 '(2023) 504 '(2022)	

3.2 Culture - Empowering our People

Cellnex Culture and its DNA

Cellnex culture

Cellnex makes efforts to strengthen a sense of belonging and shared commitment among employees through initiatives that promote unity and personal development, emphasising alignment with the company's core values and purpose. Cellnex nurtures a vibrant workplace culture by encouraging open communication, valuing diverse perspectives and fostering collaboration among its employees. Through its ambitious People Strategy, Cellnex cultivates an inclusive work environment that encourages everyone to leverage their individual strengths and abilities:

- Cellnex promotes a culture rooted in a human approach, cultivating result-oriented teams within a collaborative and unified work environment.
- Fostering collaborative and empowering organisational practices, Cellnex encourages teamwork and synergy in its operational methods.
- Through the promotion of a performance-driven culture, Cellnex sets, accomplishes and rewards both team and individual contributions by effectively managing and meeting established goals.
- Emphasising diversity, Cellnex forges teams that offer equal opportunities to all individuals. The company places trust in each employee, valuing their voices as a fundamental aspect of an inclusive culture.

Sense of purpose and belonging

When individuals connect their work directly to the company's overarching purpose, they grasp the significance of their contributions. Clarity regarding how their tasks align with company objectives leads to a twofold increase in employee motivation.

Cellnex leads and implements engagement plans in line with the Corporate Culture, based on the values that most accurately represent the company and its people. The company fosters and supports the Cellnex team to facilitate ongoing transformation by instilling a feeling of belonging, pride and common purpose, positively influencing business outcomes through the commitment of its people.

Growing together

Growing together is essential for a company's success as it denotes a symbiotic relationship between business growth and the collective development and progress of its employees, fostering a cohesive and mutually beneficial environment. This sentiment of “togetherness” is reflected in Cellnex’s common purpose: endless opportunities to bring the world closer through telecom connectivity.

This vision is put into effect through Cellnex’s 'Growing Together' culture. Cellnex showcases this idea with its Growing Together campaign, revitalising its culture, purpose and values. It involves deploying the attributes of its Employee Value Proposition (EVP) internally and externally, communicating the qualities that make Cellnex an exceptional workplace for everyone to thrive. These attributes were collectively defined through the participation of over 400 employees.

The "Growing Together" motto represents Cellnex’s commitment to deliver on its promises by contributing to sustainable solutions for its customers and society, acting with integrity and fostering a diverse team. With Cellnex's entrepreneurial spirit, the company drives innovative services for its customers. Below are some of the initiatives that support Cellnex's "Growing Together" motto and way of behaving:

Magical Christmas

On 13 December 2023 all the employees participated in the Cellnex First LOVE[24] Awards edition, an online event where they enjoyed a special occasion virtually as a group. As happens every year, the event brought all 12 countries together for an end-of-year celebration, during which the CEO delivered a speech. A few words were then dedicated to the winners who best represent and live Cellnex values (with more than 300 nominations).

Cellnex Austria

The motivation and team spirit of the Cellnex Austria team are evident every day, creating an environment that is appreciative, inclusive and productive. This is reflected in an almost 100% participation rate and excellent results in internal employee satisfaction surveys.

Cellnex Denmark

Throughout 2023, Cellnex Denmark has continued fostering a vibrant company culture through various initiatives. Regular staff meetings have been a cornerstone, featuring engaging round table discussions focused on vision, mission and strategy, coupled with celebratory moments for noteworthy achievements. A major development during the year was the establishment of an Employee Association, with both employees and employer contributing funds in equal amounts. This initiative has significantly strengthened team spirit and fostered deeper connections within the Cellnex organisation.

Outside regular working hours, a variety of activities were organised, creating a sense of camaraderie. Events included a lively golf tournament, an informative mountain climbing lecture and festive Christmas activities. Additionally, a Cellnex running club was formed, providing employees with a weekly opportunity to engage in physical activities, aligning with the company's commitment to promote both physical and mental well-being.

To enhance the overall employee experience, Cellnex Denmark has introduced a highly valued employee benefits platform, Visma Logbuy. This platform offers employees the opportunity to access savings and discounts on personal purchases, contributing to a more rewarding work-life balance.

Cellnex France

Cellnex France employees organised a rugby World Cup prediction competition to foster team spirit. The top 25 predictors were rewarded for their engagement. In addition, the company celebrated "Well-Being Week" with various activities and conferences promoting health, including yoga, back pain relief, massages, stress management, nutrition and teleworking tips. Employees also participated in the Paris 10km run, proudly representing Cellnex. On 24 March, 15 new employees registered for the Paris Half Marathon, emphasising the company's commitment to a healthy mind in a healthy body.

[24] Living our values every day.

Cellnex Ireland

The company holds monthly and quarterly “All Employee” meetings where the Senior Management Team provides a business update so each employee understands their unique contribution to the business. As part of the cultural journey, employees attend training sessions on the company's purpose and values.

Cellnex Italy

Cellnex Italy is strongly committed to integrating sustainability in its strategy, culture, governance and decision-making, and operational processes. One of the success factors is the SosteniAmo competition, aimed at fostering a culture of entrepreneurship for sustainability among all Cellnex employees. For the 2023 edition of the competition, 28 environmental, social and corporate governance projects were presented. Feasibility analyses and business cases are currently underway for the six finalist projects.

Additionally, Cellnex Italy employees participated in the Race For The Cure alongside Susan G Komen, joining 50,000 supporters in the heart of Rome to raise awareness of breast cancer prevention.

Cellnex Netherlands

Employee engagement is a top priority at Cellnex Netherlands and the "Growing Together" plan includes a variety of activities. Quarterly cultural lunches bring together employees from over 12 nationalities, providing an opportunity for everyone to share and enjoy delicious home-made traditional dishes together.

In July 2023, the office in The Hague was closed and all employees now work from the Utrecht office.

In September, a team-building event took place, complemented by College tours, where different areas explained their mission and scope of work to colleagues. The event also included town halls, coffee updates and various activities to foster cohesion and keep employees informed.

Cellnex Poland

In 2023, Cellnex Poland initiated several impactful programmes and activities to enhance employee well-being and engagement.

Cellnex Poland introduced eight sports sections, including yoga, tennis, water sports, skiing, running, football, kite-wing and sailing. These sections aim to foster team integration and boost employee well-being. The monthly local newsletter CellNews features updates on each section's progress and achievements.

In August 2023, the Cellnex Sailing Team participated in the Play with Friends regatta, securing a notable third place in the general classification and fourth place in the team classification.

In October, Cellnex Poland collaborated with the Foundation for Good Initiatives to implement the EduTravel project, with employees acting as trainers, sharing knowledge with young people in care and educational institutions. The initiative was designed to support those facing challenges in their transition to adulthood, showcasing the company's dedication to community involvement. Additionally, the "Move with us - together we are stronger" charity competition allowed employees to contribute to the well-being of others by raising funds through walking, running and cycling during the annual Well-Being Month. Cellnex Poland continues to foster a culture of employee engagement, health and social responsibility.

Cellnex Portugal

In November 2023, employees in Portugal organised an off-site event to review the accomplishments in 2023 and outline their goals for 2024 across different company areas. Additionally, a team-building session was conducted with the objective of enhancing teamwork and interpersonal relationships. Following these activities, a survey was administered to gauge employee perception of the team-building experience, with an average rating of 4.22 on a scale of 0 to 5.

Cellnex Spain

After a deep analysis of the Pulse Survey results, a project was defined to improve the Cellnex Spain team's levels of well-being and engagement through an action plan based on three key work areas: Efficient environment (Workload, Time Management and Improving Communication), Flexible and healthy environment and Psychologically safe environment.

The plan was led by Management in Spain, who acted as a role model for the actions and personally presented the plan to all Cellnex Spain employees, demonstrating their commitment and involvement in the project. It was carried out over 2023 and all the managers in Spain were involved in the master plan, preparing their own ideas and cascading all the initiatives.

As a result of this project engagement levels in Spain have improved by 8 points and well-being has improved by 15 points s November 2022 Pulse survey.

Cellnex Sweden

Cellnex Sweden was certified as a Great Place to Work from October 2022 to October 2023. The certification is awarded to companies with an exceptional company culture and is based on employees’ views of the company’s leadership, values, and goals. This certification recognises Cellnex Sweden’s dedication to creating an outstanding work environment. The Stockholm office has an ongoing initiative – a monthly meeting where the team shares information and focuses on various people and functions within the organisation.

Throughout the year, Cellnex Sweden has implemented a number of initiatives to promote employee health and well-being, including a dedicated week for health activities. Additionally, Cellnex organises annual summer and Christmas events, during which the organisation typically goes off-site.

Cellnex Switzerland

During the year, the Swiss team has organised a number of well-being activities, such as a running event and a skiing day. This helped the team to continue to strengthen its relationships.

In addition, a two-fold diversity and inclusion training programme was also organised. One part of the training programme was a workshop specifically designed for the leadership team to help them to lead effectively and inclusively. The second part of the programme was a webinar addressed to all employees to build awareness of the power of having a diverse and inclusive workplace.

Cellnex United Kingdom

In 2023, Cellnex UK prioritised colleague engagement, professional development, well-being, EDI and social value activities. The company provided resources and implemented initiatives to enhance physical, mental and financial well-being, while also promoting its hybrid flexible working opportunities. Various initiatives were launched to support the professional development of its colleagues, including training for people managers, the introduction of the internal apprenticeship programme and the establishment of the sales academy.

Aligned with the newly established company values, Cellnex also launched a new recognition scheme to commend colleagues who demonstrate these behaviours. In September, the company successfully conducted its first Inclusion training session, with further sessions as part of its EDI programme scheduled for 2024. Notably, two participants from the UK are involved in the UN Target Gender Equality programme and Cellnex UK is working through the Women Empowerment Programme results.

"Communication has always been a key driver of human progress.
At Cellnex, together with our customers, we are committed to offering endless opportunities to bring the world closer through connectivity. Our values guide our path."

#EndlessOpportunities

Cellnex Purpose

Connectivity is key to helping humanity succeed in the 21st century. The digital revolution has redefined the way humans connect. Through connectivity (and thanks to it), individuals can share the ideas that define the world today and will shape the world of tomorrow. Connectivity empowers people.

Cellnex stands for breaking barriers, from rural villages to big cities, from small countryside schools to large global technological corporations.

This is because new solutions can only be enabled by creating opportunities for different people, cultures and places to connect. Innovation moves humanity forward. Cellnex believes believe that connecting people, businesses and communities unleashes the power to transform lives, drive innovation and foster sustainable development. The company's commitment to this purpose, forms the bedrock of everything.

Together with its customers, Cellnex reduces distances to ensure equal opportunities for people to connect and contribute to solutions for the challenges ahead.

Cellnex is a neutral partner, providing shared infrastructures for the customers, connecting businesses, fostering collaboration and enabling access to information.

This commitment not only garners trust from stakeholders but also establishes Cellnex as a steadfast, reliable partner.

The company seeks mutual benefits grounded in strong values and demonstrates a long-term commitment focused on the interests and development of society. A collective awareness of this responsibility, both as a team and as individuals within the organisation, propels Cellnex to envision ambitious goals, pursue innovative solutions and foster an entrepreneurial spirit throughout the company.

Cellnex is on a journey to build and consolidate a truly “Cellnex” culture driven by the corporate purpose and values that were redefined in 2022.

BUILDING OUR PURPOSE TOGETHER

Over 250 employees and Board members are actively engaged in this journey.

- Two of the largest shareholders are represented by Board members. Kick-off with 150 top management executives.
- Over 25 one-to-one interviews with key people including Board and Foundation members.
- One-to-one interviews with customers from various segments in Spain, Switzerland, the UK, the Netherlands and Portugal.
- A global survey was sent to all 3,000 employees with more than 500 responses. Over 250 were asked to become active ambassadors.
- Four workshops with ambassadors, senior managers and managing directors and a board meeting.

"We are proud to confirm through this bottom-up exercise that indeed our values and purpose are already guiding our path and we live them every day. In fact, this redefinition has helped us to be much more aware and value the positive impact we have on all our stakeholders."

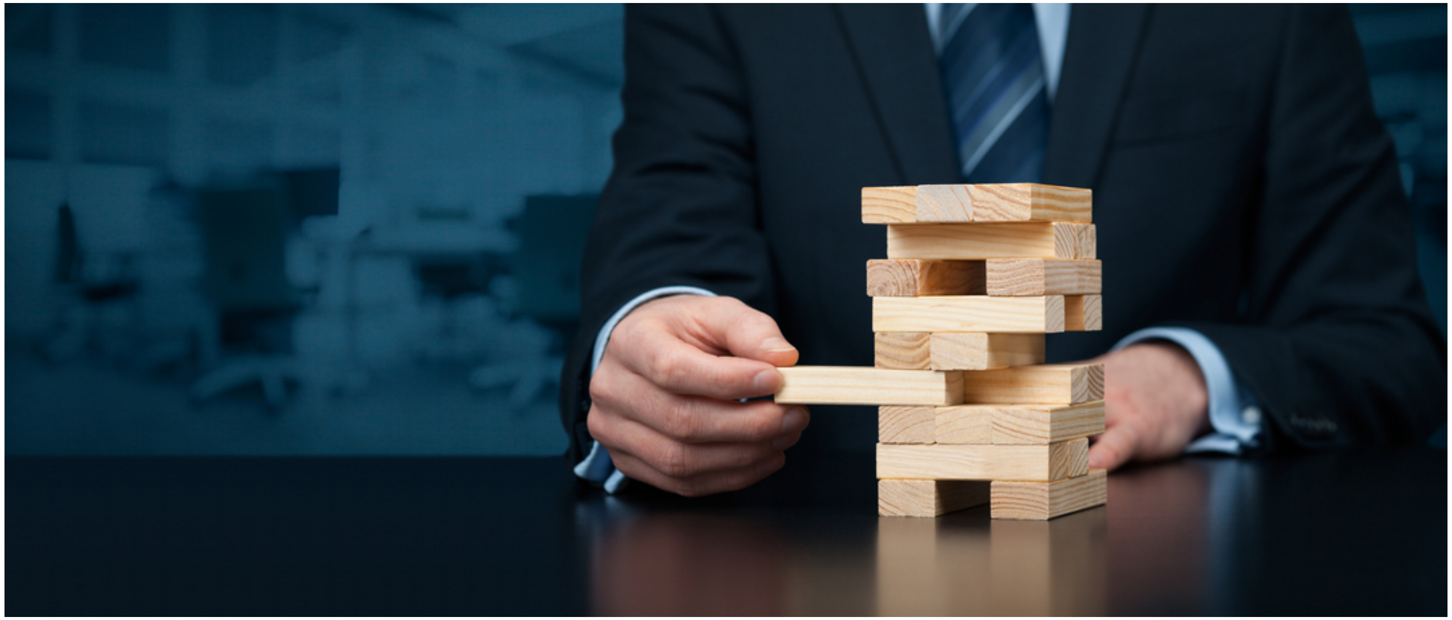
Arantxa Cid
Global Head of Engagement - Cellnex Corporate

Values

Five Shared Values

In 2022 Cellnex redefined its corporate purpose and values. Today, these five shared values are the foundation that determines how Cellnex works, defines its culture in action, establishes its character as a company and guides the company's decision-making to offer the best to its people, customers and society.

During 2023, the cascading process began, accompanied by a narrative and reinforced by the purpose ambassadors and leaders:



Commitment

Cellnex feels empowered and accountable. The company focuses on solutions and prioritises outcomes over activity. Cellnex takes responsibility.

Cellnex aligns interests to develop innovative solutions that benefit all its stakeholders: its employees, customers, partners, suppliers, communities and investors.

Cellnex strives for innovation and customer satisfaction. The company has a strong customer focus and always concentrates on adding value.

Cellnex is trustworthy and always delivers on its promises. Cellnex is inspiring, clear and specific in its communication.

Cellnex achieves its objectives through a combination of enthusiasm, pragmatism and integrity.

Entrepreneurship

Cellnex is not comfortable staying in the comfort zone. The company takes calculated risks, tries new, innovative solutions and always goes the extra mile.

Cellnex actively engages with its people, customers and stakeholders to uncover, understand and meet their existing and future needs.

The firm was born from a disruptive idea so creativity is in the company's DNA. The company stays true to its entrepreneurial legacy by constantly learning and improving, and by valuing new ideas.

Cellnex takes ownership and initiative, and solves every challenge by trusting the company's ability and expertise. Furthermore, it empowers its people and fosters collaboration to ensure every day is a new opportunity to grow together.

There are also projects, such as TechBiz Circles, a programme in which the knowledge strategy is defined through a circle of key individuals (stakeholders), aligning actions at Cellnex with the market evolution for defined technologies such as 5G, Energy, etc. The significant advantage lies in aligning actions related to a specific technology, along with associated actions, preventing disconnected initiatives across different departments or areas within Cellnex.

Inclusion

Cellnex understands people across cultures and builds productive, long-term, equitable relationships.

Cellnex values, trusts and supports people. The company champions people's potential and creates a culture where everyone can contribute.

Cellnex seeks different perspectives and values everyone's point of view. Cellnex creates environments where everyone feels safe to speak up and be heard. The company fosters unity, teamwork and collaboration as One Cellnex Team.

Cellnex challenges its assumptions and makes a habit of asking questions. Cellnex believes in diversity as a key driver for innovation.

Cellnex leads by example. The company is open-minded and adaptable and acts with empathy.

Integrity

Cellnex sees the good in others and doesn't judge. Cellnex builds relationships based on trust, autonomy and respect.

The company knows the difference between confidence and arrogance. Cellnex believes that humility should be the foundation of all its interactions.

Cellnex applies the highest ethical standards in all its dealings with stakeholders, in keeping with its values.

Cellnex shares information openly and proactively. Cellnex communicates with honesty and acts dependably. Cellnex stays true to its word.

Cellnex recognises the power of kindness and credits others for their accomplishments.

Sustainability

Cellnex fosters a strong, collective sense of purpose and a clear vision for the company and the company's stakeholders.

Cellnex is committed to acting responsibly towards people and the planet to promote the well-being of present and future generations.

Cellnex acts for the common good and prioritises its shared purpose and values above its own interests. Humbleness is at the core of what Cellnex does.

As a neutral operator, sharing is Cellnex's identity. Cellnex promotes alliances for positive impact and ensures that everything Cellnex does supports the company's purpose.

Cellnex advocates sustainability. Cellnex uses its reputation to raise awareness and inspire others to do good.

At least once every year, Cellnex launches its Employee Pulse Survey, which is a great opportunity to listen to each employee's feedback, enabling Cellnex to strengthen its culture and its growing together mindset by taking action based on the results.

In some cases, ad-hoc pulses tailored to specific teams are launched to gather concrete feedback and be able to take action to enhance engagement.

Participation has grown to a relevant 77%

Active listening culture

Cellnex has established a culture of active listening across all the countries where it operates. This culture involves measuring Key Performance Indicators (KPIs) and pinpointing areas for improvement through regular Employee Engagement surveys. The outcomes and validation from these surveys are directly linked to the short and long-term remuneration of each department head.

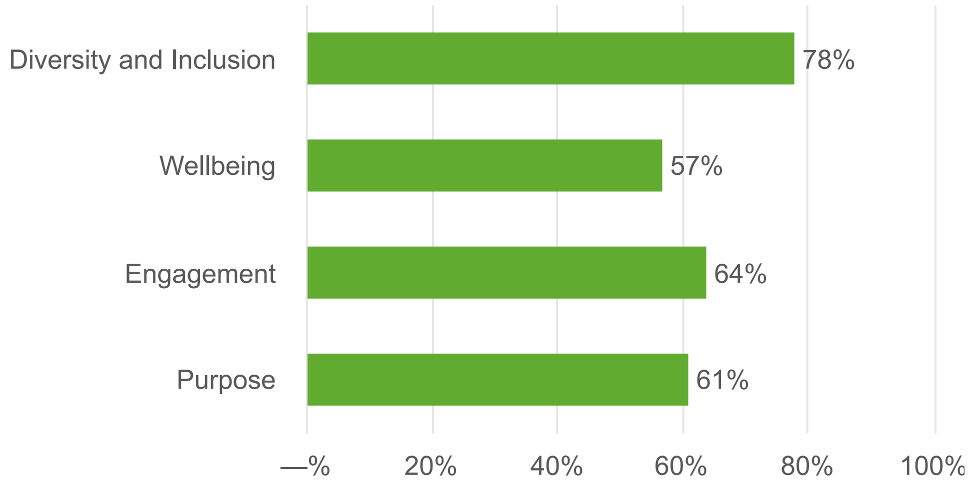
Cellnex measures these KPIs in four dimensions of its People Strategy: Engagement, Strategic Focus, Equity, Diversity and Inclusion, and Well-Being.

The company cultivates a feedback culture through training programmes, asking teams how they are perceiving and living the Cellnex values, enabling employee development and engagement, thereby enhancing a high-performance ethos. This culture of feedback encourages seamless, dynamic communication within the team, leveraging the employee's voice as an ongoing avenue for improvement. This ensures that every individual can contribute their insights to enhance processes and outcomes.

In 2023, as in 2022, all Cellnex countries took part in the Employee Engagement Survey. In this regard, participation has grown to a relevant 77%, despite several organisational changes. The level of engagement could be regarded as stable compared to previous years, but taking into account all the changes, this marks a significant success.

Listening to everyone's voice aids Cellnex in gathering a spectrum of perspectives. Furthermore, it is important to highlight the company's robust achievements in strategic focus, diversity and inclusion, areas where the company excels significantly. These results will be the basis used to define further action plans in 2024.

2023 Pulse survey - Overall results (%)



At Cellnex, fostering employee voice and active listening is a cornerstone of the engagement strategy. Cellnex recognises that its people are its greatest asset and maintaining open, two-way communication channels is essential to its success. Company's success in fostering employee engagement is evident in the high key performance indicators (KPIs) related to communication. The consistently high opening rates, participation levels and satisfaction scores serve as tangible evidence of the impact of the communication efforts. Cellnex commitment to maintaining open, transparent communication channels and actively soliciting employee feedback underscores the dedication to fostering a culture of engagement and collaboration at Cellnex.

Cellnex listens actively to its employees through:

WEEKLY DIGEST	TOWN HALL	MEETING EXECUTIVES
What's it about?	**What's it about?**	**What's it about?**
Global weekly newsletters with information highlights and calls to action on relevant issues. Covering 3 key areas: Business, Culture & People. Audience: All Internal employees.	Quarterly update meetings for all employees - may be either Global or local in scope. Each country's Managing Director is responsible for conducting them in their respective regions. Audience: All internal employees.	1-hour monthly meetings designed for intimate discussions between a group of employees who signed up voluntarily and 1 Senior Manager / CEO. Conversations cover business matters and personal experiences, aiming to foster transparency and humanise the leadership. Cellnexians Coffee: Executive Committee Launched in September 2021 Meet Marco: CEO Launched in October 2013
KPIs	**KPIs**	**KPIs**
Open rate since first launch - corporation: 47% Open rate - managerial levels: 53%	Total Town Hall meetings hosted by the corporation: 6 in 2023 2 Global Town Halls 4 Town Halls Total participants: 4.600 Global Town Hall participation increased by 80%	180 employees participated. Cellnexians Coffee: 16 sessions with Top executives. Meet Marco: 3 sessions during 2023. Rated 4.85 out of 5, indicating high usefulness on a scale from 1 to 5.

All employee communication avenues incorporate feedback surveys, alongside comments and ratings for articles.
This feedback is actively supported and meticulously analysed.

Boosting Cellnex talent while being diverse and inclusive is one of the strategic pillars of Cellnex's ESG Master Plan, whose vision is "Driving telecom connectivity across geographies with a common and inclusive culture, striving to be part of the solution for society".

Equity, Diversity, and Inclusion

Cellnex's Equity, Diversity and Inclusion (EDI) Policy establishes guidelines and action lines to enable the implementation and consolidation of the Diversity concept within the organisation, ensure communication with stakeholders and guarantee implementation in all the companies.

Cellnex's EDI Strategy is embedded in the company's business strategy, fostering long-term and sustainable competitive advantage. The company has identified four strategic lines in its ESG Master Plan, enabling it to maximise diversity commitments and achieve the following long-term business objectives:

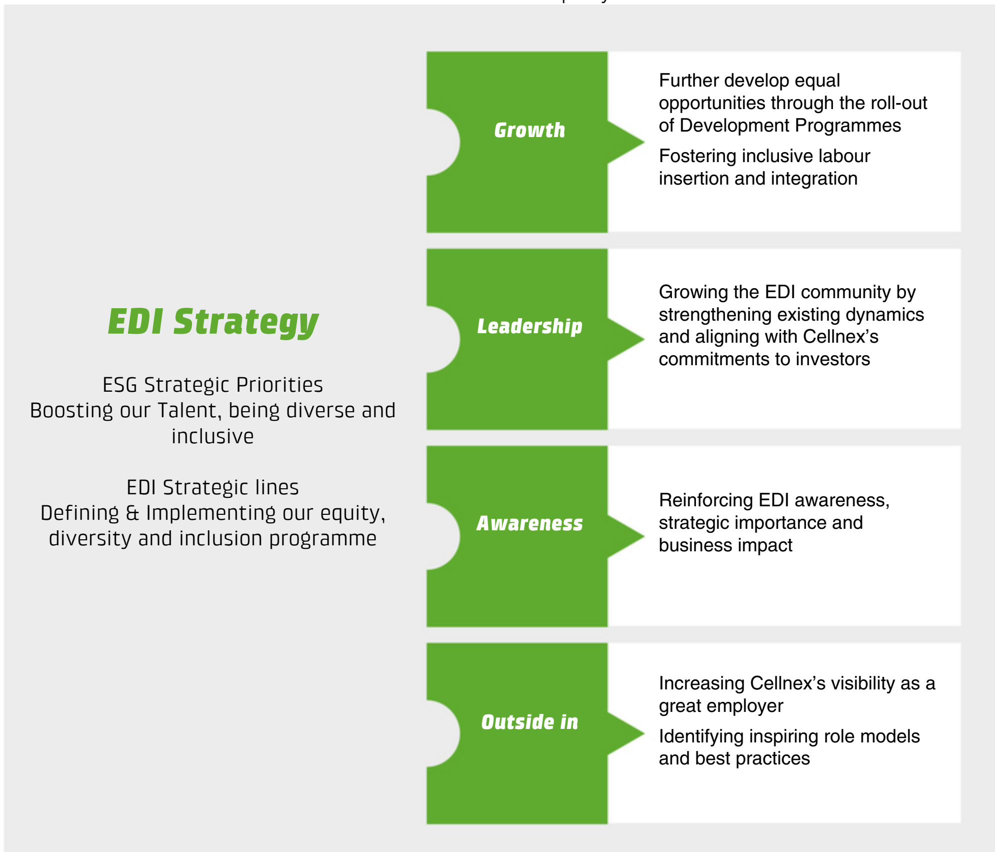
- Creating a common corporate culture across the Group;
- Defining and implementing the company's EDI programme;
- Promoting and encouraging the attraction and retention of talent; and
- Respecting the health and safety of the employees in their workplace.

Furthermore, EDI is embedded in the three pillars of Cellnex's People Strategy: Culture, Leadership and Talent, fostering a culture that embraces Cellnex's diverse perspectives and varied sensibilities as a cornerstone of the company's strength. Cellnex firmly upholds the belief that diverse teams foster greater creativity, innovation and improved decision-making, provided they are nurtured within an inclusive and supportive environment.

Since 2020, Cellnex has been driving and leveraging EDI as a distinctive asset that enhances the company's purpose, vision and values, focused on sustained, long-term outcomes. This commitment showcases the company's dedication to fostering equity, diversity and inclusion through inclusive leadership, positioning Cellnex as a catalyst for change and ensuring business sustainability.

A core priority for Cellnex is the appreciation and embrace of diversity across various facets, specifically emphasising diversity metrics encompassing gender, age, race, ethnicity and disability. The company firmly believes that fostering equity is essential to establish an inclusive environment where all individuals feel valued, included and heard.

Cellnex's EDI strategy is underpinned by four primary drivers. Each one of them aims to promote specific and measurable actions that both individually and collectively improve the company's EDI mindset and culture.



Growth

Growth has consistently served as a pivotal driver for Cellnex's EDI plan, enabling the advancement of individuals' skills and development while ensuring equal opportunities. The integration of EDI principles is deeply ingrained and strongly emphasised in all learning programmes, with a specific focus on utilising diversity as a competitive advantage throughout the company's training and development endeavours.

Leadership

The role of Cellnex's leaders is integral to shaping the Cellnex culture, making Leadership a vital driver of the EDI strategy. Cellnex's senior leaders renewed their commitment to support and promote the EDI Strategy and updated the EDI Leadership Statement. Their accountability is reflected in their MBO (Management by objectives) and LTIP (Long term incentive Plan).

Additionally, the leadership's dedication extends to endorsing the Women's Empowerment Principles (WEPs) established by the UN Global Compact, scheduled for endorsement and formal approval by the CEO in February 2024. They reflect the company's dedication to aligning with global standards and integrating gender equality principles into its business practices.

Moreover, a commitment has been made to establish specific female targets from 2023 to 2028, aimed at improving the company's financing conditions with finance institutions and demonstrating a concerted effort towards gender equality within the organisation.

Awareness

Another EDI driver is Awareness, whereby Cellnex underscores its commitment to people by making diversity a business driver. The company adopts a comprehensive approach to awareness, establishing platforms that facilitate the participation of all individuals within the organisation in various initiatives. Cellnex boasts a highly multicultural environment – the company prioritises "Cultural Diversity Awareness" by integrating mandatory onboarding training focused on this subject.

During 2023, Cellnex also launched several awareness campaigns and workshops. Some of the highlights are the following:

- Bi-monthly EDI community meetings where EDI representatives meet, collaborate, exchange ideas and gain insights from one another.
- In March, Cellnex organised a campaign to celebrate "International Women´s Day".
- In June, Cellnex joined the European External Action Service message to raise awareness and promote the freedom and authenticity of all people regardless of their sexual orientation, gender identity or gender expression. Several colleagues in various Cellnex entities recorded a video to explain what LGBTIQ+ stands for: (20) Post | Feed | LinkedIn.
- In October, Cellnex organised the EDI week, choosing the following slogan: "Embracing Our Differences and Building our Inclusive Culture".
- In December, Cellnex organised a Disability inclusion round table in collaboration with "Fundación Seeliger y Conde" and joined in the United Nations "International Day of Persons with Disabilities"

Cellnex's dedication to diversity as a fundamental business driver is exemplified through its comprehensive approach to awareness and inclusivity. This commitment is demonstrated by the recent implementation of intercultural workshops across five countries as part of an acquisition integration strategy and the integration of inclusive behaviours within the leadership model since December 2022.

Outside-in

Following an outside-in approach, the company has prioritised its reputation as a great employer by highlighting two essential elements: Employer Branding and Talent Attraction.

The Employer Branding Strategy is uniformly implemented throughout the organisation, both internally and externally. Through active participation in external events and webinars and increasing speaking opportunities, Cellnex reinforces its standing and gains valuable insights into the global development of EDI topics.

External programmes

- **Women in Tech Poland**

- **Participation in EDI Forums and Awards** – more than 6 forum participations and 2 award nominations
- **Youth Challenge** - 6 countries, > 200 participants, 22 institutions/schools

Cellnex's dedication to diversity and the EDI plan is evident in its approach to talent acquisition, incorporating Blind CV practices to eradicate potential biases and guarantee non-discriminatory processes.

Cellnex has obtained a series of certifications to strengthen the company's commitment to diversity.

EDI Certifications

- **UN Target Gender Equality** 6 countries and global group participation vs 2 countries in 2022
- **Bloomberg GEI member For t**he second year in a row, Cellnex has been listed in the “Bloomberg Gender-Equality Index”
- **S&P ESG –** Cellnex was also included for the first time in the European Index and in the S&P Global "2023 Sustainability Yearbook”
- **Gender equity certification in Italy (first company to be awarded it)**

30 EDI champions across Cellnex

Cellnex continues to strengthen and expand the EDI Champion community as a strong catalyst for EDI strategy.

During 2023, over 30 volunteers from various countries were actively engaged in this community, acting as champions across Cellnex and spreading its EDI values.

EDI is managed in an open and cross-sectional manner, delegating responsibility among all employees across different countries and hierarchical levels. Cellnex consistently enriches and broadens the EDI community by appointing voluntary representatives from diverse countries.

"The EDI community act as catalysts for our EDI strategy. In addition to their current role in the organisation, they have responsibility for creating an inclusive culture and safeguarding our priorities to be more equitable, inclusive and diverse".

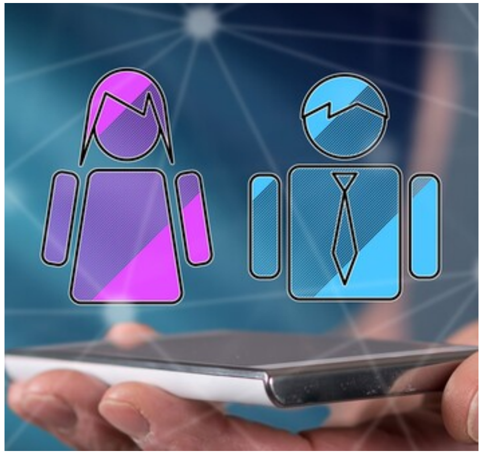
Imen Toumi
Global Head of Equity, Diversity and Inclusion - Cellnex Corporate

"Target Gender Equality" program was very intense 9 month accelerator initiative with valuable insights, which supports companies to analyze the gender data as well as set and achieve ambitious targets for woman's representation and leadership. Various virtual sessions, videos and questionnaires were offered during the program."

Maria Boulbes
People Analyst - Cellnex Austria

EDI Plan 2023 Main figures

Leadership	Growth	Awareness	Outside-In
• EDI Champions: 30 champions across countries. • EDI Community: bi-weekly meetings with champions from EDI countries.	• Connecting Circles: over 50 participants in Connecting Circles. • #IamRemarkable: 3 internal workshops with 10 participants each.	• Campaigns: four campaigns supporting diversity pillars. • Participation: all employees are invited. More than 200 colleagues participated in global initiatives.	• Forums: over 6 participations across the company. • External Communication: an average of one per month (LinkedIn, Twitter, corporate website). • UN Target Gender Equality Programme: 14 representatives. • Youth Challenge: 6 countries and more than 200 volunteers.



Examples of Cellnex's Equity, Diversity and Inclusion projects

UN Target Gender Equality Programme :

The United Nations Target Gender Equality Programme is designed to assist international companies in their pursuit of the Sustainable Development Goals (SDGs). This programme is specifically aligned with Goal Number 5, which aims to "Achieve gender equality and empower all women and girls."

Cellnex's involvement in this programme commenced in 2022 with two countries, Spain and Poland. In 2023, the company's participation grew, engaging four countries within the local Network: Spain, the UK, Poland and the Netherlands. Additionally, Cellnex participated in 1 Global Track, a UN-specific initiative that involves countries without local UN networks, including Austria and Ireland. This demonstrates Cellnex's commitment to advancing gender equality on a global scale.

Cellnex colleagues are actively engaged in this initiative:

- Proactively participating in all Target Gender Equality programme elements.
- Ambassadors act as representatives at the top Management level to support participants in bringing action plans

Furthermore, Cellnex has established an internal follow-up committee formed of both participants and ambassadors with the goal of deep diving into the United Nations Target Gender Equality recommendations, ensuring that the company's commitment to gender equality is both comprehensive and impactful.

Equity, Diversity and Inclusion Community

EDI Champions consists of a group of employees representing diversity across various countries, positions, genders and age groups. They play a pivotal role in the implementation and promotion of Cellnex's EDI action plan in the countries where the company is present.

These EDI Champions and advocates act as catalysts for Cellnex's EDI strategy and serve as the primary point of contact for the Global Lead of EDI in their respective countries. In addition to their current role within the organisation, they have embraced the additional duty of fostering an inclusive culture and upholding our commitment to greater equity, inclusivity and diversity.

The EDI community is also following a Global and Countries governance model, which has been established to govern, guide and structure their actions and interactions. This framework is endorsed and supported by leaders and people managers, ensuring that it has the necessary backing and prominence within the organisation.

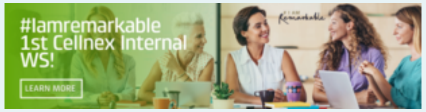
Pride Month Campaign

In June, coinciding with Pride Month, Cellnex carried out actions for the third consecutive year to celebrate and raise awareness of diversity in sexual orientation and gender identity. This initiative emerged from the well-established Proud to be Proud Connecting Circle. The Company created a list of materials such as books, series and films that focus primarily and/or touch on topics related to the LGTBIQ+ movement and made them available to all its employees. An inclusive language guide was also provided. Another initiative was to set aside six days when employees had to dress in a specific colour of the LGTBIQ+ flag.

#IamREMARKABLE

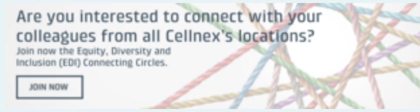
The #IAMRemarkable initiative, which started as an internal Google programme in 2015, was initially targeted at female empowerment. However, it swiftly became evident that its relevance extended to individuals from any under-represented group. The programme recognised that those who stood apart from their peers were more susceptible to experiencing Imposter Syndrome. By 2023, this initiative has garnered participation from 450,000 individuals across 178 countries with more than 4,000 facilitators delivering the workshop worldwide.

Cellnex proudly became a part of this movement in 2023 and has already conducted three workshops thanks to the dedication of internal facilitators.



Connecting Circles

The EDI Connecting Circles initiative, launched in 2021 and due to run until 2025, provides a safe platform for employees to connect, share experiences, enhance awareness and focus on specific topics related to diversity, inclusion and personal development. These Circles convene regularly to engage in activities centred around specific issues or themes. Cellnex continues to expand Connecting Circles to foster stronger connections among colleagues and promote learning through the sharing of personal stories. Periodically, Cellnex also initiates calls for participation, both on a global and country-specific level, with the aim of refreshing its round table discussions and maximising their benefits. In June 2023, 26 employees took part.



Blind CV

To ensure that there is no bias or discrimination, use of blind CVs is requested when recruitment is handled by an external company.

Women Speed Mentoring

A workshop entitled "Women Speed Mentoring" was conducted with discussions centring around the initiatives undertaken by the company and the Cellnex Foundation. Cellnex Spain is committed to attracting, developing and enhancing female talent in the company. The workshop focused on empowering female talent, promoting gender equality, accelerating female talent development and amplifying the visibility of women within the organisation.

To accomplish these objectives, 21 managers, both men and women, were invited to serve as mentors to 21 women within the company. These women either are recent appointments to positions of responsibility, manage teams or exhibit potential for career growth. Using a "speed dating" structure, mentors and mentees engaged in brief 10-minute discussions on various topics like development, work-life balance, and leadership. This interactive approach proved rewarding for both mentors and mentees, resulting in a mutually satisfying experience. This exercise garnered significant success among all participants. Consequently, it has been requested that the same format be repeated in subsequent years.

Women's Acceleration Development Programme

A seven-month programme that impacts the entire ecosystem, with the participation of 32 women mentoring and coaching, along with development workshops. Training is also provided for their managers and their assigned mentors, fostering development and gender equality. Two editions have taken place since 2021.

Cellnex featured on Bloomberg's Gender-Equality Index for the second consecutive year

The index recognises the company's commitment to advancing gender equality in the labour market by rolling out policies and initiatives to promote women's careers and greater female representation in the organisation.

EDI in Cellnex countries

Cellnex France

On 22 November 2023, to mark International Volunteering Day, a workshop on Equity, Diversity and Inclusion (EDI) was organised at our premises in Boulogne-Billancourt in collaboration with United Way France.

Cellnex Italy

Cellnex Italy achieved a noteworthy milestone as the pioneer in Italy in securing Gender Equality certification under the PDR 125, showcasing a commitment to leadership in Sustainability. In 2023, Cellnex Italy proudly reaffirmed this certification, emphasising its dedication to fostering a truly inclusive and non-discriminatory work environment. The PDR 125 certification serves as a catalyst, encouraging and supporting companies in the endeavour to cultivate workplaces that prioritise diversity and equality.

A comprehensive approach to employee well-being is evident in Cellnex Italy's commitment to mandatory training, with all staff participating in the "Zero Tolerance - Against Sexual Harassment" course. This initiative reflects the company's dedication to creating a workplace free from harassment.

Cellnex Poland

Cellnex Poland appointed 6 EDI Ambassadors in 2023 in the following pillars: Gender, Generational, LGBTIQ+, Cultural, and Functional. EDI representatives organised a webinar on a topic that touches almost every employee, specifically communication between generations. Almost 140 employees attended, indicating a keen interest in the topic of EDI.Further initiatives lie ahead, Global EDI Week included.

Cellnex Spain

Cellnex implemented an Equality Plan for its employees in Spain in 2019, which was subsequently updated in 2022 for the next four years. This plan aims to progressively increase the presence of women in the company, in all positions and responsibilities, guaranteeing equal treatment and opportunities between women and men and preventing sexual harassment and discrimination based on gender, both indirectly and directly.

Throughout 2022, negotiations took place and unanimous approval was received from Workers councils for the 3rd Equality Plan for Retevision I, SAU, the 3rd

Equality Plan for Tradia Telecom, SAU, and the 1st Equality Plan for Cellnex Telecom, SA in Spain. These plans, spanning a four-year period, are designed not only to comply with legal requirements but also to actively pursue genuine equality within the company. They are coupled with the Diversity and Inclusion project, which acts as a bridge between the various entities, aligns criteria, and reinforces diversity and inclusion efforts.

The main objectives of the equality plans are:

- Promoting, ensuring and guaranteeing equal treatment and opportunities within the company.

- Ensuring the principle of equal pay.

- Continuously safeguarding against sexual harassment and harassment due to gender in the workplace.

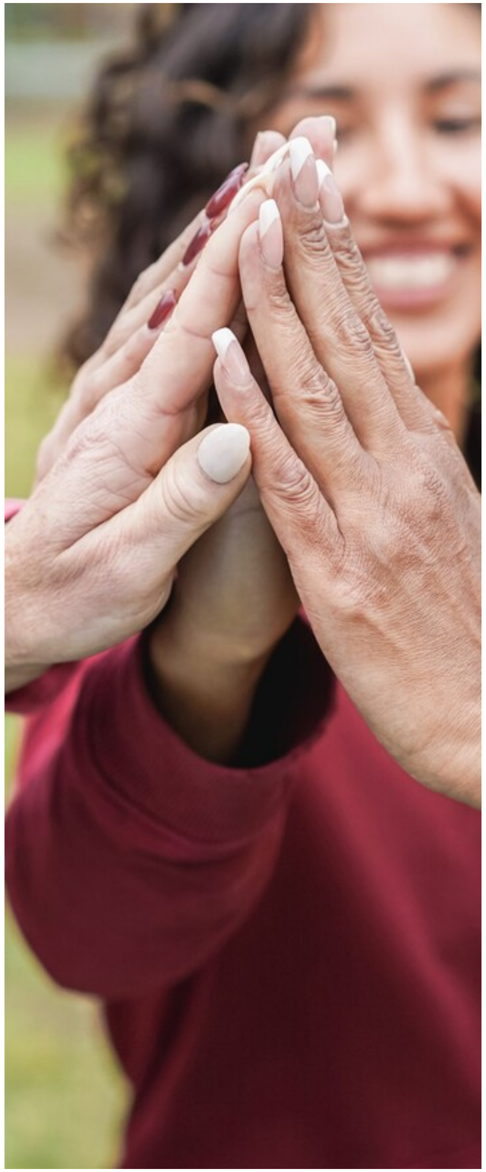
- Identifying training and professional development needs concerning Equality within the workforce, with a particular emphasis on managers.

Cellnex strongly advocates for diversity, equality and inclusion as core values of its corporate culture. Furthermore, Cellnex Spain has a protocol against harassment and discrimination on the basis of sexual orientation or gender identity to proactively prevent and eradicate situations of harassment associated with gender, sexual orientation, and gender identity.

Cellnex UK

During 2023, Cellnex UK organised multiple EDI campaigns. Over 240 colleagues from the UK actively participated in local EDI initiatives. Representatives from Cellnex UK's EDI team also introduced the first Menopause awareness campaign.

As part of the menopause campaign, Menopause Champions are designated to provide all Line Managers with the opportunity to attend a training session on supporting team members experiencing the menopause. A guide for menopause conversations was also shared for both Line Managers and colleagues. Menopause Well-Being packs are available in all well-being rooms. In the fourth quarter of 2023, the first Neurodiversity awareness session was conducted, focusing on Dyslexia, with additional sessions planned for 2024. Two participants from the UK are actively engaged in the UN Target Gender Equality Acceleration programme, diligently working through the outcomes of the Women's Empowerment Principles (WEPs). The first training session on Inclusion, titled "Embracing Inclusion," was delivered in September, with further sessions scheduled for 2024.



3.3 Driving efficiency and high performance

Organisation effectiveness

Organisation Governance model

Cellnex has recently undergone a strategic review aiming to enhance efficiency. This reevaluation includes significant shifts in the organisation's approach to align with the evolving needs and context.

Cellnex has repositioned its strategy towards organic growth, accompanied by fundamental structural changes. These adjustments involve granting greater autonomy and empowerment to matured countries, reducing their reliance on central support structures. This enables local offices to make decisions independently within established guidelines, in addition to reporting as Country CEOs to the Cellnex CEO.

The company has also refocused its commercial activities. While major markets receive concentrated efforts on existing business lines, smaller countries now prioritise specific services to minimise commercial risks.

As part of the organisational restructuring, Cellnex has established a dedicated Strategy division responsible for driving business planning, transformation and market intelligence initiatives, alongside the creation of a COO, leading Commercial, Sales Excellence & Marketing, Innovation and Technology, together with Operational Excellence and IT Services. These organisational reforms demonstrate Cellnex's commitment to enhanced focus and increased efficiency. These changes are aligned with the company's digitalisation efforts, ultimately contributing to a more streamlined and effective organisational framework.

Job levelling

In order to make robust People decisions and apply all People policies and processes coherently, Cellnex has a job levelling methodology that evaluates each position based on its responsibilities, contributions and position within the organisational structure. Through this process, the company can differentiate between key contribution, commercial and management career paths. The job categories range from support positions to senior management and the CEO, and depend on different career paths. The outcome, a job level assigned to each position, is the basis for many other People processes, including HPM[25], training and development, and rewards. As an example, during the HPM process each employee is assessed based on the Cellnex Leadership Attributes which are different depending on the job level, considering positions with different responsibilities and contributions.

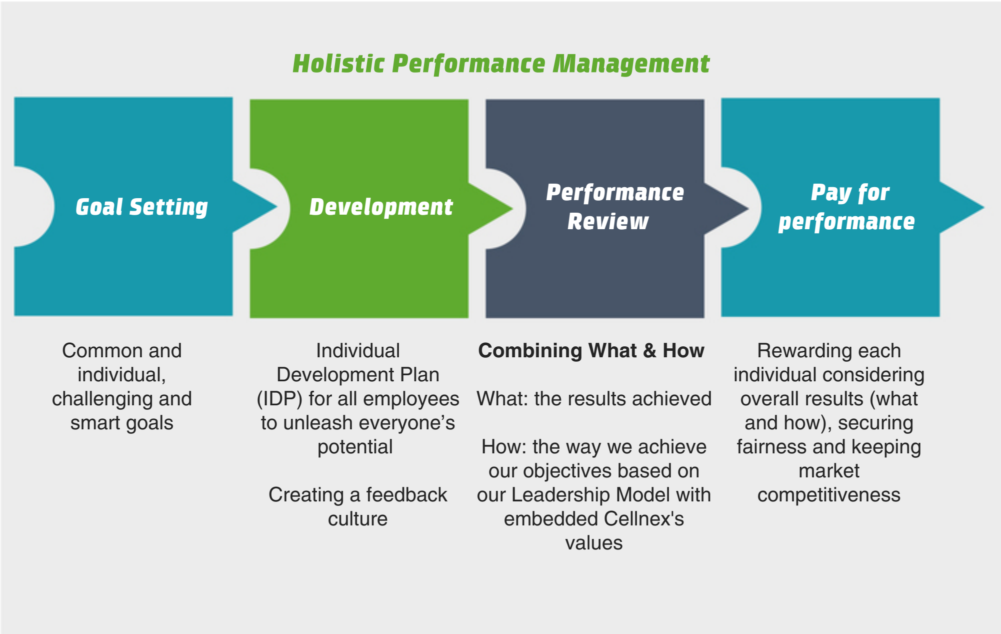
[25] Holistic Performance Management

Holistic Performance Management

Holistic Performance Management (HPM) implies the continuous development of Cellnex's people, aligning the leadership style to the purpose, values and DNA, and continuing to improve year by year. This Model holistically measures Employees' performance by valuing their Individual Contribution, assessing not only the results obtained but also the leadership attributes developed. Its main goal is to ensure that Cellnex achieves its business goals with every employee aligned and focused on the activities that bring the most value to the company.

The principles of the Holistic Performance Management model are:

- Protect the Business by driving relevant results and ensuring financial sustainability.
- Integrated and consistent Reward Model.
- Internal Equity and Market Competitiveness.
- Differentiate according to contribution.
- Pay for performance.
- Accountability, Empowerment and Trust.
- Continuous Feedback.
- Engaging and Motivating.
- Simple to understand and execute.



Cellnex builds its own future leaders with an assessment, relevant Individual Development Plans and solid succession plans. The company encourages all employees to drive their development, together with their manager and with the support of the People Department. In 2023, more than 2,325 people created an Individual Development Plan (IDP).

In 2023, more than 2,744 employees participated in the HPM process, defining and evaluating their contribution to the company via goals and assessing their performance based on its Leadership Model.

The annual process starts with goal-setting; participating employees are assigned group and country goals, if applicable. The country goals indicate to which extent the different countries contribute to the company results. In parallel, employees create their Individual Development Plans (IDP), in agreement with their line manager, which is a tool to help them to reinforce their strengths and work on their improvement areas, always taking into account their career aspirations.

Throughout the year, both parts of the process, goals and IDP, are continuously evaluated and reviewed. As a year-end task, an annual performance review of both aspects is also conducted. Both employees and their managers evaluate the level of achievement of the various goals as well as how they were achieved based on the leadership attributes defined in the Cellnex Leadership Model. The results of this annual evaluation impact any rewards and serve as an input for the start of the follow year's evaluation process.

Cellnex fosters a continuous improvement performance culture, rewarding employees according to their contribution to the business and demonstrated leadership attributes. Results are linked to compensation, thereby actively encouraging a high-performance culture. Therefore, the results of the employees' annual leadership attributes assessment influence their bonus pay-outs and annual merit salary reviews.

The main goal of the Remuneration Policy is to attract, engage and motivate talent so that the Company can meet its strategic objectives.

Reward and remuneration

The main goal of the Remuneration Policy is to attract, engage and motivate talent, allowing Cellnex to meet its strategic objectives within the increasingly competitive and international framework in which it operates. This is achieved by establishing the most appropriate measures and practices for this purpose. The general principles that underpin the Remuneration Policy are as follows:

Alignment with Company strategy and stakeholders' interests

Aligning employees' interests with those of shareholders links a significant part of the total remuneration to company results and the creation of long-term value for shareholders.

Variable remuneration combines financial and business targets with the achievement of ESG goals in line with Cellnex's ESG Master Plan. In 2023, all employees integrated a component of ESG-linked metrics into group and/or country targets, which complement individual ones.

Competitiveness

To enhance engagement, employee compensation needs to remain competitive. This is accomplished by devising a remuneration package aligned with market norms, considering similar sectors and companies.

Because of this, compensation and benefits benchmarks are conducted regularly by a specialist consulting firm (Willis Towers Watson). In 2023 benefits have been harmonised across various countries, based on the study conducted in 2022. In Spain, negotiations have been conducted with employee representatives to implement the Flexible Compensation Plan for all employees in 2024.

Remuneration must be sufficient to attract and retain the talent desired by the Company. All compensation elements are maximised to support each employee's journey and secure business results. In fact, Cellnex guarantees to pay above the legal minimum wage, ensuring a living wage for all Cellnex employees. For example, in the UK Cellnex is accredited as a Living Wage Employer and in Spain the lowest paid employee is paid 40% above the legal minimum wage. In all countries where legal minimum wage is mandatory, Cellnex pays over it.

Structural

- Annual salary review – paying for performance according to both merit and the market
- Short-Term Incentive Plan – rewarding achievement of annual business objectives.
- Benefits – attracting and engaging employees.

Discretionary

- Long-Term Incentive Plan – retaining potential and key talent.
- Lump Sum – recognising special contributions on an ad-hoc basis.

Equity and fairness

Cellnex has a job levelling system that defines position tiers across the company, taking into consideration the responsibilities, scope, qualifications, experience and profile required for each job level. This provides consistency and is key to defining compensation levels.

Individual remuneration must be consistent and fair, taking an employee's level of responsibility, qualifications and results into account.

One of the key pillars of Cellnex's compensation strategy is equal pay, which is also aligned with Cellnex values: equal pay ensures fairness in remuneration based on the level of responsibility, leadership and performance within the organisation, helping to retain key professionals and attract the best talent.

Associated with Cellnex's Equity, Diversity and Inclusion commitments, Cellnex conducts regular gender pay analysis to ensure equal opportunities and rewards across the company. Every year the company performs a global assessment to guarantee equity and fairness using the Willis Towers Watson methodology. Whenever inconsistencies are detected, measures are taken to mitigate them.

Pay for performance

Compensation based on performance entails connecting remuneration to attaining financial, business and value creation goals, in line with Cellnex's corporate interests. The HPM, defined in 2022 and fully implemented in 2023, links employees' performance to their remuneration, by making "what" they achieve just as important as "how" they achieve it.

In short, this Remuneration policy, along with the HPM, supports the strategic principles defined above by ensuring:

- An integrated and consistent Reward Model
- Internal equity and competitiveness
- Differentiation according to contribution
- Payment for performance

Sales Incentive Plan

An updated Incentive for Sales and Commercial teams, aligned with organic growth, has been designed and is ready to be deployed in 2024.

This Incentive is embedded in Holistic Performance Management and tailored by Sales Critical Role.

Therefore it will ensure results and sustainability, and will engage and motivate Sales teams to over-perform.

Smart Working

The company fosters a culture of self-leadership, effectiveness and collaboration. Cellnex drives efficiency to obtain more impact with less effort, providing the IT tools and time management habits necessary to do so. Cellnex works in a collaborative environment, meaning that any employee's point of view is enriched by that of their colleagues. Collaboration among team members fortifies the company, enabling it to confront new challenges more effectively.

Cellnex has smart workplaces that foster these ways of working and promote flexibility: your workplace is wherever you are, your work adapts to your pace, and Cellnex integrates remote working in a natural way.

Refurbishment of the Madrid offices

Following the inauguration of the new Headquarters in Barcelona in November 2021, it was decided to refurbish the Juan Esplandiu offices in Madrid in 2023, which serves as the second corporate headquarters in Spain, in order to align them with the new corporate standards. The new offices were opened in June and have brought about a cultural shift and changes in working methods, fostering a mindset where technology acts as an accelerator for these new dynamics. They boast spaces that facilitate both collaborative and individual work, enhancing individual performance, which is key to promoting and developing talent.



Smart Working

A mindset based on 3 pillars:		
Empowerment	**Effectiveness**	**Collaboration**
Work smarter, not harder	More impact, less effort	Cellnex keeps growing together
Fostering a culture of trust through leadership, accountability, autonomy, flexibility and engagement.	Agility, IT Tools, Processes, Time Management, Golden rules, Digital disconnection	Creating a collaborative, project-based culture with a human approach, facilitated by a smart workplace

Office Manager

Cellnex has a tool, Office Manager, which helps make workplaces more flexible and dynamic and facilitates the daily experience for users. It is a digital solution and web application that manages the spaces, facilities and services of its offices in a more efficient and intelligent way. Office Manager's main functionalities are: desk booking, parking slot booking, incidence management, visit management, etc

Cellnex UK Manchester office

The Cellnex UK Manchester office, which was officially opened in Spring 2022, was a finalist in the BCO (British Council for Offices) Northern awards. As per the judging panel's evaluation, the office is characterised as an attractive, forward-focused workspace that genuinely values both its personnel and clientele. It actively fosters collaboration among teams and promotes collective growth. The ingenuity of the project lies in its successful establishment of an efficient, sustainable workplace that authentically embodies the essence of the company brand, all accomplished while adhering to budgetary constraints.

New offices in Poland: Poznan, Katowice and Gdynia

Following the opening of the first office in Warsaw in October 2022, three new regional offices were opened in 2023. The new locations will host a total of approximately 200 employees and will be Poland's largest offices outside Warsaw. They will be home to the combined teams of OnTower and Towerlink, part of Cellnex Poland. This is a very important milestone for the company for the integration of the Cellnex, Play and Polkomtel teams. Combining teams with different corporate cultures is an essential component for the consolidation of the company.

3.4 Cellnex: A place to grow

Cellnex believes that lifelong learning and improvement are a determining factor in continuously adapting to the challenges of the market.

Developing the team's skills and fostering programmes to attract new specialist talent ensure a sustainable path of growth for the company.

The company promotes development for all employees with a focus on business needs, improving its talent density by unlocking everyone’s growth potential.

Cellnex drives this Development strategy based on four main pillars: Acquisition, Assessment, Development and Reward, with the Cellnex Leadership Model at the core of all of them.

The company promotes leaders who know how important it is to keep the right balance between organisational and people perspectives in the short and long term. Cellnex Leaders drive business growth, ensuring sustainability, connecting people and building a united team.
#GrowingTogether

Leadership Model: Everyone is a leader

Cellnex deeply acknowledges that every individual contributes unique value and impact.

In a collaborative environment, fostering a culture where everyone is empowered to take initiative and contribute, it becomes evident that "everyone is a leader" in their own capacity, regardless of job titles or roles.

Based on this, Cellnex has implemented a Leadership Model based on four main pillars:

Leadership Pillars

Inspirational Leader	Transformational Leader	Operational Leader	Coach Leader
INSPIRATIONAL LEADERS are led by their strong values and purpose. They are excellent communicators who understand people's needs and are able to infuse energy, passion and connection into their actions and behaviours, making others wanting to join them in their efforts.	TRANSFORMATIONAL LEADERS create and foster a culture of innovation and drive positive changes within our company. They understand the key trends and are able to spot and leverage opportunities which arise in the constantly changing business environment, ensuring our business stays successful and competitive in the future.	OPERATIONAL LEADERS do an excellent job of the highest quality, delighting customers (external or internal) and exceeding their expectations. Operational Leaders have outstanding technical skills and work in an organised and efficient manner to achieve excellent results, always keeping to their commitments.	COACH LEADERS create a positive, open, inclusive and rewarding working environment where employees can achieve their full potential and make a difference within the organisation and society, bringing their personal purpose to life.

Employee Value Proposition

At Cellnex, the Employee Value Proposition (EVP) is designed to cultivate a vibrant and fulfilling workplace experience. Cellnex emphasises Growth, providing avenues for both personal and professional development. Innovation is ingrained in the company culture, inspiring employees to embrace creativity and contribute groundbreaking ideas.

The company prioritise Professional Excellence, nurturing skills that lead to individual and collective success. The unwavering Commitment ensures a supportive and inclusive atmosphere, while Smart Working underscores the focus on efficiency and effectiveness. Collectively, these Employee Value Proposition pillars form an environment where individuals can contribute to the organisation's overall success.

EVP Pillars

Growth	Innovation	Professional excellence	Commitment	Smart Working
An expanding company where you can grow	Thinking out of the box & first movers	Culture of trust, passion for projects and teamwork	Commitment to people, clients and society	Culture of flexibility and work efficiency

Internal Mobility

An Internal Mobility programme has been implemented to encourage collaboration among various countries and corporate entities. It offers opportunities for professional growth, skill development and the utilisation of existing talent.

Talent Mobility fostered:

- Cellnex Culture (Purpose & Values, Equity Diversity & Inclusion, Engagement and a High-Performance Culture)

- Accelerated development for people, offering critical experiences to employees (70/20/10)

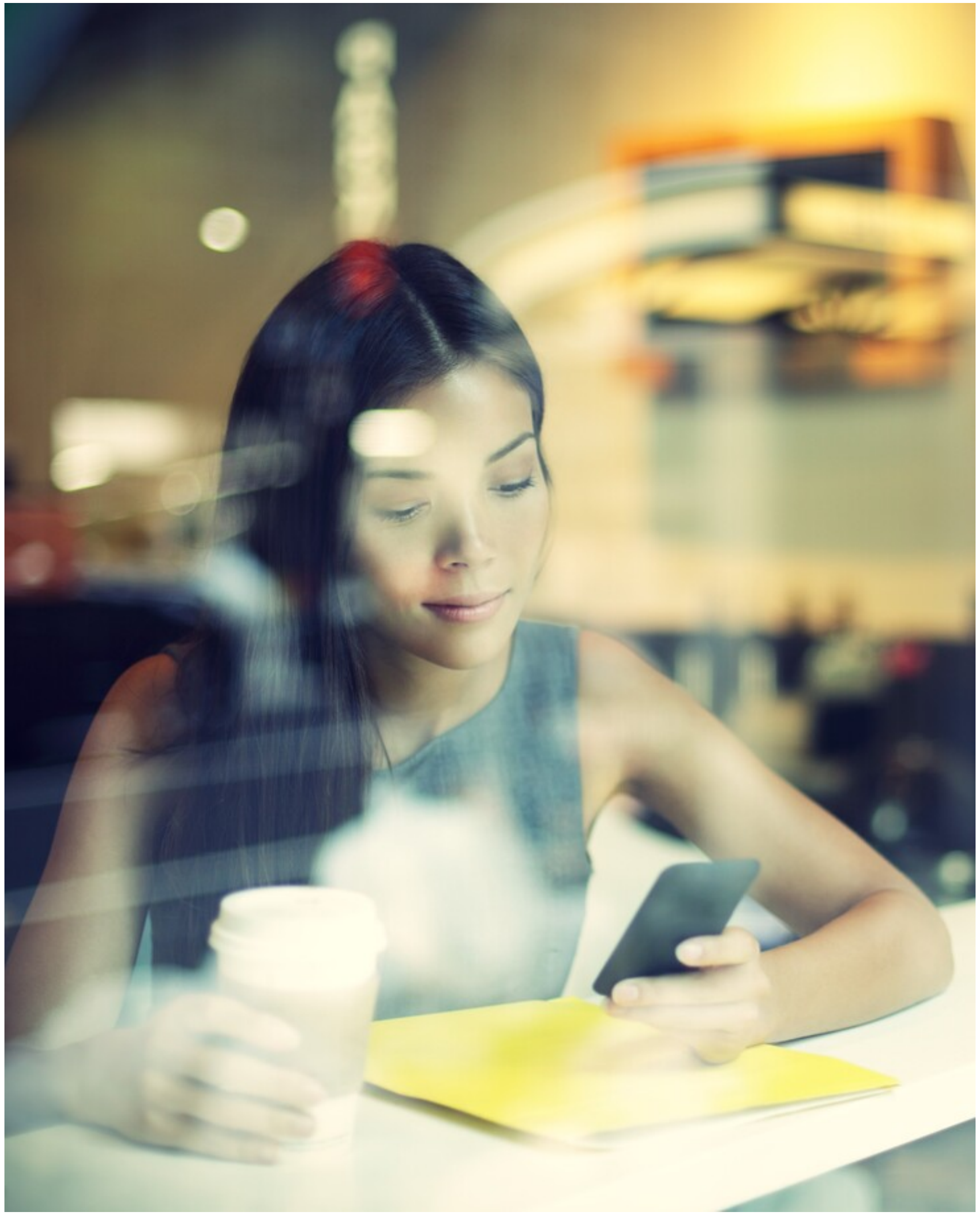
- A stronger talent pipeline

- Optimisation of Cellnex efficiency by building an agile workplace, matching talent supply to the talent needs of the organisation, unlocking capacity across the company, providing visibility into the skill and capabilities of the workforce

By November 2023, around 57% of the available positions were filled with talent from countries around the world.

Language and Cross-Cultural Training

Cellnex has implemented language training programmes in 7 countries and cultural training in 6 countries. Continuous professional development is a primary focus at Cellnex, embodied in particular in training initiatives designed to support an international work environment. Talent Mobility requires foresight and offering this early training proves beneficial when an international appointment is required. This provides an opportunity to engage with various international projects, which can be led by any functional area.
Cellnex places significant emphasis on preparing diverse profiles for moments when international positions become available. International Talent Mobility is of paramount importance to foster a more diverse and inclusive organisational culture. This aligns closely with business needs, where synergies, internal best practices and knowledge are increasingly indispensable. In instances where a colleague is sent abroad for an extended period, they are always trained in cultural differences between countries. This significantly reduces the time required to fully develop the responsibilities of the position.



Cellnex aims to provide constant development for all employees in each of their areas of interest so they can grow and improve as professionals

Growing Talent

Cellnex Talent Academy

Cellnex nurtures individuals' growth and involvement through the Talent Academy, providing a well-rounded and extensive development package that aligns with its business strategy, requirements and culture.

Cellnex aims to provide constant development for all employees in each of their areas of interest to grow and improve as professionals every day.

The Talent Academy connects Cellnex's three pillars to every development programme to promote corporate culture, leadership and a high level of expertise in the workplace.

Cellnex's Talent Academy offers various specialised programmes aimed at fostering growth and advancement, organised within three distinct academies: the Cultural, Leadership and Expertise Academies.

The Cultural Academy embraces a variety of programmes and activities to help integrate the company's purpose and values in daily activities, fostering smart working the Cellnex way (Empowerment, Efficiency and Collaboration) and leveraging our culture and our identity.

The Leadership Academy is fully aligned with the Cellnex leadership model and aims to empower each and every one of its employees. At Cellnex, all employees are leaders in their respective fields, their leadership capabilities are nurtured and they do their part to contribute to business growth.

It includes programmes such as Global Mentoring, a programme that creates and promotes an environment where employees can grow and achieve their fullest potential by developing the ability to adapt, learn and innovate in the fast-paced, ever-changing environments that Cellnex faces on a daily basis.

The Expertise Academy harnesses Cellnex's most important asset: the extensive specialised knowledge of each employee. It promotes the transfer of expertise within the team to renew and adapt to current challenges.

Expertise Talent Academy: Sales Development

In late 2022, a Sales Talent Strategy was born to ensure Commercial Organisation is aligned with business goals and improve sales performance. The programme is based on a model to upskill the critical mass of the Commercial workforce and it has become an integrated, transversal and focused Talent model for Sales and Commercials.

It has been built on four main axes:

a. Defining an optimal sales organisation model and success profiles.

b. Evaluating Sales teams, analysing the gap with Success Profiles and launching Individual Development Plans.

c. Developing Sales and Commercial profiles through the 'Sales Talent Academy'.

d. Updating the Sales Compensation and Incentive model. The new Sales Incentive model has been ideated and shared to be fully launched in 2024 after the necessary training to accelerate organic growth.

Cross-functional Skills Development

The Talent Academy also embraces the Cross Functional Competency development initiatives such as LinkedIn Learning, helping Cellnex professionals to upskill and reskill their profiles at their own pace.

LinkedIn Learning

Cellnex provides a LinkedIn training platform for employees (with more than 16.000 courses and available in 8 languages) to provide each employee with training opportunities. It also offers Leadership and Management training to all employees.

@MentorsLab

A competency development programme where individuals with higher scores, considered role models in leadership attributes (HPM), become mentors for those with lower scores and skills, who become mentees. It's a win-win, allowing both mentors and mentees the opportunity to develop — mentors by guiding, and mentees by being guided — without the need for external trainers.

Talent Growth - Training hours	
Sustainability	1,620
Safety in workplace	14,020
Human Rights	378
Cybersecurity	3,246
Anti-corruption	304
Quality and IMS	3,146

In 2023, the total number of training hours was 86,839 (66,730 in 2022), impacting 2,061 people - 72% of Cellnex employees. The average training time per employee was 30.3 hours in 2023 (22.1 hours in 2022).

Global Leaders Program

"I hope many people in the company can have the opportunity to take part in this kind of training."

Antonio Javier Manchón
Country Head of Engineering - Cellnex Spain

Global Leaders Program

"Overall, the course was superb. I have learnt a lot and have been able to put much of it into practice.

My own profile has improved and I have a super new network of colleagues from across the countries.

I highly recommend the programme!"

Michael Harrison
Area Head of Commercial - Cellnex UK

Growing leaders

Leadership Academy

Leadership development is key to ensuring current and future success, from both a business and a people perspective. The Leadership Academy offers two outstanding programmes:

Global Leaders Programme

Cellnex's Global Leaders Programme, partnered with one of the most highly reputed Business Schools in Spain, represents not just an opportunity but a pivotal moment in its collective pursuit of excellence. It consists of an extensive one-year programme designed to leverage global leaders of today and of the future. Leaders who drive business growth, connecting both individuals and diverse teams, as well as creating a culture of innovation, high performance and sustainability. In this first edition in 2023, almost 80 top leaders from 12 different countries took part in the programme.

Cellnex MBA Programme

With this third edition, a total of 60 individuals have participated in the Cellnex MBA programme. In 2023, 20 employees from 10 countries (12 women and 8 men) took part. This programme equips participants with the necessary skills to address the complex global realities of the environment in which Cellnex operates, integrating tools for managing and implementing strategies across diverse business areas, while also developing projects that reflect the knowledge acquired.

Talent Days in Poland

Cellnex's strength lies in its people, who are experts in their fields. Thanks to them, Cellnex can develop and its employees can learn from each other, which is why the company is striving to make Cellnex a great place to work. This message must also be made clear to future generations of Cellnex employees, which is why the company takes part in job fairs for students and graduates, such as the Talent Days event in Poland. The initiative enables young talents to connect with employers. Additionally, there is a strong focus on developing employees and managers in their roles, guided by 12 Attributes of Cellnex Leadership. At Cellnex, continuous care is taken for talent development through dedicated programmes for managers, talent review initiatives and training based on individual employee needs. In addition, fully funded language classes help with the international work environment and support Internal mobility, which is an opportunity for career development, inspiring employees to keep learning and developing their skills.

Assessing Talent and Leadership

Cellnex people are a fundamental part of the company's success, which is why at Cellnex, specific processes are in place to accurately identify and manage the company's talent.

Alongside the Holistic Performance Management tool, there are other evaluation processes such as the Talent Review, Executive Development Programme and Career Development Assessments, which allow us to ensure the best performance and professional growth for Cellnex's professionals, both now and in the future.

Talent reviews

Talent Review is a forward-looking, action-oriented process that allows Cellnex to identify and develop the talent needed to execute the business strategy.

In a Talent Review, several evaluators conduct an in-depth analysis of the current performance and future potential development opportunities for their team members. Based on that information, focus talent meetings are conducted to share and exchange development opportunities, creating talent pools and adding strategic actions to the Individual Development Plans.

This exercise is conducted annually throughout all the organisational levels and countries, involving different line managers, business leaders and people area facilitators

Leadership Development Programmes

Career Development Assessments (CDA) and Executive Development Programmes (EDP) provide valuable insights through a multi-source tailored approach to accelerate leadership capabilities that successfully drive business growth by connecting and engaging our People.

EDPs are a regular exercise, particularly in assessment processes, and are essential in all Top Senior Management positions. As such, they take place every two years, led by the NRSC (Nominations, Remuneration and Sustainability Committee) and supported and deployed by the People department.

3.5 Social dialogue

Cellnex actively fosters open communication channels with its workforce and its legal representatives, including work councils, employee representatives and Health and Safety Committees. This involves thorough information dissemination, consultation and negotiation processes. In addition, there is an email and an intranet application accessible to all Cellnex personnel, facilitating the reporting of any situations that may pose a threat to workers' safety.

The ongoing and constructive dialogue between the company's management and workers' representatives has yielded positive results. Currently, 60% of the workforce operates under collective bargaining agreements. The table below lists the countries with active collective bargaining agreements, encompassing all employees within these areas:

Collective agreements

	99 %
	100 %
	100 %
	96 %
cellnex	60 %

Cellnex Austria & Cellnex Denmark

No workers' committees have been created in Austria and Denmark. However, workers can set up a committee if they choose to. Moreover, there are regular team meetings and one-to-one meetings between the Managing Director and employees.

The minimum notice period prior to the implementation of significant operational changes is three months in Denmark, with no notice period for Austria. A three-month notice period is established based on the contract.

Cellnex France

In France, there is an employee representative committee, the "CSE", made up of 11 employee representatives and one management representative, who meet monthly and address issues such as working time, health and safety, salaries, benefits and health care, organisation, etc. There is also a committee dedicated to health, safety and working conditions, with four employee representatives.

Cellnex Ireland

In Ireland, there are three representatives on the Safety Committee, which meets once a quarter. Some of the topics discussed by the Committee relate to incidents that have occurred, new risk assessments and systems of work, training, changes in legislation and environmental issues.

Cellnex Italy

In Italy, there has always been a continuing dialogue with the Workers' Representatives since 2015. Beginning in 2022, all the main unions (CGIL, CISL, UIL and USB) have branches with six colleagues. Thanks to this dialogue, in 2023 important agreements on the collective productivity bonus (PDR - Premio Di Risultato), Ticket Restaurant amounts and fuel bonuses have been reached, as agreed measures to mitigate the impact of inflation . Cellnex Italy also has an ongoing relationship with the workers' safety representative (RLS) to discuss and solve issues of all kinds and strive for continuous improvement, focusing on excellence in health and safety at the company.

Cellnex Netherlands

A works council is in place with five employee representatives. There are bimonthly meetings between the works council and management. The minimum notice period prior to the implementation of significant operational changes is typically one month.

Cellnex Poland

Three OH&S Committees have been established at Cellnex Poland group companies, with 14 members. OH&S Committee meetings are held periodically during working hours. The topics covered revolve around health and safety training, including training for employees who work at heights, medical examinations, work accidents, health and safety services, equipping with PPE, etc.

All labour topics required by regulations and law are consulted with employee representation and trade unions, including social fund related topics.

Cellnex Portugal

There are no workers' committees. However, employees have the option to establish a committee if they choose to. The minimum notice period before the implementation of significant operational changes varies depending on the situation. There is one Health and Safety committee comprising three employees, which convened twice in 2023.

Regarding the Health and Safety Committee, the Management Systems & Processes team and the H&S Operations representative held two meetings in 2023. These meetings took place in June and November, during which a thorough analysis of previously identified, completed and ongoing actions was conducted. Additionally, new actions were considered for implementation.

Cellnex Spain

At Cellnex Telecom, SA, elections were held in 2023 at the Barcelona Torre Llevant workplace and nine CCOO union representatives were chosen for the works council.

Retevision I, SAU has branches of a total of five unions: CCOO, STC, SI, CSIF and USO. There is an Inter-Company Committee representing all the employees which is composed of 12 members and includes branches of the unions CCOO, STC, SI, and USO.

There are a total of three works councils:

- Madrid Works Council, with nine members.
- Barcelona Works Council, with nine members.
- Torre Collserola Works Council, with five members.

The workers' representatives are either employee delegates or members of the works council, depending on the size of the workplace. There are currently 53 union representatives, 23 works council members and 30 employee delegates.

Tradia Telecom, SAU has branches of a total of three unions: CCOO, USO and SI.

At both Retevision I, SAU and Tradia Telecom SAU, there is an ongoing dialogue with various union branches, members of works councils and employee delegates. This also includes workers at centres without union representation. It is worth noting the continuing relationship with the Inter-Company Committee at each company, which represents all the workers.

Additionally, there are numerous commissions and committees consisting of members from both the workers' legal representatives and company management, fostering an ongoing and seamless dialogue. For instance: the Employment Commission, Social Action Commission, Inter-Company Health and Safety Committee, etc.

At OnTower there is an employee delegate from the CCOO union at the Barcelona Torre Llevant workplace. At XOC, there is an employee delegate from the SI union at the Barcelona Torre Llevant workplace. Cellnex Telecom España SA, Cellnex Telecom Finance, SA, Bitnap, ZENON, and Adesal do not currently have union representation. However, with all companies, whether or not they have union representation, there is a close and continuous social dialogue.

In 2021, Retevision, Tradia and OnTower reached an agreement with employee representatives for a Voluntary Redundancy Plan. In 2023, Cellnex Telecom reached an agreement with employee representatives for a Voluntary Redundancy Plan. These agreements will be effective for the period 2023-2026.

The minimum notice period prior to implementing significant change measures is determined by each of the collective agreements and the prevailing legislation.

Cellnex Sweden

On 1 January 2023 Cellnex Sweden entered into a collective bargaining agreement. A local union unit has been established, which meets with the company on a regular basis. Topics discussed include significant organisational changes.

Additionally, there is a Health and Safety committee with five employees which meets once a quarter to address topics such as risk assessment and training.

Cellnex Switzerland

There are no workers' committees, but the employer provides information, consultation and co-decision making for employees at all times in accordance with the Participation Act, Article 3, Right to representation. The minimum notice period prior to the implementation of significant operational changes varies depending on the situation.

Cellnex United Kingdom

Cellnex UK has a Colleague Board (CCB) which aims to represent company colleagues' opinions and ideas regarding any changes and major decisions involving personnel. The CCB adopts a two-way approach, meaning that sometimes it consults on proposals and on other occasions it puts forward comments or/and new ideas. There is a health & safety committee that meets quarterly. Changes to terms and conditions of employment must be confirmed in writing to employees within one month of the changes becoming effective.

3.6 Safety and well-being at our core

Well-being at Cellnex

Cellnex strives to provide excellent working conditions and development opportunities, staunching believing in nurturing progress while also empowering others. This ethos resonates with the core values of the company. The Well-Being Model takes five dimensions of health into account: physical, emotional, intellectual, social and financial.

Well-being related benefits

Cellnex boasts a comprehensive range of well-being benefits designed to support its employees in achieving optimal physical, mental and emotional health and foster a thriving workplace culture. These include:

- A **Hybrid Working Policy**,
- A **Digital Disconnection Policy**,
- **Annual paid leave**,
- **Healthy working hours** and days off,
- **Flexible working hours**,
- **Parental leave policies** and related resources,
- **Health insurance benefits**, subsidised by the company, for a significant portion of its employees and their family members,
- **Incentives for physical activity**, in most countries through various corporate wellness services,
- **Workplace support**, providing suitable accommodation for all employees,
- **Baby Friendly Company seal**, offering support to team members who are going to be mothers or fathers, and
- **On-site access to medical services** for over 30% of Cellnex employees.

Our priorities based on

Physical: Gaining the energy to carry out day-to-day tasks and developing healthy lifestyle habits that positively impact employee performance.

Emotional: Managing stress and emotions to cultivate a resilient, positive and psychologically safe culture.

Intellectual: Developing new skills based on efficiency and agility that will enhance employee work-life balance and foster a diverse and inclusive environment.

Social: Strengthening connections among workers and between employees and society to bolster pride, collaboration and engagement.

Financial: Taking control of financial protection against unforeseen events and preparing for the future with assurance.

The **2023 strategy and action plan** is founded on several pillars within Cellnex's well-being model, including continuous active listening to employees' well-being feedback, establishing a standardised action plan for all countries and collaborating with areas requiring special attention.

Cellnex has introduced over 20 global actions and initiatives in various formats. These include videos, posts, awareness campaigns, face-to-face interactions and virtual webinars and workshops.

	Total attendees
Emotional Well-Being	110
Physical Well-Being	369
Social Well-Being	78
Total	557

Country well-being initiatives

Cellnex Denmark

In Denmark, employee surveys are sent 1-2 times a year and the surveys are anonymous, with well-being as a focus area. All employees are allowed to take one day off per calendar year with full salary to do volunteer work for their preferred charity. By doing so, Cellnex Denmark ensures that all employees can fully engage in volunteer projects that are close to their heart and at a time that is convenient for them.

Cellnex Poland

Cellnex Poland hosted a well-being programme in 2023, emphasising mental health. This included webinars focused on preventing toxic behaviour and psycho-educational functions. Employees had the opportunity to take part in a charity race, tallying up the kilometres while walking, running and cycling to raise funds for a Foundation aiding youth development. Additionally, Cellnex Poland provides and co-finances:

- A healthcare programme for employees and their families
- Sport Cards granting access to over 2,500 sports centres, outdoor activities and online services.

Cellnex Spain

These are some of the actions implemented by the company:

- Masterclass on "personal productivity" to enhance meetings, teamwork and disconnection.
- Masterclass on“Your attitude as a power of change” to enhance positive mindsets, empowerment and recognition.
- Masterclass on “How to be yourself at work” to create a psychological safety environment, empathy and an active listening environment.
- Leadership courses like "Boost your leadership by empowering your team" to improve overall well-being.
- Automation acceleration and the use of agile methodologies in processes and key cross-organisation projects to create an efficient and collaborative mindset.

Cellnex Sweden

At Cellnex Sweden, a healthcare allowance is provided yearly to all employees to promote an active and healthy lifestyle. Cellnex Sweden has established an agreement with Falck Healthcare as a health and safety partner. Falck provides services in crisis management, counselling, workplace investigation, physical examination and career development support, among other things. Every year Cellnex Sweden dedicates a week to health, with days focused on subjects like nutrition, working out and a step count competition. Employee surveys are sent out 1-2 times a year and are anonymous, with a significant focus on well-being.

Cellnex United Kingdom

Cellnex UK has Mental Health First Aiders across all office locations to provide discreet support and guidance to all employees. Each office is equipped with a dedicated wellness room, featuring a medication fridge, women's wellness packs, prayer mats and yoga mats.

There is a dedicated Well-Being page, which is updated regularly with mental and physical health tips. There are also seminars focusing on well-being, for example food and mood and financial detox. All Colleagues have access to a cycle scheme and reduced gym fees.

Colon cancer and melanoma prevention talk at Cellnex headquarters

At the Cellnex headquarters, employees had the opportunity to learn much more about colon cancer and melanoma with campaigns centred on early detection and raising awareness

Health and Safety at Cellnex

Occupational Health and Safety Management System

Cellnex has established a Safety Culture rooted in Cellnex values in all the countries where it operates. Occupational Health and Safety (OHS) aspects are integrated into the strategy and guiding principles outlined in the organisation's global H&S policy,

Hazard identification, risk assessment and incident investigation

At Cellnex, continuous **evaluation of risks and opportunities** is a standard practice, aligning with evolving regulations and industry changes to reduce workplace incidents and health risks. Additionally, Cellnex employs a unified corporate system to efficiently handle incidents related to occupational safety and health, ensuring thorough analysis for effective improvement strategies.

Workplace Health Services

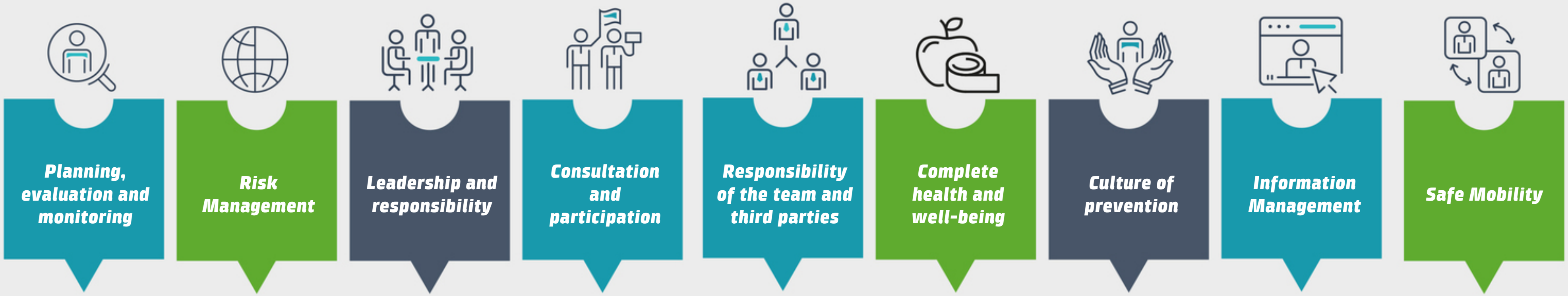
Cellnex ensures the provision of Health Surveillance through expertise in Occupational Medicine, aiming to effectively safeguard workers from the risks inherent in their roles. This serves as the primary method of monitoring and addressing the impact of working conditions on employee health.

Worker participation, consultation and communication on occupational Health and Safety

To foster worker participation, consultation and communication on occupational health and safety, Cellnex:

- Establishes, implements and maintains procedures for worker consultation and involvement.
- Facilitates consultation and engagement across all organisational levels.
- Ensures that H&S committees are formed and operate.

H&S Policy



Prevention and Mitigation of Impacts on Health and Safety at Work that are Directly Linked through Business Relationships

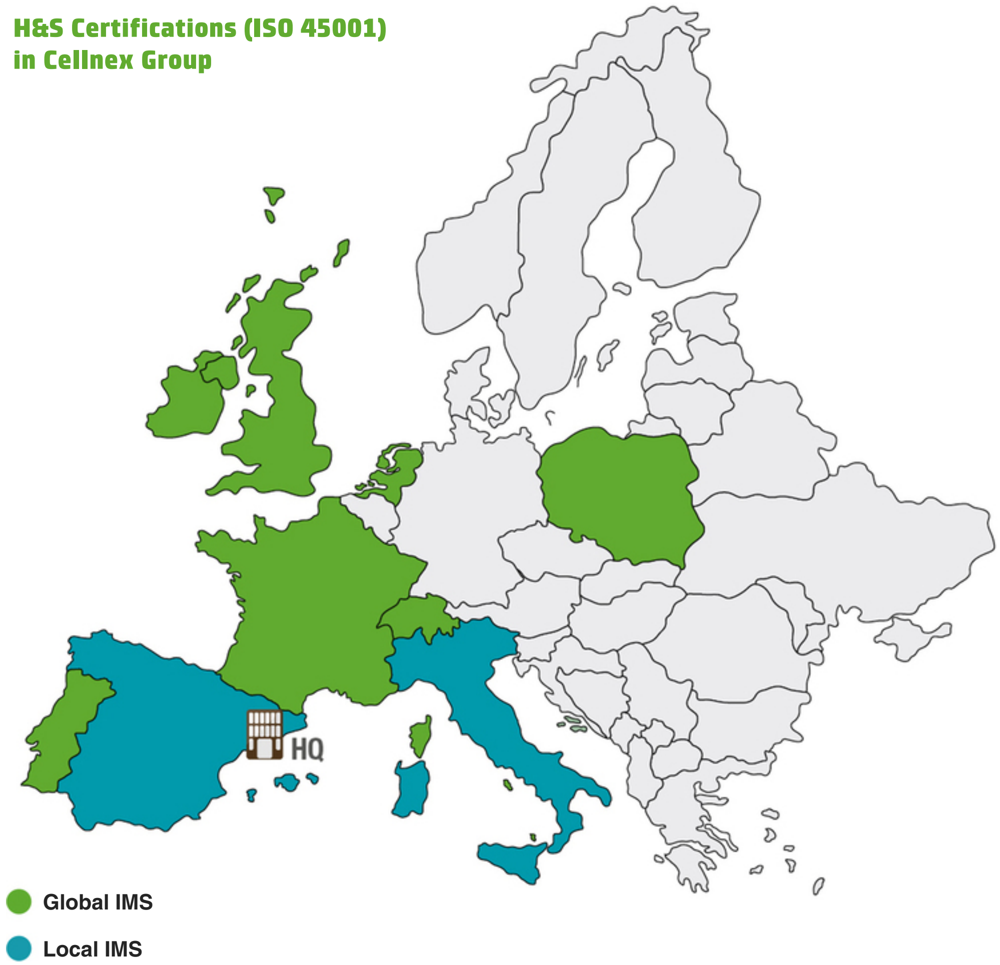
Cellnex offers distinct frameworks, processes and tools for OHS coordination in its business operations. Some of the most commonly utilised coordination methods at Cellnex are:

- Sharing information and communications among companies.
- Holding regular meetings between companies.
- Ensuring the presence of preventive resources from competing companies at the workplace.

Health and Safety certifications

Beginning in 2021, Cellnex has designed, developed and rolled out a complete OHS ISO 45001-based documentation scheme to manage the main OHS processes across its countries. In 2023, the Group's ISO 45001 scope remains unchanged, covering a total of nine countries certified within this standard. In these nine countries, 100% of employees are covered by the management system certified by the ISO 45001 standard.

H&S Certifications (ISO 45001) in Cellnex Group



WELL and LEED

Cellnex obtained the WELL Certification in 2023 for its corporate headquarters in Barcelona (Spain) with the highest level of certification, PLATINUM. Cellnex also expects to roll out the same certification scheme for more of the Group's workplaces over the course of 2024.

In the case of Denmark and Sweden, the corporate offices in both countries hold LEED certificates, with a Platinum rating for Denmark and a Gold rating for Sweden.

Country H&S initiatives

Some of the most significant health and safety measures are as follows:

Cellnex Austria

In Cellnex Austria, an employee attended a special training to act as a trusted and qualified contact for any health and safety questions and issues from her colleagues.

Cellnex Denmark

Cellnex Sweden

At Cellnex Sweden, the Health and Safety Committee has carried out regular meetings, statutory risk assessments, site and office audits and action plans. A workshop was held on H&S, resulting in the development of an internal policy.

In Denmark, employees are involved in health and safety work through representation at the H&S Committee, staff meetings, intranet, SharePoint, etc. Cellnex also provides services from a health and safety partner (Arbejdsmiljøgruppen), specifically offering health checks for working at heights, computer glasses etc. A mandatory Health and Safety audit and employee questionnaire (APV) were conducted and the results and action plans were discussed and implemented with the involvement of all employees.

Cellnex France

In Cellnex France, the Document Unique d'Évaluation des Risques Professionnels (DUER) was updated in consultation with the CSE (Social and Economic Committee), and CSSCT (Commission on Health, Safety and Working Conditions), incorporating new work units to enhance risk assessment. Likewise, psychosocial risks were reassessed with occupational health support.

Furthermore, the company organised a week focusing on quality of life at work. Physical and mental health professionals were enlisted to take part, along with sessions on meditation and yoga. Additionally, advice was provided to help create a healthy professional life.

Cellnex Ireland

In 2023, Cellnex Ireland collaborated with its direct contractors to evaluate and enhance their health and safety performance and compliance, both in the field and within their operational systems.

Cellnex Italy

Cellnex Italy developed the VIS (Visual Inspection System) to ensure sustainability requirements at its technological sites. A plan involving approximately 150 on-site inspections per month (over 1700 per year) was implemented, utilising a checklist provided by the Prevention and Protection Service (SPP). In 2023, 1970 on-site inspections were carried out and 253 Non-Conformities were detected and addressed. The VIS system has been in operation since the beginning of 2023, making it possible to extract and manage data from inspections conducted at technical sites. Additionally, it speeds the preparation of graphic representations, which prove valuable for monitoring activities and implementing improvement actions relating to the safety of technical sites.

Furthermore, in the first months of 2023, in addition to mandatory safety training, BLSD (Basic Life Support and Defibrillation) training courses were offered to all Cellnex Italy S.p.A. employees on a voluntary basis. A total of 86 employees took part in the initiative..

Cellnex Portugal

Cellnex Portugal has implemented several initiatives to enhance its operational processes. These include the adoption of the Dutch platform (KVGM) for non-conformity management and the establishment of a communication strategy for internal employees, providing information on hazards and risks through email and a shared folder. External stakeholders are kept informed through updates on the company's website. A systematic plan has been implemented to assess the risks associated with all sites to meet legal requirements. Additionally, proactive security inspections are carried out on activities at sites with inherent risks, showcasing a proactive approach to ensuring safety and compliance.

Cellnex Spain

In line with Cellnex Spain's preventive culture and a focus on enhancing workplace well-being, a comprehensive psychosocial risk assessment was conducted for the entire workforce in 2023. Focus Groups were set up to undertake a thorough examination of the main causes of psychosocial risks to identify areas for improvement. A 2023/2024 action plan was developed to promote and safeguard the health and well-being of all staff, ensuring a safe and healthy working environment. Job positions were updated to comply with new 2023 regulations on gender-based violence and extreme temperatures, with measures implemented to prevent, monitor and minimise negative impacts on teams and communities.

Cellnex United Kingdom

In the UK, extensive efforts have been made to cultivate relationships with suppliers engaged in high-risk activities. This includes hosting a monthly supplier safety forum and implementing a performance framework with points awarded and deducted based on performance. Strict controls govern site access for high-risk activities, requiring a thorough review of documents before access is granted.

Health and Safety strategic priorities

Cellnex Telecom is committed to consistently nurturing and safeguarding the health and well-being of all its personnel. This commitment involves creating a secure and healthy workplace environment and guaranteeing the safety of both employees and individuals on its premises. To achieve this, the company has implemented specific measures aligned with the nine work streams defined in its global H&S policy.

As part of these strategic priorities, 18 actions were launched in 2023, achieving a year-end compliance level of over 95%

	2023 Average of Planned Action Progress
Complete health and well-being	92%
Consultation and participation	100%
Culture of prevention	100%
Information management	100%
Planning, evaluation and control	100%
Responsibility of the team and third parties	92%
Risk Management	100%
Safe mobility	92%
Overall total	95%

Strategic Priorities	Contribution to priority SDGs	Actions
Planning, evaluation and control	8 Decent work and economic growth; 10 Reduced inequalities	3
Risk management	3 Good health and well-being; 8 Decent work and economic growth; 10 Reduced inequalities	1
Leadership & responsibility	5 Gender equality; 8 Decent work and economic growth; 9 Industry, innovation and infrastructure; 10 Reduced inequalities	1
Consultation and participation	5 Gender equality; 8 Decent work and economic growth; 10 Reduced inequalities	1
Responsibility of the team and third parties	8 Decent work and economic growth	3
Complete health and well-being	3 Good health and well-being; 8 Decent work and economic growth; 11 Sustainable cities and communities	3
Culture of prevention	8 Decent work and economic growth; 9 Industry, innovation and infrastructure; 11 Sustainable cities and communities	1
Information management	8 Decent work and economic growth; 9 Industry, innovation and infrastructure	1
Safe mobility	3 Good health and well-being; 8 Decent work and economic growth; 11 Sustainable cities and communities	4

"By encouraging the use of alternative modes of transport to the private car, rationalising car use and efficiently managing mobility, Cellnex demonstrates a holistic approach to addressing environmental and mobility challenges in the business environment."

Xavier Gil
Global Health & Safety expert - Cellnex Corporate

Global Mobility

Cellnex has implemented a Net-zero Strategy, encompassing commitments to achieve net-zero emissions by 2050 and carbon neutrality by 2035. A key aspect of this strategy involves implementing Mobility Plans aimed at enhancing commuting practices and promoting alternative transportation over private vehicles.

In developing a mobility plan, an annual global survey was launched to understand employees' commuting habits. It forms an integral part of Cellnex's commitment to fostering an environmentally-conscious organisation by reducing commuting-related emissions and energy usage while prioritising staff safety. As a result of this global initiative, the Barcelona Mobility Plan for the company's headquarters was presented to local authorities in 2023 and was awarded the PDE seal recognising companies, organisations or institutions that have incorporated sustainable mobility.

Accident rates and absenteeism

Through a corporate platform, Cellnex manages a set of OHS Key Performance Indicators (KPIs) which encompass the notification, reporting and investigation of workplace accidents and incidents. Quarterly campaigns are conducted to gather the metrics established within this model. The main internal accident rates for 2023, including Injury Accident Frequency Rate, Lost Time Injury Frequency Rate and Injury Rate, have almost halved on average compared to 2022, reinforcing the excellent results and trend within the industry benchmarks. In addition, there were no occupational illnesses, as in previous years.

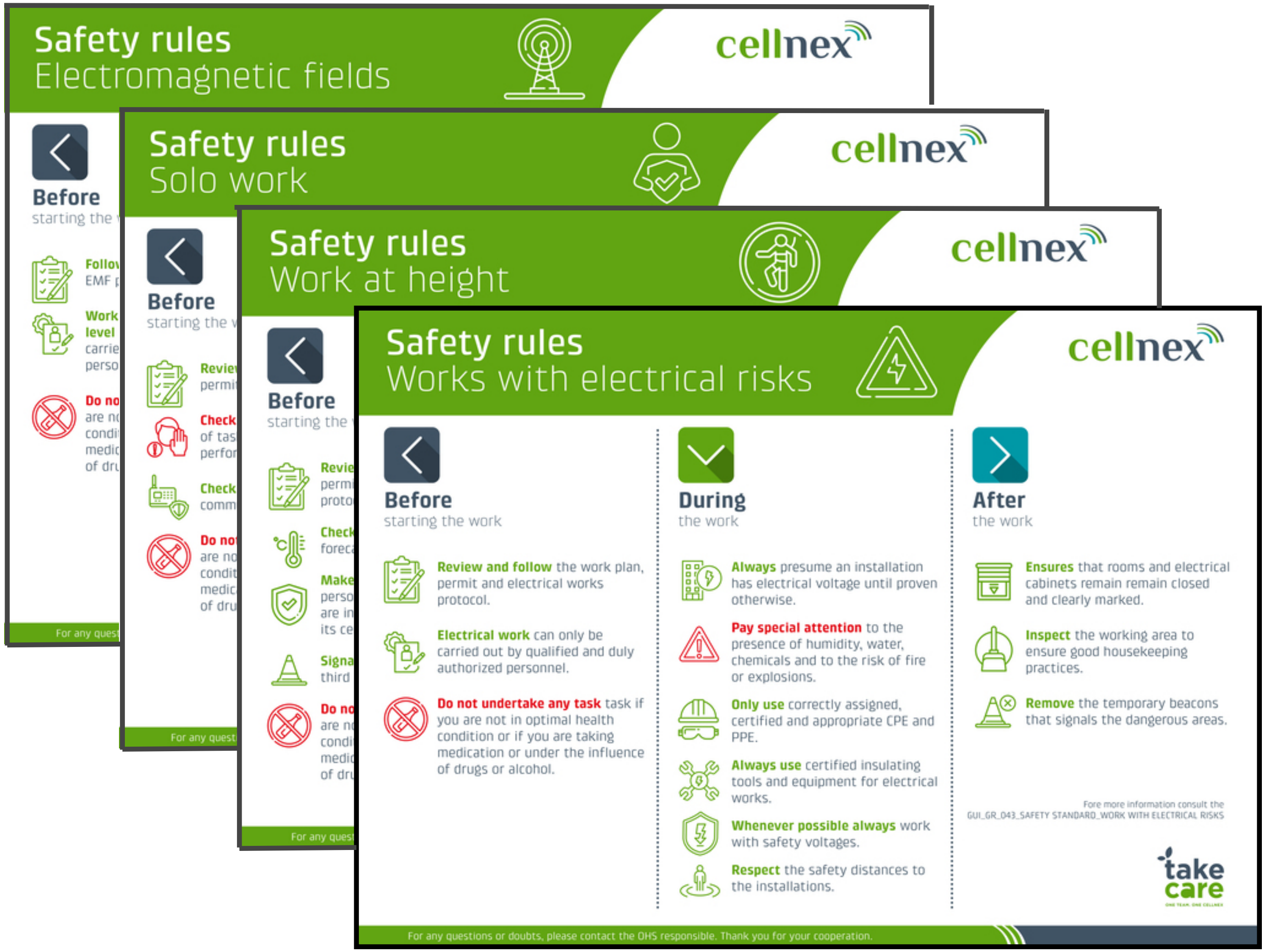
Commuting continues to be a significant cause of incidents among Cellnex employees, prompting the ongoing reinforcement of road safety education and awareness. To this end, the company conducted a highly immersive driving simulator exercise at its Barcelona and Madrid headquarters, engaging nearly 200 Cellnex employees in a practical training session.

The total number of absenteeism hours for the entire Group in 2023 was 116,694 (140,009 hours in 2022).

Communication and training

Cellnex is dedicated to enhancing its talent pool while prioritising the health and safety of its employees in the workplace. The company encourages and implements best practices through effective communication. The company provides comprehensive training programmes in an effort to cultivate a culture of prevention and equip all Cellnex employees with essential Health and Safety knowledge.

These initiatives aim to establish a global Preventive Culture across the organisation, instilling attitudes, beliefs and values aligned with the global OHS policy. OHS teams design and deliver training sessions focusing on the primary risks inherent in everyday activities, ensuring compliance with local regulations and Cellnex's stringent Safety Standards which strive for excellence.



In 2023, the total number of training hours in occupational risk prevention and safety was 14,020 (10,985 in 2022).

Cellnex creates work environments that comply with its excellence levels by making everyone aware of their roles, responsibilities and obligations. The company achieves this by:

- Providing suitable communication channels for anyone to report situations where the safety of personnel may be at risk.
- Designing, planning and supporting the implementation of awareness campaigns and incentive programmes on cultural engagement with OHS, such as:

World Day for Health and Safety at Work: Prioritising Employee Well-Being

World Day for Safety and Health at Work was marked on 28 April as an important occasion to focus on the measures taken to ensure the safety and well-being of employees. During this event, a renewed commitment was made to advocate for a secure and healthy working environment. It was stressed that in 2022 the International Labour Organisation recognised safe and healthy working environments as Fundamental Principles and Rights at Work. This recognition solidifies the understanding that ensuring the safety and health of employees is not just a moral imperative but also a legal obligation.

4 SOCIETY

Being a facilitator of social progress

2023 main actions and KPIs

Cellnex promoted initiatives related to digitalisation and modernisation, including the provision of infrastructure, participation in events, and collaborations with various foundations	The Group actively engaged in corporate volunteering initiatives via the Cellnex Foundation, supporting sustainable development and the 2030 agenda through diverse volunteering programs focused on Education, Training, and Mentoring
Cellnex Foundation launched the third edition of the Cellnex Bridge Program	Cellnex collaborated with small entities through the contribution of economic, technical, or human resources
The Cellnex Foundation has carried out the Revitalisation Programmes Master Plan	Cellnex updated its Statement on Slavery and Human Trafficking, firmly denouncing all exploitative labour practices, including child labour, and committing to prevent such practices in its operations and supply chain

- 7% of the global headcount in participated in volunteering activities in 2023
- €15,000 to develop their proof of concept to the 5 finalists of the III Edition of the Cellnex Bridge Program
- 202 volunteers and 1,127 students participated in the Youth Challenge 2022-2023
- Cellnex had a socio-economic contribution in the countries analysed of €7,334Mn in terms of GDP
- The total employment generated by Cellnex in the countries analysed in 2023 was of 59,834 jobs (direct, indirect and induced)

Follow-up on the ESG Master Plan targets

	Target year	Target		2023
% of the global headcount in all countries to participate in volunteering activities	2025	5%	↑	7%

Next steps for the upcoming years

Continue consolidating and strengthening support for digitalisation and modernisation initiatives.

Launch the fourth edition of the Cellnex Bridge programme.

Expand the implementation of volunteer programs to additional countries where Cellnex is present.

4.1 Social contribution

Commitment to Society

Cellnex's commitment extends beyond just its services; the company is dedicated to giving back to society through knowledge-sharing, technological progress and active involvement in charitable causes. This commitment encompasses financing projects, engaging in volunteer work, and collaborating with various philanthropic initiatives. Cellnex actively evaluates and manages its impacts on the environments and countries in which it operates, in line with its commitment to social responsibility.

"Being a Facilitator of Social Progress" is a key strategic action line outlined in Cellnex's ESG Master Plan. This initiative aims to tangibly manifest Cellnex's societal impact. This strategic approach includes fostering diverse educational, social, and cultural programmes and projects.

Portugal

Netherlands

Switzerland

Ireland

UK

France

Spain

Cellnex Portugal sponsors the APDC Cities & Territories Award

Since 2020, Cellnex Portugal has built more than 500 new telecommunications infrastructure sites, most of them outside urban centres, contributing to the promotion of territorial, social and economic cohesion in Portugal.
Cellnex, as an agent for the development of the telecommunications sector, aims to continue building new infrastructure in the coming years.
Regarding 5G, in 2023 we will continue to adapt current infrastructure and build new infrastructure to enhance the modernisation of operators' networks with 5G equipment.

Cellnex Austria

Cellnex Austria took part in the Austrian SDG-Awards 2023. And although it did not win an award, the Senate of the Economy recognised Cellnex Austria's work and dedication to support the fulfilment of the UN SDGs.

Cellnex France

Emmaüs Connect is an organisation that focuses on the digital inclusion of the most vulnerable groups.

Cellnex France and Emmaüs Connect have formed a two-year partnership project (2020 to 2023) to work towards the digital inclusion of the most vulnerable groups. It has resulted in the organisation of 100 workshops on computer literacy, set up 100 services to help people get connected, accompany 100 beneficiaries through an educational programme and contributed to the opening of a new reception point.

Cellnex Poland

In October 2023, Cellnex Poland, together with the Foundation for Good Initiatives, a local partner of the Cellnex Foundation, implemented the EduTravel project for the benefit of young people in care and educational institutions. The Warsaw office was visited by a group of the Foundation and employee-volunteers took on the role of trainers, conducting workshops for young people on the telecommunications industry. It was a unique opportunity to share knowledge, support children who are having a more difficult start to adulthood and get involved in employee volunteering. It was a very special day, both for the young people from the care and education facilities and for all Cellnex volunteers involved in the preparation and implementation of the project. Cellnex Poland is looking forward to future editions of EduTravel.

Also in 2023, for the second consecutive year, Cellnex Poland employees had the opportunity to take part in the "Rusz się z nami – razem raźniej" ("Move with us - together we are stronger") charity competition as a part of annual Well-being Month. By tallying up the kilometres while walking, running, and cycling, employees raised funds to support the Foundation that helps young people advance in various areas of their lives.

Cellnex Portugal

As part of its solidarity initiatives, Cellnex Portugal supported three institutions that significantly impact its community:

- Ajuda de Mãe: The objective of the "Escola de Mães" is to support and educate mothers to acquire various skills, thus preventing school dropout and creating conditions for entry and/or progression within the world of work.

- CrescerSer: The organisation organises and promotes community services to support children, young people, and families. It promotes specialised training in the areas of protection, reception, and monitoring for technicians linked to the problems of children and young people in danger.

- AcademiaTen: The organisation works with vulnerable audiences, especially children and young people, including Casa Pia, among others. Of the various intervention areas, the coding and robotics projects stand out.

Additionally, in March, Portugal participated in the "Uma Árvore Pela Floresta" initiative with the planting of 68 trees in Serra da Estrela (in Baldio de São Pedro, Manteigas), an area severely affected by the fires of the previous summer.

Furthermore, as a gesture of support, Portugal raised funds for Stand4Good, an institution that supports university students with financial needs.

Cellnex Spain

Cellnex Spain supported various initiatives aligned with its commitment to children's health, including backing the promoting committee of La Noche solidaria Hospital Sant Joan de Déu, the Leo Messi Foundation, and Barcelona Global. The aim was to enhance the diagnosis and treatment of children affected by rare diseases, as a significant portion, currently 25%, endure a waiting period of over four years for diagnosis, with the majority unable to access treatment.

Additionally, Cellnex contributed to The Pere Tarrés Foundation, actively participating in a solidarity dinner to fund projects benefiting children and young people in vulnerable situations. This support facilitated the renovation of the Can Rafal socio-educational centre in Palma (Mallorca), part of the Foundation's Network of Socio-educational Centres, aiding 40 children in vulnerable situations.

Another project involved renovating and furnishing a new apartment, "La Giganta," measuring some 85 square metres in Mataró (Maresme), to accommodate four young migrants.

Moreover, Cellnex continued its financial support for FESBAL and endorsed "Cellnex Street" in the Madrid Food Bank's central warehouse. FESBAL, founded in 1995, is a non-political and non-denominational organisation striving against hunger, poverty, and food waste by promoting the work of associated food banks.

The Red Cross acknowledges the enduring support of businesses as crucial in addressing contemporary humanitarian challenges, encompassing chronic poverty, social inequalities, environmental and climate issues, migration and refuge, unwanted loneliness, and youth and mental health concerns. In alignment with this recognition, the Catalonia Red Cross organised an event entitled 'The Value of Companies' to honour the collaborative efforts of businesses that closely partnered with the entity from 2022 to 2023, contributing significantly to the fulfilment of the United Nations 2030 Agenda's Sustainable Development Goals. At the gala, Cellnex received recognition for its substantial contribution to universality, embodying a pivotal element in the fundamental principles of the Red Cross. Moreover, Cellnex actively participated in the “150 anys amb tu” programme, commemorating the organisation's first century and a half and paying tribute to the invaluable work of volunteers across all geographical areas in which the Red Cross operates.

Cellnex Switzerland

Cellnex Switzerland has supported Médecins Sans Frontières, this entity was founded in Paris in 1971 by a group of journalists and doctors. Today it is a worldwide movement of some 65,000 people. Médecins Sans Frontières provides medical assistance to victims of conflicts, epidemics, natural disasters or exclusion from health care. Its teams are made up of tens of thousands of health professionals, logisticians and administrative staff, united by its charter. Their actions are guided by medical ethics and the principles of impartiality, independence and neutrality. It is a non-profit, autonomous organisation, beholden to its members.

Cellnex United Kingdom

Cellnex UK has established partnerships with various charitable organisations, notably the UK Community Foundation, to address digital exclusion across the country. Throughout 2023, the company continued its support for numerous communities in Greater London through the London Community Foundation, aiding efforts to combat digital poverty. By inviting groups like PLIAS Resettlement, Holborn Community Association, and ClearCommunityWeb to a 'Get Online Week' webinar, Cellnex UK showcased initiatives promoting digital inclusion and highlighted the impact of its funding.

In Greater Manchester, Cellnex UK collaborated with Forever Manchester to foster digital inclusion projects aligned with the Greater Manchester Digital Inclusion Strategy's core themes. Through the Cellnex Digital Inclusion Fund, the company provided support to community groups such as Afrocats and Community Media Crew Group, addressing digital access, affordability, and skills across various demographics. Cellnex UK's commitment and contributions have led to the company being nominated for the Forever Manchester Business Supporter of the Year Award in 2024, demonstrating its dedication to local initiatives, including its support for the Greater Manchester Combined Authority Digital Strategy and participation in the Greater Manchester Digital Inclusion Taskforce.

In Scotland, Cellnex UK partnered with the Scottish Council for Voluntary Organisations (SCVO) and co-funded projects with the Scottish Government, assisting the Digital Participation Charter Fund Round 9. The company's ongoing support for community digital inclusion projects across urban and rural Scotland demonstrates its commitment to combatting digital poverty. Furthermore, Cellnex UK participated in SCVO’s Digital Inclusion Roadmap Launch in Edinburgh, contributing to Scotland's journey towards becoming a digitally inclusive nation. The launch featured a case study highlighting Cellnex UK's role in addressing digital poverty across Scotland.

Cellnex working with foundations

One of Cellnex's commitments is to support the educational system in increasing learning opportunities and promoting progress and social justice. To this end, Cellnex supports the ESADE Talent Program so that the best students, regardless of their economic situation, origin, culture, and/or beliefs, have the opportunity to learn and grow. For the fourth consecutive year, Cellnex has supported the education of two ESADE students.

Partnership with the BEST Foundation: Cellnex has renewed its commitment to the Barcelona Engineering and Economic Studies project. This inter-university degree offered by the Polytechnic University of Catalonia (UPC), Pompeu Fabra University (UPF), Barcelona Global and FemCat aims to train highly skilled engineers to address the challenges of a continuously changing society and equip professionals who are interested in business leadership.

Cellnex is responsible for the deployment of the CO_2 sensors on our infrastructure and provide LoRaWAN connectivity for the data transfer from the sensors to the Microsoft Azure Cloud Platform as well as the power supply to the sensors. We currently have 20 deployed under the 'Urban Sense' pilot and the initiative is expected to expand under a larger phase 2 rollout."

Paul Delaney
Country Managing Director - Cellnex Ireland

Other social initiatives

Throughout 2023, several social initiatives were implemented to offer support to entities representing various vulnerable communities, with a focus on facilitating their digitalisation and enhancing the digital skills of their users.

- Aura: This organisation is dedicated to providing services that promote the social and occupational inclusion of individuals with intellectual disabilities.
- Cervemakers: As an association, Cervemakers focuses on identifying and addressing social needs related to new technologies in their local area.
- Asociación Santa Oliva: This association actively works towards defending the dignity and rights of individuals with intellectual disabilities.
- CEAR (Comisión Española de Ayuda al Refugiado): CEAR, the Spanish Commission for Aid to Refugees, is involved in efforts to support and assist refugees in Spain.

Ireland

Cellnex Foundation, "Academy of the Future" - Cellnex has sponsored a unique Connectivity & Smart City education programme aimed at 12 to 16-year-old students which is targeted at socially disadvantaged schools and female participation in Science, Technology, Engineering and Mathematics subjects. Cellnex's role, apart from providing sponsorship, is also to co-create the "connectivity" aspects of new programmes with other partners and drive support for programmes in Ireland across the telco industry.

Cellnex has collaborated with Maynooth University to deploy CO2 measuring sensors on our infrastructure providing power and IoT LoRaWAN connectivity under a project jointly funded by Science Foundation Ireland and Microsoft. The initiative has the potential to be scaled up and rolled-out across other Cellnex territories.

Spain

Transforming the future a programme, spearheaded by the Spanish Red Cross, that aims to tackle loneliness—a result of social isolation stemming from a lack of social networks, consistent support, or accessibility to community services. This multifaceted social issue leads to vulnerability and risk among certain groups, with adverse effects on both physical and mental health, often raising mortality risks.

The alliance strives to cooperate in designing and executing a variety of strategies, actions, and remedies to face the challenges of loneliness and social isolation. Leveraging community-centred technology, the goal is to enhance the intervention model and social safety net, collaborating with private entities in the process.

Access to communications

Cellnex undertakes various digitalisation and modernisation initiatives for society, involving infrastructure provision, participation in events, and collaboration with different foundations.

Get connected in Ireland

Over the past six years, Cellnex Ireland has supported its customers, the mobile network operators, in delivering improvements in mobile connectivity in villages and townlands across Ireland which have enhanced the lives of those communities living in the surrounding areas. Cellnex Ireland believes that mobile connectivity should be available no matter where anyone lives.

That's why Cellnex Ireland launched "Get Connected" on a pilot basis in 2021 as a way of identifying communities who need better coverage and who can come together to support the deployment of services in their area.

Get Connected was established to bring together the power of the local community combined with the expertise of the leading telecoms infrastructure provider in Europe, Cellnex, to ensure the delivery of cost-effective solutions in areas that require improved coverage and connectivity.

Cellnex Ireland is currently progressing with the deployment of solutions to rural communities located in coverage black spots through its programme. To date, the initiative has been successfully implemented at 20 sites. This progress aims to assess the requirements in these areas and identify and plan the most appropriate solutions.

In 2023, Cellnex Ireland commissioned a further six rural connectivity sites. Locals in these areas can now enjoy enhanced mobile coverage which offers them the connectivity they require in their day-to-day lives.

Women in Tech in Poland

Every responsible employer should provide women with opportunities to develop and improve their skills. That is why Cellnex has implemented long-term inclusiveness programmes at the company, such as #ADPWomen, enabling women to realise their potential to perform managerial roles. In this regard, Poland is becoming the focus of discussions about the technological future of the world and the role women are to play in it. The Women in Tech event in Warsaw in 2022 and 2023 was an example of how to make effective use of the enormous potential for leadership skills that lies hidden in women.

In 2023, Cellnex Poland once again took an active part in the Women in Tech Summit, the biggest Tech event for women in Europe and Asia. The conference boasted 11,000 participants, 500 speakers, and 300 mentoring sessions. Cellnex was one of the exhibitors, speaking to hundreds of young women during the conference. Cellnex Poland was keen to raise awareness of how much female participation is needed in the technology sector. Interacting and exchanging insights with the conference attendees fostered mutual learning.

UK Community Relations

The Strategic Priority "Being a Facilitator of Social progress", in the Cellnex ESG Master Plan, identifies an action to create materials to explain to the public that 5G networks are designed to minimise power and they use a new, advanced and highly efficient radio architecture resulting in optimised levels of exposure to electromagnetic fields.

The Cellnex UK Community Relations team continues to raise awareness of the benefits of 5G and provide opportunities for the public to self-educate on this topic, demystify 5G, explain Cellnex UK's business responsibilities and try to address public concerns. This approach is largely centred around sign-posting communities to reliable sources of information on 5G health and safety, such as by the WHO, ICNIRP and the UK Health Security Agency.

Also to ensure best practice engagement with communities as part of the delivery process and help explain the need for apparatus on the sites and benefits of mobile connectivity. The team continues to build its communication through a Community Relations Strategy based around education, information, process, best practice, partnerships and duty of care. All this community liaison work is designed to minimise risk and disruption to Cellnex UK business infrastructure, customer delivery and growth.

4.2 The Cellnex Foundation

Mission and Purpose

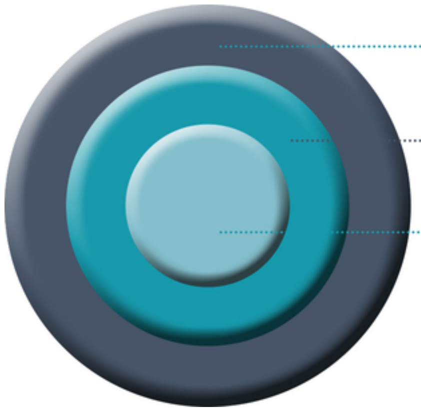
It is undeniable that recent technological progress has brought with it countless advantages that have made peoples' daily lives much easier. Facing a social change of this magnitude, technology is an essential tool for reducing inequality amongst the most vulnerable groups and minimising social divides.

The Cellnex Foundation was conceived as a dynamic tool to promote Cellnex's social commitment and to provide differential value through actions aimed at people and based on technological connectivity solutions, in line with the company's business model. The Foundation's mission is to bring technology closer to people to promote effective connectivity that helps reduce the digital, social, and territorial divides.

Commitments

Since its creation in 2011, the Cellnex Foundation has actively represented and promoted Cellnex's commitment to social causes. The Foundation's scope of action encompasses all people but focuses particularly on young people and those who are furthest from the digital world. Its activities also cater specifically to people in vulnerable situations, such as those with disabilities or low employability.

The Foundation, in addition to collaborating with external initiatives, frames its action around bridging three major divides: digital, territorial, and social. All of these programmes share the common goals of reducing inequalities and social vulnerabilities, promoting functional and gender diversity, reducing territorial imbalances, and promoting entrepreneurship and talent development.



The Foundation's commitments focus on benefiting people and improving the environment through technology, addressing the challenges and issues identified in Cellnex's environment:

Helping to reduce the digital divide	Combatting imbalance and social inequality caused by a lack of knowledge of technologies.
Helping to reduce the territorial divide	Addressing isolation and inequality in rural areas and complex environments through connectivity.
Helping to reduce the social divide	Acting against inequalities - especially those related to gender, disability, and background - by promoting connectivity solutions that enhance people's quality of life.
Promoting sustainability initiatives	Cellnex helps to preserve the environment and biodiversity by promoting and carrying out actions in cooperation with key sectors.

STRATEGIC LINE		COMMITMENT		PROJECT	PILLAR
1	Innovation and entrepreneurship based on digital technologies as an improvement of the social ecosystem	Social Divide	Digital Divide	Cellnex Bridge	Joint programme
				Rural innovation	Collaboration with small entities
2	Education and the generation of digital knowledge as a tool for social integration	Social Divide	Digital Divide	Digital literacy	Own programme
				Youth challenge	Collaboration with small entities
3	Employability with a focus on vulnerable sectors, connectivity and accessibility to technologies as a tool for social equality	Social Divide	Sustainability	Training and employability	Collaboration with small entities
				Employability	Corporate volunteering
4	Diversity, and socio-economic reactivation	Social Divide	Digital Divide	Digitalisation of unique environments	Own programme
				Promotion of STEM careers	Corporate volunteering
5	Environmental awareness as an integrative mechanism and preservation of biodiversity	Social Divide	Sustainability	Biodiversity preservation	Collaboration with small entities
				Environmental awareness	Collaboration with small entities
6	Collaborative and participatory social action	Social Divide		Volunteer day	Own programme
				Solidarity gift	Corporate volunteering

8 impacted SDGs

1 No poverty · 3 Good health and well-being · 4 Quality education · 5 Gender equality · 8 Decent work and economic growth · 10 Reduced inequalities · 11 Sustainable cities and communities · 17 Partnerships for the goals

Strategic focus areas

The Foundation's focus areas encompass a diverse range of initiatives aimed at fostering growth and impact across six strategic action lines. The actions are built on the following four pillars:

1. Own programmes: These represent the primary focus area, centred on addressing challenges in rural environments and bridging existing divides. The goal is to enhance social and territorial cohesion and raise the quality of life for individuals residing in regions with limited connectivity.

2. Joint programmes: The Foundation engages in collaborative projects with strategic partners to facilitate coordinated initiatives in line with its mission, aimed at fostering a positive environmental impact.

3. Corporate volunteering: Cellnex engages its employees, their families, and former staff in volunteer programmes designed to support individuals and enhance their quality of life through various activities encompassing training and education, employability, and access to technology.

4. Collaboration with small organisations: The Foundation occasionally funds projects carried out by other entities that align with its mission.

cellnex foundation

Mission

The Cellnex Foundation works to ensure that people and territories are connected in a meaningful way and that this connectivity helps to transform their circumstances. The Cellnex Foundation conducts its activity as a committed, social, inclusive and innovative entity.

Vision

Using technology to connect people with the idea of promoting effective, meaningful and universal connectivity to help bridge the digital, social and territorial divides.

Values

Responsibility, Commitment, Sustainability, Innovation, Humility, Diversity.

The Foundation's own programmes

The Cellnex Foundation's own programmes focus on enhancing connectivity in rural areas, where significant social, territorial, and digital transformations are needed. The goal is to bring technology closer to rural areas and address challenges arising from current divides, aiming to improve social and territorial cohesion across various regions and enhance people's quality of life.

The approach to implementing the Foundation's own programmes derives from its Connectivity Master Plan, which outlines the regeneration strategies for each rural area to achieve the intended impact on the region. The current plan's strategy spans a three-year period and is currently focused on Spain.

Reviving empty spaces

- Educational and social use: Adaptation of the space for social and cultural activities, training courses and workshops.
- Business use: Adaptation of the space for a technology and teleworking hub.

Training and education

- Focus on employment: Programmes for active job search profiles and retraining.
- Digital talent: Educating young students in digital specialities and technologies.
- Basic digital skills: Training people with no knowledge of office automation in basic procedures.

Social home automation

- Private homes: Integrating technologies in homes of vulnerable groups to save consumption.
- Social centres: Integrating technologies in social centres for vulnerable groups to save energy.

Basic needs

- Telemedicine: Provision of health services, saving online.
- Support for vulnerable groups: Ensuring access to basic social assistance services.

Connected business

- Digitalisation of SMEs: Support for the digital transformation of SMEs.
- Zero kilometre e-commerce: Sales platform for local businesses and services.

Transformation of the primary sector

- Connected primary sector: Providing digital solutions for the primary sector.
- Digital innovation hub: Creation of a hub to promote digital innovation in the area.

Textile colonies

In collaboration with Puig-reig City Council, Berguedà Chamber of Commerce, Fundesplai, and Red Cross, the Cellnex Foundation organises an annual summer technology camp in Puig-reig with the aim of revitalising the industrial colonies in the Berguedà region. The camp is called "Preparing the Future at Cal Pons" and caters for young people between the ages of 9 and 12. The camp's goal is to foster youth interest in #STEM careers while they have fun and play sports, through a focus on digital knowledge.

The activities are structured into morning sessions, focused on programming and technology, and afternoon sessions, dedicated to leisure activities, emphasising the use of English. The second edition of the summer camp was held in 2023 and was attended by 89 children and teenagers. The camp imparted a total of 4,450 training hours, which amounted to about 50 hours per person.

This year's programme saw various improvements upon last year's edition:

- Improving the communication strategy to engage a larger community within the area.
- Targeting the primary community.
- Increasing the use of English throughout all activities.
- Gender parity (men/women): 56%/44%
- General Feedback: 9/10

Looking to 2024, the Foundation is seeking corporate partnerships within the region to add further value.

Smart Montserrat

The broader purpose of the Smart Montserrat project is to provide connectivity to boost development and reduce the digital divide in the Abbey of Montserrat. This is done by carrying out a digital transformation for the efficient management of the Abbey's infrastructure, resulting in an optimal experience for visitors as well as society and culture. It also includes the technical deployment of the Smart Platform used to manage various aspects of the Abbey through its associated viewer and sensors.

Thanks to this initiative, the capacity of spaces such as the Basilica, Camino del Cambril, and the Monastery Museum can be controlled and managed in real time. Also included air quality, the joint occupancy level of the parking lots located on the access road, and the Monastery's new underground parking lot, among others.

Asturias

The Foundation aims to collaborate in the implementation of the Digital Paradise Asturias project within the framework of cooperation with the Principality of Asturias for the deployment of a Smart Rural network. The location chosen by the Principality of Asturias is the municipality of Yernes y Tameza, situated in the central-western area of the Principality with a population of around 130 inhabitants.

The Cellnex Foundation will collaborate with a local foundation, the Vital Foundation, whose mission is to encourage and carry out educational, cultural, or scientific activities related to education in nature, alternative energies, water, and the environment. The project activities entail providing connectivity and the necessary equipment to nine households for the implementation of the Social Housing use case, with the following features:

- Temperature, CO_2 and humidity control
- SOS button
- Door opening

The Cellnex Bridge programme has the primary objective of fostering universal digital proficiency, diminishing social disparities, nurturing talent and innovation, and enhancing quality of life while promoting sustainability

Joint programmes

Forging synergies and forming key alliances with strategic entities in the region is not just fundamental but also a best practice. Collaborating on projects allows for a broader impact and the development of innovative solutions that cater to the needs of both the environment and society. The Cellnex Foundation takes the lead in these initiatives in partnership with other public or private organisations, targeting specific needs that align with Cellnex's activities.

Through comprehensive conceptualisation and the creation of stakeholder maps for each project at regional, national, and European levels, the Foundation gains a clear understanding of the primary actors involved. This approach helps in identifying the necessary skills required at different levels of involvement to achieve mutual objectives (i.e. expertise, dissemination, fostering relationships, recruitment, and the development of joint actions).

Cellnex Bridge Project

The Cellnex Foundation launched its first acceleration programme for social impact startups in 2021: Cellnex Bridge.

The Cellnex Bridge programme has the primary objective of fostering universal digital proficiency, reducing social disparities, nurturing talent and innovation, and enhancing quality of life while promoting sustainability. It prioritises projects that target various social and environmental sustainability challenges, including support for the elderly, personal care, enhancing employability and ensuring equal opportunities, addressing rural depopulation, education, improving connectivity in underserved areas (both rural and urban), safeguarding vulnerable groups, and promoting environmental sustainability. This initiative is conducted by the Cellnex Foundation in partnership with Innuba and AticoLab.

Cellnex Bridge: Second Edition

In the same vein, in connection with the conclusion of the second edition of the Cellnex Bridge programme, Cellnex integrated the triple impact evaluation with the main and generic stakeholders of startups. This impact has the following effects: (1) The development of individuals and the team as a whole during the programme is highly appreciated. (2) The programme is acknowledged for assisting them in developing and enhancing the products and services to be offered. (3) Their growth in the social and environmental sphere is highly regarded.

The areas for improvement identified pertain to the internal governance system and interactions with suppliers and allies. Throughout the programme, the startups (Oroi Wellbeing, Blindstairs, Aldoratech, Saluscorp, Deaphearing, and Innogando) strengthened their teams in the following ways:

- Expanded the number of permanent hires (by 5%).
- Increased the number of self-employed and subcontracted workers.
- Took on more interns or trainees.
- Reduced the number of workers on temporary contracts.

On average, they experienced a growth of 25% and gave the programme an overall rating of 8.5 out of 10.

Cellnex Bridge: Third Edition

In 2023, the Cellnex Foundation launched the third edition of the programme with the aim of giving ongoing support to startups with a high social impact through technology and connectivity. This support comes in the form of a mentoring programme, training sessions, roundtable discussions for dialogue and learning, along with financial backing of €15,000 to develop their proof of concept. Cellnex Bridge offers an eight-month systematic impact acceleration programme, and the third edition improved several aspects in relation to the second edition:

- The duration of the programme was extended to eight months with the aim of making it a continuous programme.
- Adjustments were made regarding training content and format, such as spacing out the sessions over time and grouping them into more intense monthly sessions.

- More networking activities were incorporated in open events involving various ecosystem stakeholders in order to develop an innovative community.

- The monitoring of proof of concepts was enhanced. Special attention is given during the monthly sessions.

The five finalists in 2023 were:

1. BIOFOOD NETWORK: A unique network in Spain that supports organic producers, retailers, and entrepreneurs in the community, promotes rural entrepreneurship, and is committed to the disruptive digitalisation of the agri-food distribution channel.

2. CITIZEN IMMIGRATION: Citizen helps migrants living in an irregular situation to obtain their papers in a simple, transparent, and cost-effective way.

3. NEUREKA LAB: Develops an innovative digital solution based on the application of AI technologies for detecting and tackling learning difficulties in school-age children.

4. FOREST CHAIN: A blockchain-based digital platform for the timber industry to ensure timber traceability, facilitate sustainable forest certification, and improve traceability management at source.

5. DIVE: Dive proposes a solution capable of early fire detection, reducing reaction time and providing valuable information for emergency teams.

Cellnex Bridge Community

In 2023 a community related to the Cellnex Bridge programme was also created. This community aims to enhance participants' experience in the programme by providing them with access to connect with startups that participated in previous editions. This allows them to benefit from their expertise and receive additional resources.

> *"It is gratifying for the Foundation to promote projects that combine the benefits generated for society in vulnerable groups with corporate volunteering, where their help is key to achieving success and at the same time we manage to strengthen the human spirit, team building and sense of belonging within our company."*
>
> **David Sanz**
> **Cellnex Foundation expert - Cellnex Foundation**

Corporate volunteering

Corporate volunteering, under the umbrella of the Cellnex Foundation, seeks to organise and engage Cellnex employees and former employees who wish to contribute to generating social value through activities that respond to the needs of people, the community and the environment.

Cellnex Foundation contributes to sustainable development and the 2030 agenda through a variety of volunteering programmes linked to three main areas of action: Education, Training and Mentoring; Employability and Access to Techno.

Volunteer day

Cellnex has designated 10 November as corporate Volunteer Day. This year, exceptionally, it was held on the 22nd. It celebrated its third edition in 2023; the event was organised to showcase the role of volunteers and improve the Foundation's visibility. Its primary aim was to strengthen engagement and foster a shared culture among volunteers, thereby reinforcing Cellnex's brand as a socially responsible company and generating a positive impact on local communities. Each year, the Foundation places the focus on one of the several SDGs aligned with its purpose and commitments.

The focus of this year was "Corporate volunteering with vulnerable groups, as a tool for social integration," and the activities were structured around this theme. The bulk of the activities consisted of various workshops held in Barcelona, Madrid, Bologna, and Rome, and speakers included Marco Patuano, Lluis Deulofeu, and Álvaro Vizaino.

The workshops in Barcelona and Madrid focused on the use of the Ozobot robotics kit, a small educational robot with multiple colour sensors, and were tailored for individuals with functional diversity.

The Boulogne workshop centred around diversity based on a practical case. Each group had to empathise with a young person from a mixed background (one middle school student/one high school student/one higher education student) and devise a support proposal to promote equal opportunities throughout their course of study.

In the Rome workshop, volunteers had the opportunity to guide a group of young migrants on creating a curriculum vitae and handling a job interview.

Youth Challenge

Youth Challenge is Cellnex's corporate volunteering initiative that strives to create a positive impact on vulnerable environments within local communities. It is an educational programme tailored for young people in vulnerable circumstances, aiming to assist their transition into the job market. This involves mentor-supported sessions, along with conferences and workshops conducted by Cellnex volunteers.

Cellnex volunteers recognition

Cellnex volunteers in France, Spain, Italy, Portugal, Poland, Ireland, United Kingdom and Netherlands were delighted to receive a sports towel to further contribute to that well-deserved well-being, in recognition of their work on the Youth Challenge during the outgoing academic year.

The objective of the Youth Challenge is to tackle early school dropout rates among socially marginalised young people through a coaching programme, while also enhancing students' employability through volunteer-led conferences and training sessions.

Cellnex Spain, Cellnex Italy, Cellnex France, Cellnex Portugal, Cellnex Poland, Cellnex Ireland, Cellnex UK, and Cellnex Netherlands participated in the edition for the 2022-2023 academic year. A total of 22 lower and higher secondary schools took part in the programme, which included 124 activities with over 202 volunteers. This resulted in more than 1,885.5 volunteer hours dedicated to 1,127 students.

Some of the activities developed by Cellnex Foundation to achieve its objectives are:

- Coaching: guiding and motivating young people.
- Conferences: providing insights into the sector's reality through professional experiences.
- Technology workshops: improving STEM competencies through active learning workshops.
- Guidance sessions: providing insight into educational and career options through personal stories.
- Visits to Cellnex facilities.

In 2023, Youth Challenge Ireland and Poland were added to the programme, while the programme keeps developing and evolving in the remaining countries: Spain, Italy, France, the Netherlands, the United Kingdom, and Portugal. Activities such as the Workshop on STEAM, Mini-Workshop Peer to Peer, and #Edu Travel, including visits to Cellnex offices, constitute the initiatives under Cellnex Poland's 2023-2024 programme. This programme aims to promote STEAM education among vulnerable young people as a means of integration.

In addition, Cellnex Ireland operates a programme called the Academy of the Future - Visioneers Programme, focusing on educating young people in Ireland about smart cities. Another example is the "Smart Cities" programme in the UK, consisting of workshops in four schools, where students and teachers look more closely into what enables a digitally "connected" society. Students learn about the infrastructure that enables mobile network operators to connect their customers and how businesses, hospitals, schools, and public services rely on digital connectivity to be more productive, sustainable, or competitive. All of this allows students to consider the skills they might need and present and future career opportunities.

The volunteering experience has been rewarding on many levels. Volunteering has allowed colleagues to bond, develop new self-confidence and support well-being, but importantly also offers the satisfaction of being able to give something back to society. For students and teachers, the feedback has been equally positive, with students commenting that the sessions were valuable in helping them to develop new skills, understand a smart city and whether they would consider recommending the session to a school friend. Nothing embodies this better than some of the students' own words - "Cellnex looks very interesting and I want to know more" and "It was really fun and everyone offered to help if needed. I enjoyed talking to the different people/leaders. Thank you." The intention is to further expand volunteering efforts well into 2024, to serve as catalysts for social progress.

Solidarity Gift

The "Solidarity Gift" project is an initiative that is open to all Cellnex employees, consisting of a micro-donation of €1 per month (or the equivalent in local currency) which is taken directly from the salary of employees who opt into the initiative. Furthermore, the Cellnex Foundation matches the donation and the money that is raised is earmarked for a project that the group of Solidarity Gift donors present and choose in a vote. Furthermore, in countries where less than €1,000 is collected, the Foundation donates €1,000.

The following countries are participating in the Solidary Gift: Spain, Italy, Portugal, Switzerland, Ireland, and the Netherlands. In 2024, the campaign will be launched in France, the UK, and Poland.

In 2023, support was provided to four different entities:

- Italy: "G come Gioco" by GNA01 APS
- Switzerland: MSF
- Portugal: Stand4Good
- Ireland: Children's Cancer Foundation

Ireland

Cellnex Ireland continues its commitment to supporting the Irish Cancer Foundation through active participation in and endorsement of its fundraising activities. Furthermore, there is ongoing sponsorship and support for the Cancer Fund for Children, a team of specialists providing a wide range of practical, financial, and emotional support services to families affected by cancer, at home, in hospitals, or in their social environment.

Italy

The "G come Gioco" project, led by the "GNAO1 APS Families" Association, was recognised with the Solidary Gift title during the 2020-22 edition for its dedication. The project emphasises the importance of play for children facing challenges, with the slogan "Play is serious business." Thanks to Cellnex Italy's support, 20 children affected by GNAO1 in Italy will receive specially designed game packages tailored to their individual abilities, aiding their social development and integration into daily life.

Leveraging assistive technologies and Alternative and Augmentative Communication (CAA), these gifts will play a crucial role in their development and overall inclusion.

Portugal

Support university students who, despite living in a situation of verified economic need and having applied for Social Action Scholarships, did not receive them due to a minimal discrepancy, through a donation to Stand4Good.

Switzerland

Cellnex Switzerland continues its commitment to supporting Médecins Sans Frontières by providing aid to victims of natural or man-made disasters and armed conflicts.

Spain & The Netherlands

In Spain and The Netherlands in 2023, the Solidary Gift collection has continued. This campaign is launched every two years, accumulating the total amount collected over the preceding two-year period.

Technovation Girls

The project's objective is to enhance women's representation in innovation, technology, and entrepreneurship sectors, supporting groups of girls in acquiring and applying skills needed to address real-world issues through the development of a mobile app.

Technovation Girls involves coaching activities to offer feedback regarding the projects to the various teams, visits to Cellnex offices, and an assessment of the final projects. Cellnex volunteers were able to participate in Technovation Girls 2023 by taking on roles such as:

- Visitors: organising and accompanying the girls on site visits.
- Coach: listening to a selection of teams, providing constructive feedback, judging the teams' work, advising the girls, and asking key questions about their projects.
- Judge: assessing the projects, with a minimum of five projects per judge.

In 2023, six teams of girls had the opportunity to present their projects, as well as to visit Cellnex and its offices. One of these teams was eventually selected in Catalonia's semi-final and went on to the International final. In 2024, Cellnex is planning on including Italy and France within the project's scope.

Collaboration with small organisations

These are projects that are carried out by other organisations and supported by Cellnex, in the form of economic, technical, or human capital. Collaborations between corporate foundations and smaller non-profits are crucial as they combine resources, expertise, and networks to amplify social impact, enabling the pooling of diverse strengths for addressing community needs effectively and sustainably.

Digitalise your village

“Digitalise your village”, developed by the Higher School of Telecommunications Engineering at the Polytechnic University of Madrid, consists of a competition involving students from Spanish higher secondary schools in rural settings, with the aim of making rural areas a smart environment for entrepreneurship, fostering a sense of belonging among rural youth, and inspiring them to study STEM. Students have to develop an idea as a team to use technology to solve or make a positive contribution to a specific problem affecting their local rural area.

In 2023, 12 secondary schools in eight provinces took part in the project, with the involvement of over 200 students. The winning project was "Robot-In" from Salvador Victoria secondary school in Monreal del Campo (Teruel), a prototype equipped with heat sensors and a brush cutter capable of autonomously creating a firebreak around the flames.

Environmental awareness

The Cellnex Foundation aims to increase awareness about the significance of the environment and ecosystems. It also seeks to bridge the gap between nature and marginalised groups, considering it a crucial stride towards complete social inclusion. Moreover, the efforts focus on bolstering the planet's sustainability by fostering connections between individuals and the environment, leveraging their understanding and involvement. For this reason, the Foundation collaborates with various social organisations so that people with disabilities can enjoy nature outings that also raise awareness and respect for the environment.

In 2023, the visits included places such as Montserrat in Catalonia and Monte del Agua in Tenefire, among others. These are places of special natural and cultural interest, where people at risk of social exclusion are the main participants. The visits took place in five autonomous communities in Spain and achieved a total of 526 impact hours for 104 people.

The Foundation collaborated with organisations including the AMPANS Foundation (Catalonia), the COGAMI Foundation (Galicia), Asociación Autismo Aragón (Aragon), the GIL GAYARRE Foundation (Madrid), and the Apreme Association (Canary Islands).

Castell de Peralada Foundation

Cellnex Foundation promoted the digital transformation of more than 50,000 searchable files, including photographs, illustrations, and other documents, among which great moments in the history of Girona and the surroundings of the performing arts stand out facilitating its digital accessibility.

Clearing land

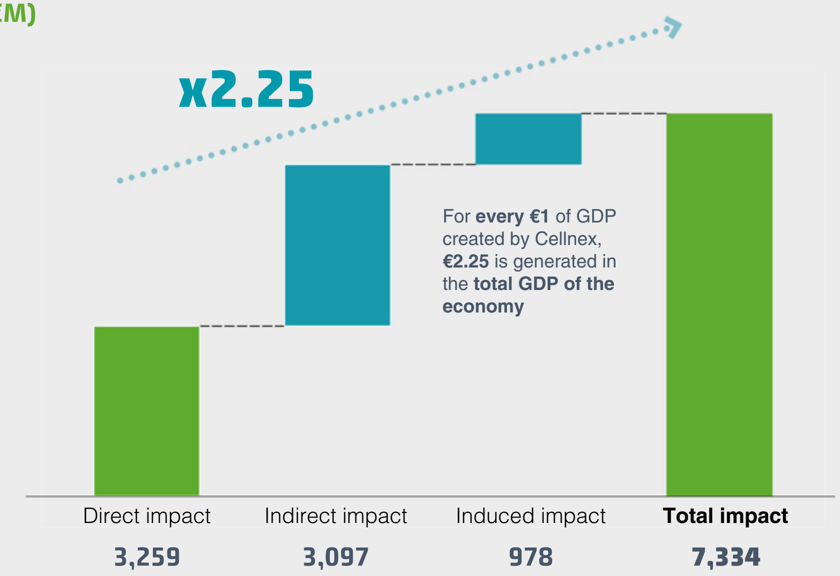
The collaboration with the *Formació i Treball* Foundation is aimed at facilitating the social integration of individuals at risk of exclusion. Clearing work is carried out on the plots where Cellnex facilities are located, requiring land maintenance and forest clearance. In 2023, as an annual continuation of this collaboration, the Foundation participated in the clearance of centres in Catalonia, increasing the number of centres by 11 (from nine to 20), and working to identify a potential list of sites nationwide to extend the initiative to other communities in following years. Also, collaboration has been established in the reintegration of up to seven workers, with more than 73 hours of fieldwork. For 2024, there are plans to continue these actions in Catalonia and expand to other autonomous communities.

4.3 Socioeconomic impact

In 2023, Cellnex, once again, carried out a study, with the support of PwC, on Cellnex's socioeconomic impact. This estimated impact refers to the 12 main countries in which Cellnex operates, which account for 99% of the Group's global turnover in 2023. It covers the contributions of 77 companies that belong to the Group. It's important to consider that the impacts in each country depend on Cellnex's investment cycle within that country and how these investments are accounted for in the annual financial statements.

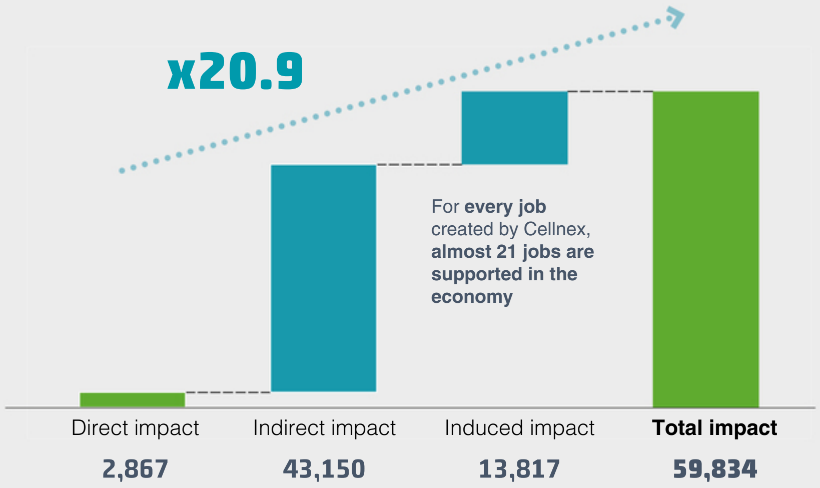
The impact includes the **contribution to GDP and employment generated directly, indirectly, and induced**, estimated using the Input-Output methodology. Direct impact refers to the economic activity generated directly by the company. Indirect impact refers to the increase in economic activity generated by the expenses and investments made by the company. Finally, induced impact represents the increase in economic activity derived from the increase in labour income from employment created directly and indirectly. The contribution to Gross Domestic Product (GDP) is measured in terms of Gross Value Added (GVA), and the contribution to employment is measured in terms of total employment (FTE).

Total GDP impact generated by Cellnex in the countries analysed, 2023 (€M)



Source: PwC analysis and Cellnex (2023)

Total employment impact generated by Cellnex in the countries analysed, 2023 (jobs)



Source: PwC analysis and Cellnex (2023)

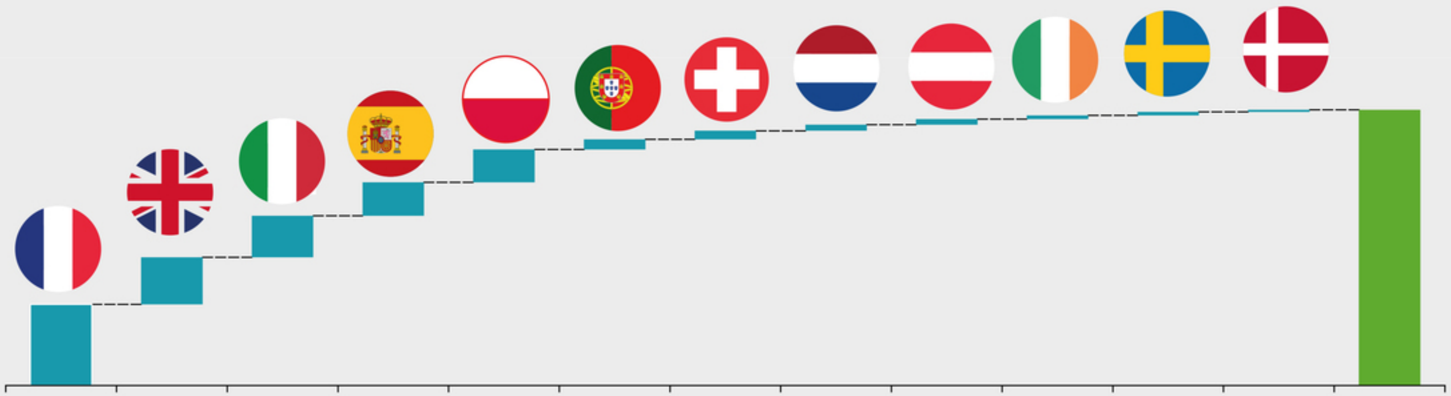
Impact on GDP

Cellnex generated a socioeconomic contribution of
€7,334Mn
in terms of GDP in 2023

Revenue serves as a valid metric for gauging a company's scale, yet it may not fully capture the true economic value it generates. To precisely assess a company's economic value, Gross Value Added (GVA) should be employed. GVA signifies the disparity between the value of goods and services sold (Revenue) and those consumed as intermediate inputs during its production process.

In 2023, considering the direct, indirect, and induced impact, Cellnex generated a socioeconomic contribution totalling €7,334Mn, in terms of GDP. €3,259Mn (44.5%) corresponds to Cellnex's Direct Impact - in other words, Cellnex's direct contribution to the GDP of the analysed countries. The impact generated by Cellnex's supply chain expenses and investments (Indirect Impact) accounts for a total of €3,097Mn (42.2%). The remaining €978Mn (13.3%) represents the Induced Impact generated by Cellnex, triggered by the rise in consumption stemming from the increase in labour income linked to both direct and indirect employment.

Total GDP impact generated by country, 2023 (€M)



France	United Kingdom	Italy	Spain	Poland	Portugal	Switzerland	Netherlands	Austria	Ireland	Sweden	Denmark	Total
2,159	1,253	1,103	891	872	267	229	159	148	102	92	59	7,334
29.4% of total impact[1]	17.1% of total impact	15% of total impact	12.1% of total impact	11.9% of total impact	3.6% of total impact	3.1% of total impact	2.2% of total impact	2% of total impact	1.4% of total impact	1.3% of total impact	0.8% of total impact	
0.10% of GDP	0.05% of GDP	0.07% of GDP	0.08% of GDP	0.17% of GDP	0.14% of GDP	0.03% of GDP	0.02% of GDP	0.04% of GDP	0.03% of GDP	0.02% of GDP	0.02% of GDP	0.07% avg. impact of GDP

Source: PwC analysis based on Cellnex (2023) and OECD.

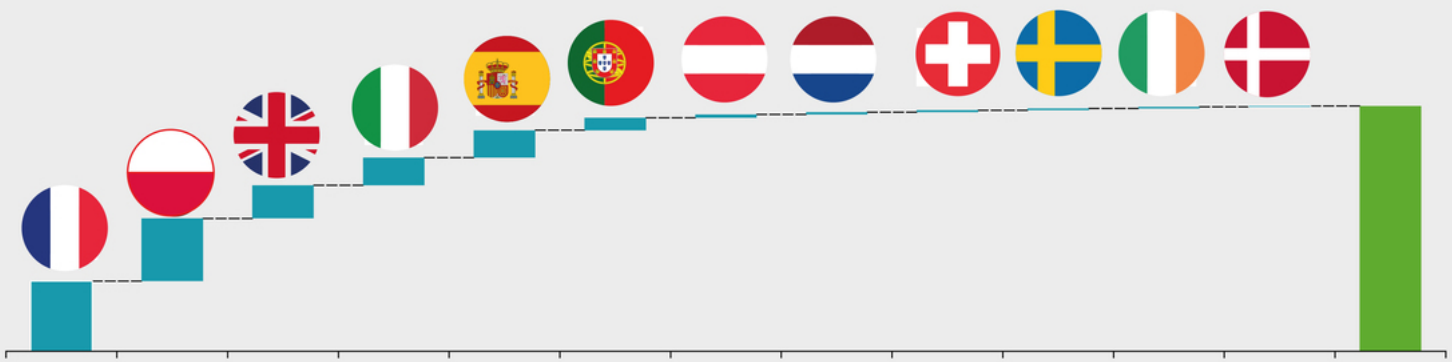
1) Refers to the weight of each country in Cellnex's total impact on GDP.

Impact on employment

The **total employment generated by Cellnex** in 2023 reached a total of **59,834** jobs

Quantifying the socioeconomic impact on employment is essential for assessing its magnitude and identifying areas for improvement in labour market conditions and economic sustainability.The employment generated by Cellnex in 2023 reached a total of 59,834 jobs. 2,866 (4.8%) were employees directly hired by Cellnex (Direct Impact), and 43,150 jobs (72.1%) were supported by Cellnex's supply chain expenses and investments (Indirect Impact). The impact supported by the increase in consumption resulting from the increase in labour income associated with direct and indirect employment (Induced Impact) reached a total of 13,817 jobs (23.1%).

Total employment impact supported by country, 2023 (jobs)



France	Poland	United Kingdom	Italy	Spain	Portugal	Austria	Netherlands	Switzerland	Sweden	Ireland	Denmark	Total
17,152 28.7% of total impact[1]	15,281 25.5% of total impact	8,070 13.5% of total impact	6,744 11.3% of total impact	6,640 11.1% of total impact	3,044 5.1% of total impact	817 1.4% of total impact	578 1.0% of total impact	483 0.8% of total impact	419 0.7% of total impact	376 0.6% of total impact	231 0.4% of total impact	59,834
0.06% of employment	0.09% of employment	0.02% of employment	0.03% of employment	0.03% of employment	0.07% of employment	0.02% of employment	0.01% of employment	0.01% of employment	0.01% of employment	0.02% of employment	0.01% of employment	0.03% avg. impact on total employment

Source: PwC analysis based on Cellnex (2023) and OECD.

1) Refers to the weight of each country in Cellnex's total impact on employment.

4.4 Commitment to Human Rights

Cellnex is dedicated to endorsing and advancing human rights throughout its business operations and supply chain, encompassing partners, employees, and other stakeholders. The Group's commitment extends beyond mere compliance to actively fostering an environment where human rights are respected and sustained in all aspects of the company's activities.

Cellnex voluntarily conducts an annual Human Rights Due Diligence exercise

Cellnex updated its Human Rights Policy in 2022 with the aim of reaffirming its commitment to safeguard and uphold universally recognised human rights within its sphere of influence, and to mitigate and remediate any resulting harm. The Policy adheres to core international standards, serving as benchmarks that the company has pledged to meet. These standards establish the regulatory framework, defining the parameters within which Cellnex conducts its activities. These international frameworks include:

- United Nations International Bill of Human Rights
- The eight fundamental ILO conventions
- Guiding Principles of the United Nations Global Compact
- United Nations Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- United Nations Children's Rights and Business Principle

Moreover, Cellnex's **Human Rights Policy** is aligned with and bolstered by various internal policies and regulations. These include the Environmental, Social and Governance (ESG) Policy, the Equity, Diversity and Inclusion (EDI) Policy, the Supplier Code of Conduct, the Code of Ethics, the Whistleblowing Channel, and the Corruption Prevention procedure. This comprehensive alignment ensures a cohesive approach across all facets of the organisation. Such integration of policies not only demonstrates Cellnex's dedication to ethical business practices but also fosters a culture of accountability and transparency - essential elements in navigating the complex landscape of human rights considerations.

While awaiting the publication of the European Union's Human Rights Due Diligence Directive, Cellnex has proactively conducted preliminary assessments. As part of this initiative, the company commits to regularly sharing its progress in adhering to human rights principles with internal and external right holders, thereby prioritising transparency and accountability. Cellnex voluntarily conducts an annual Human Rights Due Diligence exercise, following the regulatory framework outlined by the OECD and the UN Guiding Principles on Business and Human Rights. The objective of this assessment is to pinpoint the most critical and highest priority actual as well as potential adverse impacts across Cellnex's entire value chain.

In 2023, Cellnex sought to proactively improve upon previous analyses by incorporating inputs from the recent CSRD GAP Analysis. This exercise provided a holistic view of the organisation's operations, identifying overlaps and gaps in human rights considerations within the broader context of sustainability. The combined approach enables Cellnex to identify and mitigate risks more effectively, ensuring that human rights considerations are adequately addressed within the broader framework of ESG risks. In this context, oversight of the Human Rights Due Diligence process falls under the purview of the Risk Management department, working in tandem with the ESG department. Together, they oversee the involvement of various company departments and are tasked with advocating, assessing, and reporting on the implementation of the Human Rights Policy at both local and global levels. The report related to the **Human Rights Due Diligence** and Assessment Process is available on the corporate website.

In 2023, Cellnex updated its **Statement on Slavery and Human Trafficking**, which declares that the Group unequivocally denounces all forms of exploitative labour practices, including child labour, and affirms its unwavering commitment to preventing such practices within its sphere of influence and across its supply chain. Cellnex also conducts human rights-specific training (totalling 3,845 hours in 2023) aimed at educating the Group on human rights policies and procedures.

In 2023, as in 2022, there have been no reported incidents of discrimination.

5 ENVIRONMENT

Growing with a long-term sustainable environmental approach

2023 main actions and KPIs

Committed to achieve carbon neutrality by 2035 and net-zero by 2050	Drafted a TNFD report to assess its dependencies and impacts on Natural Capital, prioritising assets and identifying risks and opportunities related to nature
Publication of the fourth Environment and Climate Change Report with the goal of increasing transparency in environmental performance	Cellnex met its renewable electricity consumption target
Worked on updating the management and assessment of risks and opportunities arising from climate change in accordance with the recommendations of the TCFD	Development of mobility plans tailored to the specific needs of Cellnex offices in Spain, based on a comprehensive global mobility survey
Updated its Energy Transition Plan as part of its ESG Master Plan and the Environment and Climate Change Strategy, considering the current energy context	The Environment and Climate Change Policy was updated in 2023 considering the Global Biodiversity Framework, No Net Loss Principle and no deforestation commitment

- 519,804 tCO_2e total GHG emissions in 2023
- 3016.01 tCO_2e offset by acquiring certified emission reduction (CER) credits
- 77% of renewable energy across all Business Units
- Carbon intensity reduction to 4.59 tCO_2e/site and 128.38 tCO_2e/€Mn
- 81% achievement rate of the environmental actions outlined in the ESG Master Plan for 2023
- 8.12% of sites in protected areas according to IUCN categories
- Operating income: 2.49% eligible and 0.93% aligned with the EU Taxonomy
- CapEx: 2.78% eligible and 0.23% aligned with the EU Taxonomy

Follow-up on the ESG Master Plan targets [1]

	Target year	Target	2023
Sourcing of renewable electricity (SBT) [2]	2025	100%	77%
Reduction of scope 1 and 2 GHG emissions and scope 3 GHG emissions from fuel and energy-related activities (SBT)	2030	(70)%	(83)%
Reduction of absolute scope 3 GHG emissions from purchased goods and services and capital goods (SBT)	2025	(21)%	(14)%
Reduction of the carbon footprint: scope 1, 2 and 3 (Carbon neutral) [3]	2035	Carbon neutral	(51)%
Net-zero (2050)	2050	100%	Work in progress
CDP: Minimum of 50% of the total invited suppliers each year from 2023	2025	50%	78%
Measure the 30% of Cellnex consumption by smart meter systems by 2025	2025	30%	31%
Deploy Global energy Platform for >70% of Cellnex consumption by 2025	2025	>70%	22%
% of Cellnex consumption to be ISO 5001 verified by 2025	2025	70%	22%
Integration of environmental standards within the purchasing management system	2025	100%	Work in progress

(1) KPIs reported on an annual basis. Carbon footprint KPIs are compared to the base year FY20 verified by an external certified entity.
(2) Electricity target (Scope 2) refer to the energy directly managed by Cellnex. Data calculated according to SBT and GHG Protocol methodology applied to the financial perimeter.
(3) By 2035 Cellnex will offset the residual emissions that could not be reduced with the aim of being carbon neutral by 2035 and net-zero by 2050.

Next steps for the upcoming years

As early adopters of the TNFD, work on producing a comprehensive TNFD report, including financial impacts	Update the Climate Change Adaptation Plan
Conduct an initial biodiversity footprint assessment	Continue collaborating with the supply chain on the calculation of the carbon footprint to enhance data transparency and quality
Promote circular economy by implementing the TIS ecodesign measures identified and prioritised in 2023, and explore new eco-strategies for Datacenters	Craft a detailed roadmap to achieve Cellnex's net-zero objective

5.1 Environmental strategy and positioning

Sustainability planning and management

One of the main goals of Cellnex's ESG Master Plan is to continue growing with a long-term sustainable environmental approach. As part of Cellnex's commitment to the environment and combating climate change, the Company has adapted its business model to incorporate the measurement, reduction, and mitigation of impacts caused by its activity that may have adverse repercussions on the environment and the biodiversity of the areas in which it operates.

In this regard, in 2021 Cellnex's Board of Directors adopted the **Environment and Climate Change Policy**, which embodies the principles that promote sustainable development. With the goal of raising the company's level of responsibility, the Policy includes binding principles and commitments to the operations of all business units. These principles and commitments are grouped into five strategic priorities, aligned with the Sustainable Development Goals (SDGs).

This policy was later updated in 2023. The main updates are:

- Linkage and alignment with the United Nations SDGs.
- The Goals and Objectives of the Global Biodiversity Framework (GBF) and the Nature Positive Global Challenge have been adopted.
- A specific commitment not to contribute to deforestation has been included.
- Commitments to Natural Areas and Biodiversity have been extended. Including the principle of No Net Loss, (Actions to compensate for residual impacts, i.e. those that cannot be avoided.)
- In the section Responsible Management of the supply chain, the commitment to Biodiversity has been extended, while risk areas on Natural Capital in the supply chain have been identified.

The ESG Master Plan comprises six strategic priorities. The strategic priority "Growing with a long-term sustainable environmental approach" is developed by the Environment and Climate Change Strategy 2023-2025.

For the update, current and forthcoming regulations on environmental sustainability issues were taken into account (such as the Corporate Sustainability Reporting Directive, European Sustainability Reporting Standards, and the EU Taxonomy), along with Cellnex's internal commitments (such as Science-based Targets, Net-zero Strategy, Cellnex Energy Policy, and Energy Transition Plan).

As a result of this work, the new plan has 40 actions grouped into eight action lines. To assess the performance of the Strategic Sustainability Plan and determine the actions required to achieve the targets set for 2024, Cellnex monitors the annual degree of achievement for each action line. For 2023, Cellnex established a series of targets grouped into actions to continue making progress within the framework of the Environment and Climate Change Strategy.

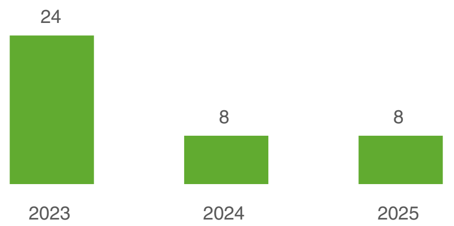
In this regard, the achievement rate for the actions outlined in 2023 was 81%. Cumulative achievement of the Environment and Climate Change Strategy stood at 70% in 2023.

Further information about each of the sections of the environmental chapter can be found in the **2023 Environment and Climate Change Report,** available on the corporate website

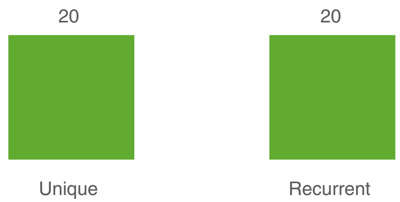
Commitments	Strategic Lines	Number of actions
To be a leading group in the fight against climate change by achieving carbon neutrality, improving the resilience of our infrastructure and promoting a circular economy in line with our activity.	Energy management	4
	Circular economy	3
	Climate change	14
To achieve excellence and be an industry benchmark in integrated environmental management within the telecommunications sector, establishing a solid commitment throughout our entire value chain.	Integrated environmental management	9
	Biodiversity and land use	4
To improve our environmental impact, integrating our infrastructure into the surrounding environment and establishing collaborative partnerships with stakeholders.	Water management	1
	Environmental impacts of infrastructures	1
	Training, awareness and collaboration with the Community	4

Related SDGs

Actions by year of implementation



Recurence



40 actions

resulting from **3 commitments** and **8 Strategic Lines**, with specific KPIs and targets.

Degree of achievement of the 2023-2025 Environment and Climate Change Strategy

Strategic lines	Degree of achievement of 2023
Energy management	69%
Circular economy	75%
Climate change	89%
Integrated environmental management	93%
Biodiversity and land use	100%
Water management	100%
Environmental impacts of Infrastructures	25%
Training, awareness and collaboration with the Community	100%

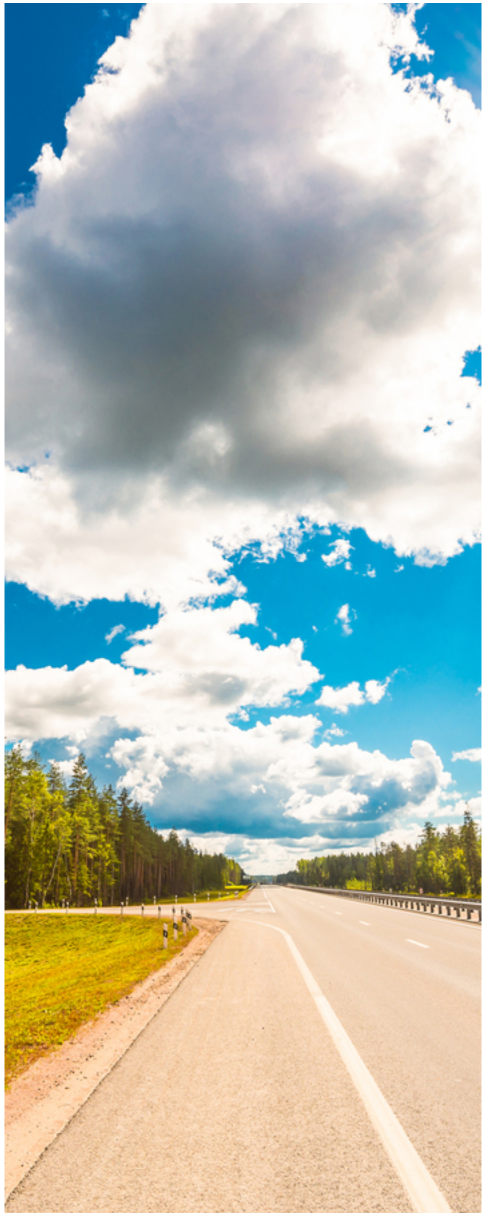
Cellnex published the fourth annual Environment and Climate Change report in 2023 with the goal of increasing transparency in environmental performance

In addition to the strategic plans, Cellnex has an Environmental Management System (EMS) within its Integrated Management System. This system aims to foster responsible management and ensure that policies and procedures advocating for sustainability are designed and implemented. Seven business units are already integrated into the Global EMS (France, Portugal, Ireland, Switzerland, the Netherlands, Poland, and the United Kingdom), and Spain and Italy have their own ISO 14001 certification. Spain is due to be integrated into the Global Integrated Management System in 2024.

As previously mentioned, Cellnex published the fourth annual Environment and Climate Change report in 2023 with the goal of increasing transparency in environmental performance.

Furthermore, with regard to environmental education and community awareness, in 2023, Cellnex continued with its collaboration project with the non-profit educational association Ambientech to introduce sustainability and telecommunications training content in secondary schools. The educational pathway is publicly available free of charge and covers three subjects: telecommunications in a sustainable world, exploring climate change, and the circular economy. The three modules have received a total of 1,426,784 views. In addition, there was an inter-school collaborative competition "The Smart Green Planet" focusing on solutions for environmental problems and a series of debates on the energy crisis

SUPPORT UNIVERSAL EDUCATION 2001-2023



5.2 Monitoring and management of the main environmental risks, opportunities, and impacts

Cellnex takes into account the risks and opportunities presented by climate change, incorporating them into the organisation's vision and objectives for the coming years

In a context of significant changes in the regulatory, economic and industrial sectors, caused by the transition towards a decarbonised economic model, there is growing pressure from investors, public bodies and society for organisations to report transparently on how they manage risks and opportunities arising from climate change in the short, medium, and long term.

Within this transitional framework, in 2017, the Financial Stability Board (FSB) established the Task Force on Climate-related Financial Disclosures (TCFD) to develop climate-related disclosures that "could promote more informed decisions on investment, credit and insurance underwriting" and, in turn, "would allow stakeholders to better understand the concentrations of carbon-related assets in the financial sector and the exposures of the financial system to climate-related risks". The TCFD frames climate-related information in the business context under four pillars (governance, strategy, risk management, and metrics and objectives) and recommends disclosure in each pillar.

With its firm commitment to climate change and to making GHG emissions one of the focal points in decision-making, Cellnex takes account of the risks and opportunities presented by climate change, incorporating them into the organisation's vision and objectives for the coming years. As such, using four core elements, as recommended by the TCFD, Cellnex shows how it takes account of climate-related risks and opportunities, as well as strategies to mitigate risks and mainstream opportunities.

Cellnex has been a TCFD supporter since 2021, reaffirming its commitment to Climate Change transparency and disclosure.

Cellnex has shown its commitment to a carbon-neutral business model by setting out the Cellnex Net-zero Strategy

Contribution to Climate Change mitigation and adaptation

Climate change mitigation is based on preventing or reducing the emission of greenhouse gases, partly through the use of new technologies and renewable energies, such as replacing older equipment with more efficient models. Cellnex undertakes actions focused on mitigating climate change, such as through emission reduction initiatives (science-based targets, energy efficiency, sustainable mobility, carbon management along the value chain, etc.). Moreover, Cellnex has demonstrated its commitment to a carbon-neutral business model by setting out the Cellnex **Net-zero Strategy.**

In addition, it is essential to adapt to climate change to ensure the long-term resilience and conservation of Cellnex assets. To that end, in 2022 and 2023 Cellnex developed a Climate Change Adaptation Plan (CCAP). The Plan's main objective is to prevent or reduce present and future damage from climate change.

With sites across Europe, Cellnex must address climate variability on a regionalised basis, so there is a particular need for a Plan that takes an integrated approach to the potential consequences of climate variability, both globally and regionally, and the vulnerability of asset types to climate conditions based on their geolocation. For this reason, the CCAP makes it possible to:

- Understand the current and projected effects of climate change on the various telecommunications assets.
- Identify the potential impacts of climate change on a regional basis.
- Identify and take advantage of positive effects and opportunities arising from climate change.
- Establish priorities and concerted efforts in adaptation measures and actions, adapted to the types of asset and regional climate conditions.
- Optimise the allocation of available resources in a context of climate change and adaptation.

The project is in two separate parts:

- Physical climate risk analysis: This analysis includes identifying risks and assessing vulnerability, exposure and impact to obtain a physical climate risk classification.
- Proposal and prioritisation of adaptation measures: The adaptation proposals attempt to propose activities to help reduce the vulnerability, exposure or impact of the different climate variables on the various assets of the company.

Two periods were analysed under a RCP 8.5 scenario: 2011-2040 and 2041-2070. In the period 2011-2040 only 2.19% of assets are subject to critical or high physical climate risk. The distribution of risks follows a normalised distribution that places the largest set of assets at low risk (49.23%). In the period 2041-2070 the percentage of assets at high or critical risk rises to 10.56%.

The variables analysed included temperature, precipitation, wind, storm surge, sea level rise, flooding, fire, and landslide. It is noteworthy that temperature is the climate variable that predominantly impacts all assets across both horizons. Furthermore, in 2024, an update to the plan will be conducted.

Cellnex recognised by CDP for its transparency and commitment in tackling climate change

For the fifth year in a row, Cellnex has been recognised for its transparency and commitment in tackling climate change, securing a place on the prestigious "A List" of CDP, the non-profit administrator of a global disclosure system allowing investors, companies, cities, states and regions to manage their impact on the environment. In 2023 Cellnex excelled in “opportunity and risk disclosure, business strategy, financial planning and scenario analysis, such as by setting ambitious and meaningful targets.” The company provided these data as part of CDP’s climate change questionnaire in 2023.

CDP
DISCLOSURE INSIGHT ACTION
A LIST
2023
CLIMATE

In **2023** Cellnex worked on **updating the management and evaluation of risks and opportunities** arising from climate change

Environmental Operational Control

During 2023, Cellnex Spain's Environmental department implemented an Environmental Assessment tool in its centres called 'Environmental Evaluation' expanding the control and monitoring of environmental operations, focusing on potential environmental impacts and risks in 60 centres.

TCFD: Analysis of climate-related risks and opportunities

Governance

Climate risk and opportunity analysis at Cellnex Telecom forms part of the risk management process, following a bottom-up methodology, from every user in every business unit to senior management. To this end, it has a **Global Risk Management Policy**, establishing a framework that implements, evaluates and improves risk management throughout Cellnex Telecom's processes and activities. Cellnex's governance of climate-related risks and opportunities and the risk management lifecycle ensures the overall and appropriate management of risks in the organisation; through the various levels of monitoring and validation, providing meaningful reporting to the Board of Directors.

Strategy

The climate risk analysis takes into account the time horizon analysis (short/medium/long term), the financial magnitude and management costs and the analysis of climate scenarios:

Physical scenarios: An RCP scenario is analysed, cumulatively measuring human emissions from all GHG sources to 2100. It is more relevant to take the worst case scenario into consideration, so the RCP 8.5 scenario was selected to analyse the climate projections. RCP 8.5 shows a Business-as-Usual (BaU) scenario, in which GHG emissions would continue to increase at the current rate. This is a worst-case scenario of higher GHG emissions in the atmosphere and further global warming.

Transition scenarios: Analyse trends in politics, energy and economy related to climate change, to determine the possible risks that they may have an organisation, using NGFS publications.

- Net-zero 2050: In this orderly scenario, ambitious climate policies are promptly implemented.
- Delayed transition: In this disorderly scenario, new climate policies are postponed until 2030, resulting in varying levels of action across countries and regions based on existing policies.
- Current policies: This scenario, named "Hot house world," assumes the preservation of only currently implemented policies.

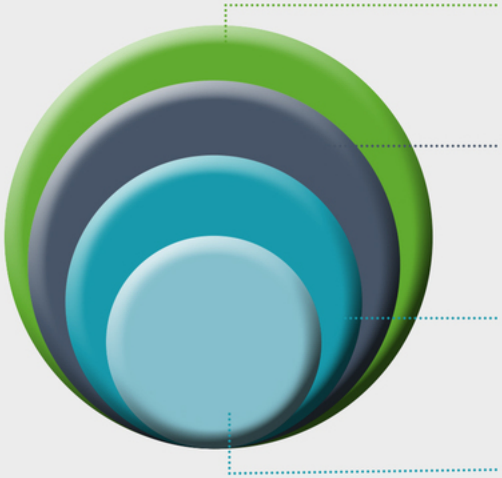
As regards the resilience of the strategy, the results of the analysis allow us to anticipate potential impacts and to inform and influence our strategy and business objectives. Thanks to the risk management that has been in place for years and this latest update in terms of policy, management and governance, Cellnex Telecom has further increased its resilience and will have the necessary tools to deal with potential future climate risks.

Climate risk and opportunity management

Accordingly, in 2023 Cellnex worked on updating the management and evaluation of risks and opportunities arising from climate change. For this assessment, the risks and opportunities are prioritised as high, medium and low, taking account of two aspects: impact and probability. As a result of this process, in 2023 Cellnex identified and evaluated seven climate risks and six climate opportunities. Those with the highest priority are outlined below:

Risk	Type	Time framework	Magnitude
Increase in energy prices	Transitional, Market	Medium term	Medium
Ability to meet client ESG demands	Transitional, Reputation	Short term	Medium
Acute physical climate risk	Physical Acute	Medium term	Medium-High
Chronic physical climate risk	Physical Chronic	Long term	Medium-High

Opportunity	Type	Time framework	Magnitude
Decarbonization of operations	Energy Source	Medium term	High
Development of low-carbon goods and services	Resilience	Long term	High
Avoid incurring costs associated with the potential impacts of specific climate risks thanks to the correct management of insurance premium	Markets	Short term	Medium-High



Governance
The organisation's governance of climate-related risks and opportunities

Strategy
The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning

Risk management
The processes used by the organisation to identify, assess and manage climate-related risks

Metrics and targets
The metrics and targets used to assess and manage relevant climate-related risks and opportunities

The most appropriate risk management is determined on the basis of an assessment of inherent risk and residual risk, taking account of the strategy, policies, procedures, and rules established to cover the risks. This assessment involves identifying responsible individuals, defining roles within the organisational structure, and utilising available information to monitor activity development within specified parameters (such as performance, information and communication, etc.).

With this information on the table, a risk response or action plan is created, management undertakes to establish actions to attempt to reduce the level of risk until it is controlled and the second line of defence comes into play to validate the effectiveness of the action plan.

Metrics & targets

The targets set by Cellnex Telecom show its stakeholders that it is committed to reducing environmental impact while cutting carbon price exposure. The commitment through the Science-based Targets and the longer term net-zero target involve a combination of approaches including reducing greenhouse gas (GHG) emissions, migrating energy procurement in favour of renewable and clean energy, and engaging with the supply chain. Cellnex will continue to measure and disclose its performance in relation to these objectives. Below is an overview of the most relevant climate-related metrics and targets:

- GHG emissions scopes 1, 2 and 3
- GHG intensity
- Science-based target follow-up
- Net-zero
- Scope 1 Compensation
- Energy consumption
- Share of renewable electricity
- Suppliers

Further information is available in the 2023 Environment and Climate Change Report.

5.3 EU Taxonomy

The EU taxonomy is a classification system that establishes a list of environmentally sustainable economic activities aimed at fulfilling the EU's climate and energy targets for 2030 and advancing the objectives of the European Green Deal. It provides clear definitions of which economic activities are considered to be "environmentally sustainable".

For an economic activity to be identified as environmentally sustainable, it must contribute to the achievement of certain environmental objectives. The Taxonomy Regulation establishes six environmental objectives:

1. Mitigation of climate change.
2. Adaptation to climate change.
3. Sustainable use and protection of water and marine resources.
4. Transition to a circular economy.
5. Pollution prevention and control.
6. Protection and restoration of biodiversity and ecosystems.

Regulation (EU) 2020/852 established a phased implementation of the regulation, starting with simpler regulatory requirements in 2022 and extending them from January 2023. From 1 January 2024, all disclosure obligations of the Taxonomy for Mitigation and Adaptation targets come into force, obliging reporting on the basis of Annexes I and II of the Article 8 Delegated Act.

To evaluate the environmental sustainability of the company, a study was conducted in 2022, confirmed and validated in 2023, to identify the main business units and the specific economic activities for each of the them. The result was the following list with the necessary details to achieve the definition of 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		

Taxonomy Eligibility and alignment assessment per activity:

In the eligibility analysis, the activities have been classified according to the KPIs (Operating Income, CapEx and OpEx) as some activities only appear in some of the defined items.

- Operating income from eligible economic activities based on those proposed in the Climate Delegated Act, and the Environmental Delegated Act
- Capital Expenditures (CapEx): Investments made by Cellnex relating to activities eligible under the Taxonomy.
- Operating Expenditures (OpEx): Cellnex has not computed this eligible indicator, as it is not considered material to the company's activities.

To qualify as environmentally sustainable, activities must satisfy these criteria concurrently. To assess alignment, each activity underwent initial eligibility screening, followed by checks for compliance with the following criteria:

- Compliance with the Technical Screening Criteria (TSC).
- Do No Significant Harm (DNSH) to any of the other environmental objectives.
- Implementation in accordance with the minimum established guarantees.

Changes compared to 2022

Compared to 2022, notable advancements have been made, including enhanced identification of IoT activity and mission-critical functions, as well as improvements in IoT reporting. Moreover, new studies conducted in 2023 have been initiated to analyse compliance in CTS, DNSH, and Minimum Guarantees. Additionally, the adoption of the latest Taxonomy tables has been implemented in accordance with the new regulations, specifically The Supplementary Delegated Disclosure Act.

"The ESEF ("European Single Electronic Format") labeling has meant greater homogeneity and transparency in the financial information issued. In the short term, it will continue to bring new challenges for Cellnex, also in relation to non-financial information. This highlights our ability to adapt to the changes that are yet to come."

Melodi Bermúdez
Global Finance Expert - Cellnex Corporate

Results

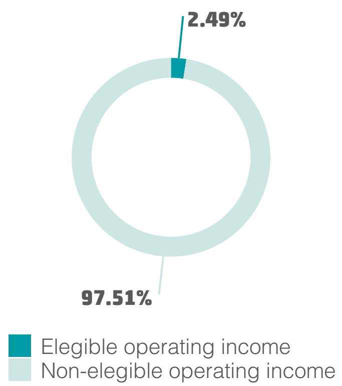
Cellnex has followed a conservative approach in reporting eligibility and alignment according to the Taxonomy, refraining from imposing definitions on activities that lack clear sustainability criteria. As a result, the level of eligibility remains low, mirroring that of the previous year. Of the total operating income, 2.49% is established as eligible based on the Taxonomy. 37.29% of this 2.49% is considered aligned - in other words, 0.93% of total operating income.

On the other hand, 2.78% of the CapEx is considered eligible. 8.17% of this 2.78% is considered aligned - in other words, 0.23% of total CapEx.

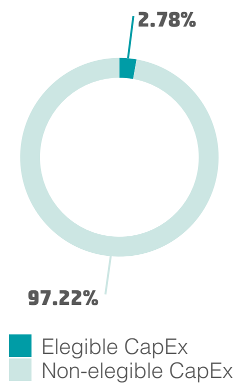
Cellnex aims to enhance the company's alignment with the TSC and DNSH principles of its eligible activities, and to maintain those classified as "aligned" during 2023. Additionally, efforts will be made to enhance methodologies and procedures to improve the applicability and usability of the EU Taxonomy.

Annex 7 provides further details of the EU Taxonomy analysis performed by Cellnex.

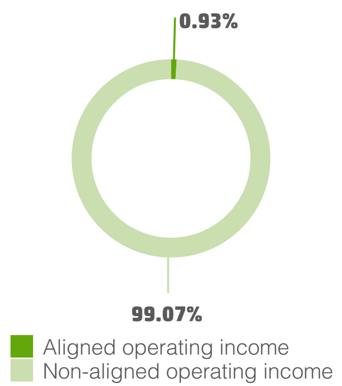
Operating income eligibility



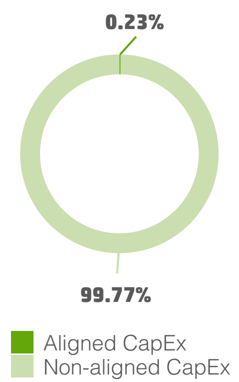
CapEx eligibility



Operating income alignment



CapEx alignment



5.4 Resource conservation

The Energy Transition Plan was updated in 2023, in the light of the current energy context

Energy management

Cellnex is aware of the importance of its energy performance and the sustainable origin of the energy needed for its operations. In this context, indirect emissions from electricity consumption significantly contribute to Cellnex's carbon footprint.

To boost this awareness, specific Energy Guidelines were issued in 2021, further developed in 2022, and evolved in 2023, taking account of the current energy context. The guidelines state that Cellnex promotes the efficient use of energy through the implementation of energy-saving and efficiency measures in work processes and conduct, and by controlling and monitoring consumption in the most significant applications. Additionally, as more than the 76% of Cellnex's total consumption is directly consumed by customer-owned equipment, Cellnex applies energy billing models to customers that promote efficiency in customers' equipment, using the pass-through mechanism.

All of this is based on compliance with applicable legal and regulatory standards at international, European, state, regional and local level, as well as the willingness to adapt to future standards, and the requirements of customers and society.

To demonstrate its commitment to responsible consumption and proper energy management, in 2021 Cellnex adopted an **Environment and Climate Change Policy**, updated in 2023, specifying its commitments relating to efficient energy management:

- Promoting energy efficiency in processes and procedures.
- Supporting the development of initiatives that reduce energy consumption at the Company's facilities.
- Ensuring control of energy consumption (electricity, natural gas, and fuels).
- Increasing the use of renewable energy sources.
- Raising awareness and training personnel in good energy-saving practice.

To comply with these commitments, in 2021 Cellnex released the first version of its Energy Transition Plan as part of its ESG Master Plan and the Strategic Sustainability Plan. This plan was updated in 2023, taking account of the current energy context.

Energy 4.0

Green energy sourcing

Energy efficiency

Self-generation

In 2023, Cellnex met its **renewable electricity consumption** target with **77%** of consumption from renewable sources

The **Energy Transition Plan** has four pillars:

- **Energy 4.0**: this pillar aims to foster an intelligent asset ecosystem that triggers the traceability of the whole energy value chain, from monitoring the consumption with the deployment of smart meters to the billing of energy to Cellnex's customers.

- **Green Energy Sourcing**: the objective is to ensure that the electricity consumed at Cellnex sites is 100% generated by Renewable Energy Sources (RES) from 2025, making it possible to mitigate 100% of Scope 2 carbon emissions. Throughout 2023, the high price of green energy prompted Cellnex to diversify its strategy to purchase green energy. This involved sourcing green energy within the supply contracts in some countries, but also looking for Power Purchase Agreements in others that allow greening costs to be secured.The objective was to reduce the greening cost for Cellnex customers. Currently 100% of the energy provided by Cellnex in the Data Centres in the Netherlands, France and Spain is renewable. Cellnex is also reviewing the greening journey with customers to ensure a feasible path also for them, considering the pass-through model.

- **Energy Efficiency**: this pillar seeks to ensure a continuous improvement in energy performance to alleviate and optimise the impact of Cellnex's operations. Since 76% of Cellnex consumption is energy directly used by Cellnex customer equipment, Cellnex has put in place a transfer energy cost methodology that incentivises customers to optimise the energy efficiency of their equipment, Furthermore, Cellnex is implementing the ISO 50001 standard to ensure a continuous improvement in energy performance and the creation of energy efficiency initiatives.

- **Self-generation**: the aim is to implement self generation of electricity at Cellnex sites, as far as is economically feasible, to support a path of carbon-neutral operations. This could be achieved initially by implementing economically efficient on-site generation solutions at Cellnex sites and in the most economically feasible off-site locations to reduce the consumption of fossil fuels by fixed backup diesel generators.

During 2021 Cellnex released the first version of its Energy Transition Plan, focused on defining the scope and overall strategy, but only with regard to delivering commitments under the Green Energy Sourcing pillar. However, in 2022 and 2023 Cellnex continued developing the overall strategy of intensifying the key activities and outlined corporate commitments to pave the way to carbon-neutral operations. In addition, a budget plan was allocated to investment and development for the four pillars of the Energy Transition Plan.

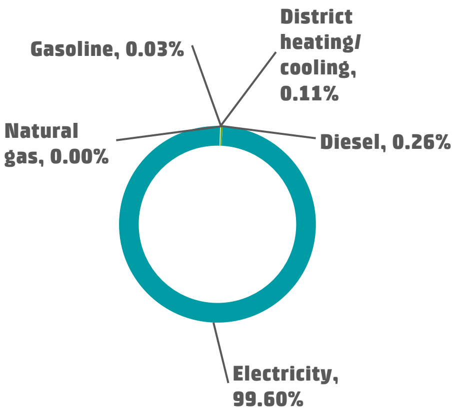
The Group's total energy consumption for 2023 was 1,390.22 GWh (1,301.18 GWh in 2022), most of which was electricity consumption. Cellnex's sites account for most electricity consumption and its offices to a lesser extent. In 2023 the total electricity consumed was 1,384.27 GWh (1,295.12 GWh in 2022), 77% of which came from renewable sources.

Detailed information on energy consumption is available in **Annex 6. KPI Tables**

Energy Transition Plan Targets

Deploying **Global Energy Platform** for **70%** of Cellnex's consumption by **2025**	**100%** green electricity **consumption** by **2025.**	**70%** of Cellnex consumption to be ISO 50001 **certified** by **2025.**

Total energy consumption by source



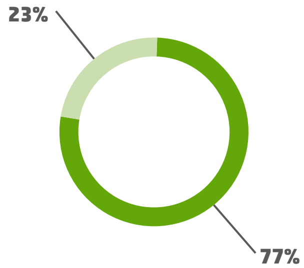
As a result of the green energy sourcing strategy, the share of renewable electricity has increased in recent years from 10% in 2020 to 77%% in 2023.

77%
renewable electricity

Share of renewable electricity by country (%)

	2023	2022
	na	na
	100%	100%
	100%	100%
	—%	—%
	58%	59%
	100%	100%
	93%	94%
	na	na
	100%	100%
	100%	100%
	100%	100%
	100%	100%

Share of renewable electricity



Renewable energy
Non-renewable energy

Energy efficiency

Together with its customers, Cellnex is promoting energy efficiency and self-generation measures.

As a result of investments made in energy saving and efficiency measures, in 2023 it succeeded in cutting energy consumption, as indicated below.

	Energy saved (GWh)	Investment (thousands of EUR)
Cooling	0.0	0
Fuel	0.8	0
Electricity	1.6	2.719
Total	2.4	2.719

France

Nexloop is committed to selecting air conditioners with maximum efficiency and minimal energy consumption during obsolescence or facility transformations.

As part of their green initiative, hybrid vehicles have been incorporated into the vehicle fleet. Taking a significant step towards sustainability, Cellnex France has transitioned the electricity supply contract for the Boulogne headquarters to a renewable energy source.

Cellnex Ireland

Cellnex Ireland completed the installation of 64 solar photovoltaic systems supplying electrical energy to the on-site base station equipment, producing approximately 320 MWh of sustainable green energy over the course of 2023.

Cellnex Netherlands

Cellnex Netherlands has become a participant in EU Taxonomy Data Centres, aiming to meet the EU's climate and energy targets for 2030.

Moreover, Cellnex Netherlands, has joined the European Code of Conduct on Data Centres as a participant. The organisation is expecting to implement best practices and monitor energy consumption, while regularly reporting to the EU Commission.

Cellnex Poland

Cellnex Poland continued with the modernisation of BBUs (DC power systems) by replacing the rectifiers with more efficient models and installing reactive power compensators. Furthermore, a solar panel pilot has been implemented at three sites, and according to the responsible company's declaration, it has been estimated that these panels will produce an average of 10% of its demand.

Cellnex Spain

In 2023, Cellnex Spain has been at the forefront of energy-efficiency initiatives, notably the deployment of photovoltaic panels at various locations. Noteworthy efforts include piloting hydrogen batteries, upgrading cooling equipment, and implementing advanced systems for monitoring and controlling consumption.

A pivotal highlight of Cellnex's endeavours in 2023 involves a robust campaign aimed at replacing diesel generator-powered sites with an innovative solution featuring solar panels and compact generators. This strategic move has resulted in a substantial reduction in the carbon footprint, showcasing Cellnex's commitment to sustainable practices.

Responsible and circular resource management

Water consumption

Water is consumed throughout the Cellnex Group primarily for sanitation. Water for the whole Group is provided mainly through the public water supply network, with a total consumption of 13,615 m^3. This year, the water consumption figure has increased due to improved data collection, incorporating consumption from Austria, France, and Switzerland.

Moreover, in 2023 the Group's water footprint was calculated and audited in line with the methodology defined in ISO 14046. Although Cellnex's consumption is a non-material issue for the Company due to the nature of its activity, Cellnex aims to calculate its water footprint annually to monitor and control the impact of Cellnex's activity on this resource.

In terms of discharges, Cellnex only discharges sanitary water that can be assimilated to domestic water into the sewage network in general, and in very few cases in Spain, into duly legalised septic infiltration pits.

Waste management

Waste generated at Cellnex sites during construction, operation, maintenance, and decommissioning operations is managed by waste management providers. To ensure that this management is carried out properly, Cellnex ensures that any waste produced by its suppliers in the course of outsourced activities is treated properly. In addition, Cellnex promotes proper waste management throughout the Company and its value chain, taking the waste hierarchy into account, thereby fostering waste prevention and preparing it for reuse and recycling.

Circular economy partnership with l'Associació Cívica La Nau

As a circular economy initiative, Cellnex has donated obsolete equipment (258 mobile phones and 463 pieces of IT equipment) to l'Associació Cívica La Nau to be reused. This initiative has prevented the generation of 746,92 kg of electronic waste and 129,15 tCO_2.

Waste management and the circular economy

In the Cellnex Group, various initiatives are being implemented to promote the circular economy and reduce waste as much as possible. They emphasise re-use over disposal and encourage suppliers to prioritise these management methods as well.

Cellnex countries have undertaken numerous activities related to the circular economy, primarily focused on reducing the quantity of generated waste, prioritising its management and valorisation.

Spain

In 2023, the Cellnex Spain Environment Department initiated the analysis in collaboration with Logistics for the recovery of WEEE (Waste Electrical and Electronic Equipment). The goal is to negotiate with a company specialising in recovering such devices, giving them a second life and preventing them from becoming waste. The objective is to reduce the amount of waste (WEEE) generated by promoting reuse and putting them back onto the market.

Portugal

Cellnex Portugal promoted the reuse of some of its towers, which were replaced by higher capacity towers in their original location but that were still usable in other areas with lower capacity demands. This not only reduces the amount of waste, but also the lengthens the life cycle of the infrastructure to its full potential.

Eco-design

Cellnex's vision is to transform the existing paradigm to reduce the environmental impact of its TIS centers in Europe. In 2020, they initiated a Life Cycle Assessment (LCA) project for these centers to identify inputs and outputs throughout their life cycle.

In 2022, Cellnex updated this project with the Eco-design project, establishing two eco-design models for rural and rooftop TIS centers, considering technical and legal barriers for each of them and the proposed eco-design strategies.

To this end, an eco-design checklist was drawn up to help reduce:

- Dependence on resources of origin.
- Material management costs.
- Risk from volatility in the price of materials.
- Emissions (e.g. CO_2 eq., NOx emissions, etc.).

The eco-design checklist was drawn up by applying ISO 14006. The most notable aspects of the design and development process for a TIS centre contained in the eco-design checklist are:

- Identifying significant environmental aspects.
- Defining areas for improvement and specific eco-design measures.
- Classifying measures according to priority (Must-have vs. Nice-to-have).
- Calculating potential environmental benefit (reduction of CO_2 equivalent).

To this end, Cellnex has established a green procurement protocol, defining a list of sustainability and circularity criteria to facilitate decision-making related to the evaluation and selection of providers that operate the IT centres. In this regard, aspects such as eco-design, consumption of raw materials, energy consumption, emissions, waste generation, impact on biodiversity, and social and economic impact are taken it.

Based on the scenarios identified in the Eco-design project, an Eco-design group was formed in 2023 to collectively develop proposals to add environmental criteria to Cellnex's operations and maintenance. The group was attended by colleagues from Spain, Poland, France, Sweden, Italy, and Austria. The proposals were discussed jointly addressing topics such as energy efficiency technologies, reuse and recycling of materials, implementation of renewable energies, use and collection of batteries, use of fuels, and new eco-design proposals.

On the other hand, in 2023, a Life Cycle Assessment of datacentres has been carried out, with the aim of identifying where the main impacts are in all phases of the life cycle of this service, in order to be able to define in 2024, eco-strategies and initiatives to make the datacentre activity more circular. The main conclusions of the datacentre LCA are:

- The electricity consumption is the most relevant contributor to the environmental impacts.
- Achieving a lower PUE and having a higher share of renewable energies is key to address the environmental impacts from electricity.
- The environmental impacts are generated along the supply chain of the materials used.

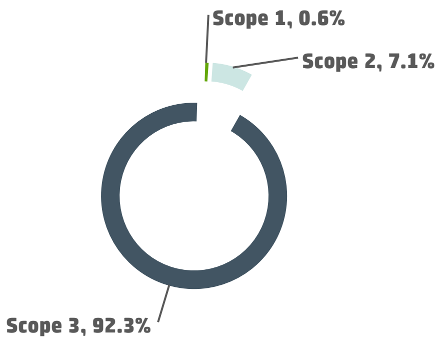
5.5 Carbon footprint and Climate Change

Cellnex's Greenhouse Gas Emissions

The Greenhouse Gas (GHG) emissions inventory is a key instrument for understanding the global impact of the company's activities on climate change, as well as the development of GHG emissions over time and Cellnex's value chain. This year, therefore, Cellnex has calculated and certified Scope 1, 2 and 3 of the Carbon Footprint through an independent external body, following the ISO 14064-1:2018 standard and the criteria of the GHG Protocol. These calculations encompass all countries and corporate levels. Additionally, internal audits related to the carbon footprint have been conducted since 2021, with audits performed in six countries (UK, France, Poland, Corporate, Austria, Switzerland) in 2023.

Since 2021, in addition to the ISO 14064-1:2018 standard, emissions are reported and verified according to the classification established by the Corporate Accounting and Reporting Standard of the Greenhouse Gas Protocol (GHG Protocol), developed by the World Business Council for Sustainable Development. In the case of Scope 3 emissions, the classification established in the GHG Protocol publication “Corporate Value Chain Accounting and Reporting Standard (Scope 3)” is used.

According to the verification, the verified emissions inventory for 2023 is 519,804 tCO2e using the market-based approach (recalculated at 558,011 and 931,409 tCO2e in 2022 and 2021, respectively).



It is important to highlight the reduction in Scope 3 emissions due to two important factors:

- Extensive work with its supply chain through CDP, which has enabled to obtain accurate emissions data from a greater number of its suppliers. Through this engagement, the company has been able to better monitor emission reductions in the supply chain. This efforts have let to reduce at 5%
- A major effort by local country teams to engage its customers, enabling the company to understand their energy use and whether they use renewable energy. This efforts have let to reduce at 8%
- It is also worth highlighting the efforts to maintain the % of renewable electricity supply in 2023 as defined in the Energy Transition Plan.

GHG emissions by scope in 2023

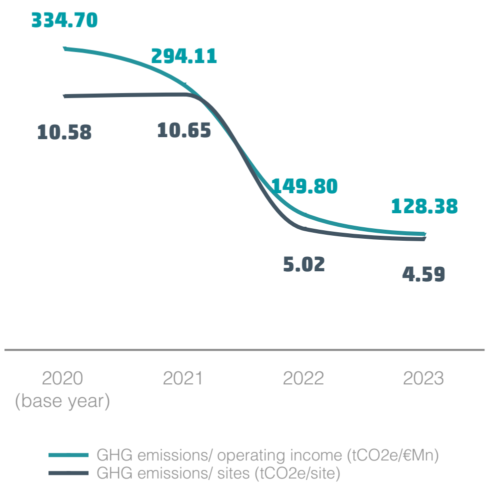
In line with the GHG protocol with the market-based approach, 92.3% of the emissions correspond to Scope 3, followed by Scope 2 with 7.1% and Scope 1 with 0.6% of GHG emissions.

Carbon emissions according to GHG Protocol (t CO2e) (market-based)

Category	2023	2020 (base year)
Scope 1: direct emissions	3,016	3,940
Scope 2: indirect emissions	36,798	432,160
Scope 3: other indirect emissions	479,990	629,210
3.1. Goods and services purchased	31,200	37,138
3.2. Capital goods	38,518	43,819
3.3 Fuel and energy-related activities	51,393	88,937
3.4. Transport and distribution upstream	NA	16,140
3.5. Waste generated in operations	NA	4,798
3.6. Business trips	1,128	56,785
3.7. Displacement of employees	2,910	1,553
3. 8. Leased assets upstream	111,119	114,808
3.13. Leased assets downstream	243,721	342,177
Total	519,804	1,065,310

In 2023, Cellnex **reduced its total emissions** compared to its base year (2020) by **51%**

Evolution of emission intensity (Scopes 1+2+3)



Emission intensities have reduced over recent years mainly due to the efforts made in green electricity consumption (scope 2). With regard to this strategy, it is worth highlighting the difference between scope 2 location-based emissions (346,283.75 tCO2e) and market-based emissions (36,798.04 tCO2e). The latter represent about 10 times less than the former, as a indication of Cellnex's commitment to reduce its carbon impact.

The GHG emissions disclosed for 2021 and 2020 (as base year) were recalculated in 2022, due to changes in the perimeter. Further information can be found in **Chapter 7.3. Carbon footprint: Scope and calculation methodology.**

Carbon offsetting

Since 2015, as part of its efforts to mitigate GHG emissions, Cellnex has offset emissions to achieve neutrality in scope 1 for all the countries. In 2023, Cellnex offset 3,016.01 tCO2e by acquiring 3,016.01 CER (certified emission reduction) credits in the project Wind energy in India Tamil Nadu, adorned with the prestigious Gold Standard certification.

Poland

As a part of the carbon footprint reduction efforts, Cellnex Poland is in the process of replacing electricity sub-meters on sites with models that enable remote reading. This will reduce unnecessary car trips to visit sites.

Additionally, internal audits related to the carbon footprint and water footprint have been conducted since 2021. In 2023 internal audits were performed in Poland.

Spain

At Cellnex Spain, internal actions by the Environmental Department have been integrated with the units purchasing climate equipment. The aim of this collaboration is to select equipment with refrigerants that have lower GWP (Global Warming Potential) in the procurement process.

Voluntary Agreement Programme for the reduction of greenhouse gas (GHG) emissions

In 2023, Cellnex Spain recorded the results of the calculation of its carbon footprint for 2022 in the official registers of the Generalitat de Cataluña (Climate Change Office). The company adheres to the carbon footprint in the Voluntary Agreements Programme (PAV) and in the Miterd (Ministry for the Ecological Transition and the Demographic Challenge) through registration in the Ministry's Carbon Footprint, Compensation, and CO_2 Absorption Projects Register.

Total GHG emissions

519,803.67

tCO2e in 2023

(51)% reduction vs base year 2020

	45,092	2023
	38,407	2022
	84,315	2023
	101,033	2022
	29,253	2023
	32,968	2022
	3,113	2023
	5,723	2022
	9,970	2023
	24,566	2022
	39,241	2023
	42,762	2022
	18,416	2023
	8,726	2022
	33,878	2023
	31,228	2022
	23,418	2023
	25,168	2022
	767	2023
	2,849	2022
	1,081	2023
	1,051	2022
	231,259	2023
	243,532	2022

Cellnex has been working on the roadmap to achieve these objectives, such as defining the 2023-2025 Climate Change Strategy

Achieving Science-Based Targets (SBTs)

In line with the recommendations in the TCFD "Metrics and Objectives" pillar, Cellnex recognises the importance of measuring the total emissions that its activity generates, as this enables the Company to draw a roadmap for setting emission reduction targets. These targets are pivotal for achieving climate neutrality.

In 2019, Cellnex committed to developing a science-based emissions reduction target in line with the **Science-Based Targets Initiative (SBTi)**, which aims to increase companies' commitment to sustainable management and seek more ambitious solutions to climate change. Aligned with the Paris Agreement, it aims to help establish science-based climate change strategies to reduce greenhouse gas emissions, limiting global warming to well below 2°C above pre-industrial levels and to continue efforts to limit warming to 1.5°C.

In 2021, Cellnex established three specific objectives for the reduction of emissions, which were validated by the Science-Based Targets initiative (SBTi) and aligned with the Global Pact "Business Ambition for 1.5ºC". These reduction targets are the first essential step in defining Cellnex's Net-zero Strategy.

In 2022, Cellnex worked on the roadmap to achieve these objectives, such as defining the 2023-2025 Climate Change Strategy. Specific actions were also undertaken with suppliers, in addition to energy management actions.

During 2023, the company persisted in advancing towards the fulfilment of its commitments, achieving notable milestones. Noteworthy achievements include the sourcing of 77% of its electricity from renewable sources, a 83% reduction in scope 1 and 2 GHG emissions, and scope 3 GHG emissions related to energy and fuel activities. Additionally, there was a 14% reduction in absolute scope 3 GHG emissions from purchased goods and services, as well as capital goods.

Cellnex's achievements in 2023

77% sourcing of renewable electricity

(83)% reduction in scope 1 and 2 GHG emissions and scope 3 GHG emissions from fuel and energy-related activities

(14)% reduction in absolute scope 3 GHG emissions from purchased goods and services and capital goods

Cellnex's Science-Based Targets commitments (SBTs)

Increasing the annual **supply of renewable electricity** from 0% in 2020 to

100% **by 2025**

Reducing absolute Scope 1, 2 GHG emissions and Scope 3 GHG emissions (fuels and energy)

70% **by 2030,**
compared to base year 2020.

Reducing absolute Scope 3 emissions (goods and services and capital goods) by

21% **by 2025,**
compared to base year 2020.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Cellnex's Net-zero Strategy is a key component of the 2023-2025 Environment and Climate Change Strategy, as well as the Company's ESG Master Plan

Net-zero Strategy

The most important challenge in the world today is the climate crisis, as the effects of Greenhouse Gases (GHG) emissions have been detected throughout the climate system, generating risks for ecosystems and human beings. In line with the Paris Agreement, which agreed to limit global warming well below 2ºC and to make efforts to limit it to 1.5ºC below pre-industrial levels, priority is given to the development of actions aimed at reducing GHG emissions to substantially minimize climate change-related losses and damages to human systems and ecosystems.

Within current climate science, one of the measures to address climate change and set global carbon emission limits is the development of "Net-zero", a concept that seeks to achieve a balance between GHG emissions and actions to reduce or eliminate those emissions so that the net amount of GHG in the atmosphere is equal to or very close to zero.

To make Net-zero a useful framework, the global carbon cap must be translated into individual decarbonization pathways for nations, states, subnational entities, corporations, and other organisations. At the corporate level, Net-zero is about developing ambitious emissions reduction measures within the value chain itself, making systemic changes across sectors and addressing active emissions removal, considering the development of actions beyond the organisation's value chain, and implementing emissions offsetting and neutralisation measures.

In line with these climate requirements, Cellnex is actively working to limit the effects of climate change and contribute to the decarbonization of the economy, defining a strategy to reduce, offset and neutralise its emissions with specific medium- and long-term objectives that make up the Cellnex Net-zero Strategy.

The Net-zero strategy is a key component of the Environment and Climate Change Strategy 2023-2025, as well as the company's ESG Master Plan, and will enable Cellnex to be a net-zero company by 2050, with the intermediate goal of being Carbon Neutral by 2035.

The Company is developing a roadmap with specific medium and long-term goals to accelerate the transition towards a net-zero business model. The first lines of action that were established set out three types of measures

- Reduction of direct and indirect CO_2 emissions.
- Neutralisation of unavoidable emissions, when emissions have been reduced to a level close to zero, through absorption projects to remove carbon from the atmosphere.
- As a prior step to neutralisation, Cellnex will offset its residual emissions by funding projects to avoid the generation of new

To this end, Cellnex has established a strategy to reduce GHG emissions as far as possible and neutralise residual emissions that cannot be reduced. The strategy is structured around the following seven pillars:

1. Science-based reduction targets
2. Energy transition
3. Value chain
4. Circular economy
5. Sustainable mobility
6. Neutralisation of residual emissions
7. Transparency and governance

Even with the implementation of reduction measures, there are a number of residual emissions that need to be managed by carrying out actions beyond the value chain. For this, Cellnex proposes to allocate climate finance for the purchase of carbon credits generated in carbon reduction/avoidance and sequestration/removal projects within the Voluntary Carbon Market (VCM). The financing of these projects will be governed mainly by compliance with international standards (VCS and Gold Standard) to ensure that these projects meet quality requirements, and that they generate benefits in the communities and ecosystems in which they are developed.

To make Cellnex a net-zero company, it is important to mainstream sustainability and climate change into the day-to-day management of the company for it to operate responsibly in each of its activities and business areas.

For 2023, following the announcement of the commitment to achieve climate neutrality by 2050, Cellnex published a video and a document in which the roadmap of the Net-zero strategy is developed.

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- Watch Cellnex's Net-zero strategy video: https://www.youtube.com/watch?v=C2Dr0IjSHHw

- Know more about Cellnex's Net-zero strategy: https://www.cellnex.com/app/uploads/2023/05/Cellnex_Net_Zero_Strategy.pdf

"Environmental projects implemented in Poland, such as the project to replace old and worn out models of air conditioning units with new ones, are aimed, among other things, at reducing greenhouse gas emissions into the environment. Such activities are part of the Net-zero strategy adopted by Cellnex."

Adam Stajniak
Field Network Maintenance Department - Cellnex Poland

Carbon management throughout the value chain

Cellnex's commitment to the environment extends throughout the value chain through the dedication and commitment of the actors in the Environment and Climate Change Policy chain. In addition, acceptance of Cellnex's commitment is demonstrated through business activities and incorporated into the environmental requirements for suppliers. This commitment is also monitored in outsourced processes, and environmental requirements are outlined in construction and infrastructure projects, among others.

Carbon management along the value chain

In 2020-2021, a preliminary internal carbon tax was established with the dual purpose of promoting efforts to reduce the company's emissions and fostering a shift in behaviour towards a less emission-intensive activity.

During 2022, a pilot project was conducted in the Procurement Departments, allowing the following main conclusions to be drawn regarding the feasibility of the project and the next steps to be taken:

- It would be more feasible for Cellnex to implement a Shadow Price, rather than an Internal Carbon Tax.
- A transition period is required to meet the reporting requirements (by 2025-2030).

In this regard, implementation from 2025 onwards is proposed because prior work is required to understand suppliers' emissions. Cellnex's Supplier Support project in the CDP Supply Chain Programme (currently underway) aims to make progress in this direction.

In 2023 Cellnex has joined the Global Confirming® program, together with Santander bank, which aims to incentivise suppliers in emission reductions through better CDP Climate change scoring. This solution allows advanced payment at an exceptional cost, without consuming bank risk and provides visibility on the payment of invoices at maturity. There is a link between the scores of the CDP and the conditions of the Global Confirming® program. Those suppliers who already have the sustainability criteria of the CDP, will also benefit from a better rate.

Internal tax pilots will be also be explored in the coming years in other areas of emissions such as business travel.

Supplier Risk Management Model

In 2022, Cellnex implemented the environmental and emission reduction requirements under the company's new Supplier Risk Management Model for procurement.

Throughout 2023, Cellnex Spain worked collaboratively with the corporate level to update and refine new environmental requirements for suppliers.

Mobility plan

The Health and Safety department at Cellnex, in collaboration with the Environment and Climate Change department, has developed a "Mobility Plan" project to reduce the number of traffic accidents and to ensure that travel by and for Cellnex is as sustainable as possible.

In 2023, a comprehensive global mobility survey was conducted, laying the groundwork for the development of mobility plans tailored to the specific needs of Cellnex offices in Spain (Barcelona and Madrid) and Italy (Rome).

Italy

The year saw the implementation of various initiatives, including the introduction of a convenient shuttle service facilitating round-trip commuting between the Rome office and metro B Magliana. Furthermore, a strategic agreement was forged to provide employees with access to 'e-car sharing' services at preferential rates. This initiative enables staff to use full-electric cars, offering a sustainable transport solution for commuting to the headquarters or the airport.

Spain

In 2023, the Mobility Plan for the workplace centres located in Madrid and Barcelona was completed and published, identifying improvement actions. Cellnex has recently been awarded the prestigious PDE Commuting Travel Plan seal. This achievement underscores Cellnex's public commitment to adopting practices that promote sustainable mobility in the workplace, aligning with the principles of the Spanish mobility law.

The attainment of the PDE seal is a direct result of a favourable evaluation conducted by the Metropolitan Transport Authority (ATM) regarding Cellnex Travel Plan for Torre Llevant headquarters.Collaborative efforts have been made with the Occupational Risk Prevention (PRL) and Environmental Management (MA) departments of the Corporation and Spain. Furthermore, in 2023, Cellnex staff in Barcelona were trained in sustainable driving.

PDE
Pla de Desplaçaments d'Empresa
ATM àrea de Barcelona

5.6 Nature and biodiversity

Halting the decline in biodiversity is one of the main objectives that companies must address. The protection and conservation of biodiversity in the places where the company's activities are conducted is a priority.

With the aim of preserving the natural spaces where Cellnex's activity takes place and minimising environmental impacts, such as visual or noise impacts, Cellnex has created a specific pillar in its sustainability strategy for "Natural Spaces and Biodiversity".

In recent years, Cellnex has been working on various actions focused on biodiversity management and evaluating Cellnex's impact on natural spaces. All these actions have resulted in the development of the Natural Capital project.

Impact management

Biodiversity impacts are managed in Cellnex sites. To reduce visual impact, the company has an internal committee where different solutions are regularly presented and discussed. The policies and practices related to the location of masts and sites, site sharing and initiatives to reduce visual impacts and other impacts in each country where Cellnex operates are outlined below.

Cellnex Austria

The locations where Cellnex Austria builds sites are determined primarily by customers' needs, as is the case with site sharing. With regard to visual impact, Cellnex Austria meets the local requirements laid down by the government. Internal quarterly meetings on concealment solutions are being held to align and review both current and new solutions aimed at reducing visual impacts.

Cellnex Denmark

Cellnex, with a dedicated focus on minimising its impact on nature, adheres to stringent regulations in Denmark concerning building requirements, planning regulations, and the placement of new towers in rural areas. The company diligently follows best practices and guidelines from municipal and governmental agencies, underscoring its commitment to ensuring a limited impact on both nature and biodiversity.

Since 2023, Cellnex Denmark has taken a proactive approach to addressing environmental concerns. The company has adopted a policy of planting five new trees for every tree removed during the construction of new sites. Additionally, Cellnex Denmark has established a local biodiversity committee tasked with proposing initiatives in the biodiversity domain. This committee actively encourages employee participation, inviting input and suggestions for biodiversity projects.

Cellnex France

At Cellnex France, site locations are mostly driven by customers' requirements. A task force works to promote shared sites and optimise locations wherever feasible. In 2022 a project was initiated with the aim of relocating sites owned by Cellnex, and this initiative has been expanded during 2023 to include sites not owned by Cellnex.

To mitigate visual impacts, Cellnex France employs a specific strategy of landscape integration, which involves disguising telecommunications equipment as other objects, such as artificial trees and chimneys.

Cellnex Ireland

Cellnex Ireland implements a detailed planning application process for new developments. This process includes an impact assessment on critical environmental receptors such as people, water, biodiversity, and cultural and architectural heritage. The process also encompasses visual impact assessments.

Cellnex Italy

Cellnex Italy highly values biodiversity preservation and manages its sites in order to minimize any kind of environmental impact. Studies made at September 2021, showed that 866 sites are located in the "Nature 2000 Network". The activities carried out in these sites are carried out in full compliance with the current national and local laws as well as in full compliance with all the regulations by the bodies in charge and / or indicated in the building permits obtained.

The full compliance with laws and regulations makes it possible not to affect the environment where the activities are carried out and, therefore, their influence on the biodiversity hasn't significant impact.

Cellnex Netherlands

Cellnex Netherlands reduced noise emission from cooling for the Maastricht location by installing noise-reducing equipment as part of its service expansion on the site. Furthermore, a project on the preservation of peregrine falcons remains active.

Cellnex Poland

Cellnex Poland has translated and adopted corporate documents on Biodiversity Management and Environment and Climate Change Policy. The documents are updated in line with biodiversity recommendations of the two most highly regarded standards: the Dow Jones Sustainability Index and the CDP Climate Change questionnaire from 2023.

On the other hand, during the site design process, architectural style, local conditions and communities are taken into account. Cellnex Poland responds to the needs of the landowners and legal authorities (e.g. monument conservators) and makes sure that the structures do not disturb the surrounding architecture and fit into the surroundings as much as possible. In addition, the local community's opinion is of great importance in the process of selecting a structure.

Finally, Cellnex Poland has become a part of the UN Global Compact Climate Positive Program. Under the program, all employees had the opportunity to participate in the following webinars: "Biodiversity and climate change" and "Climate change facts and myths".

Cellnex Portugal

Whenever technically and economically feasible, Cellnex Portugal initiates operational synergy projects for sites in close proximity, concentrating all customer equipment onto a single site. This strategy effectively reduces the visual impact of infrastructure and minimises consumption of maintenance materials. All of processes are scrutinized by the Municipalities and entities that have infrastructure granting decisions, so the final solutions are aligned with the decisions of these entities. When concealment is required or agreed upon with landowners, Cellnex provides solutions for rooftops (chimneys) and green spaces (trees) to further diminish visual impact.

Cellnex Spain

The most significant impact on biodiversity is the potential disruption caused by our activity in Protected Areas, through the disturbance of facilities located in Biodiversity Protection Zones, as well as the disturbance to living organisms such as storks, crows, parrots, and other birds nesting on our towers.

In terms of visual impact, Cellnex España carries out the mimetisation of structures to reduce this type of impact. There are mainly two types of actions:

- Mimetisation of antenna support structures that do not have it.
- Changes in the mimetisation of structures due to their modification or increase in volume due to the increase in the number of antennas installed.

Cellnex Sweden

Cellnex Sweden is in full compliance with the regulations of the country, region, and municipality concerned. In addition, the company abides by the guidelines and recommendations of the property owners, particularly where there is a need to reduce visual impact. In an internal Cellnex committee, various solutions for reducing visual impact are regularly presented and discussed.

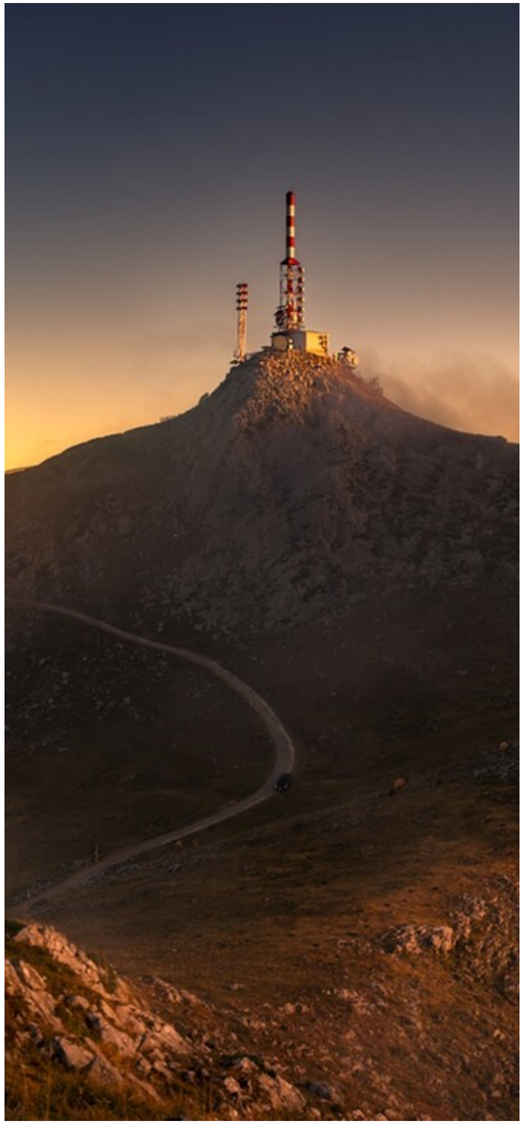
Cellnex Switzerland

Sites at Cellnex Switzerland are built in line with the local regulations and administrative procedure. In CH, due to the high restriction of the different canton and municipality, there is a strategy to reduce the visual impact because is mandatory to follow the regulation and the requirement of the authority to built our infrastructure.

Cellnex United Kingdom

As a neutral provider of wholesale infrastructure, Cellnex UK aims to manage and deploy sharable communications infrastructure, which is in line with the long-standing planning policy of sharing existing sites and minimising the proliferation of new communications sites. The planning and community relations processes conform to the Code of Practice for Wireless Network Development in England, with a similar code in Wales and similar practices in Scotland and Northern Ireland. The Code of Practice sets out guidance and principles for the deployment of mobile communications infrastructure, based largely on minimising environmental impact, through shared use wherever possible, good design and respect for the context and sensitivity of the site. This is integrated into the implementation of the projects, ensuring that good design and environmental considerations are taken into account at the earliest feasibility stages, right through to the eventual planning submission to the relevant body, such as the local planning authority.

Cellnex UK is also currently involved in initiatives to improve the design of roofs and masts, through an aesthetic design initiative with an architectural consultancy. The planning activities are supported by a Planning and Community Relations Guide (UK-SM-GUI-0005) and a comprehensive set of planning documentation templates which form part of the Code of Practice and ensure that our proposals comply with local and national planning policy. The Code of Practice also has a very strong consultative approach to the development and deployment of electronic communication. To this end, Cellnex UK uses a simple rating system and traffic light form to establish the level of prior community engagement that can be expected before any planning application is submitted or in cases where the project does not require permission. This is prior to and in addition to any engagement that may be undertaken by the local planning authority.



Natural Capital and Taskforce on Nature-related Financial Disclosures

The natural capital perspective involves a new approach that presents nature as the provider of a wide range of benefits. As such, this new perception of nature makes it easier for decision-makers to take into account the interactions of companies with natural systems and the flows between them.

The Taskforce on Nature-related Financial Disclosures (TNFD) is a framework that provides a management and risk disclosure structure related to nature. Its ultimate goal is to support a shift in global financial flows away from nature-negative outcomes and toward nature-positive outcomes.

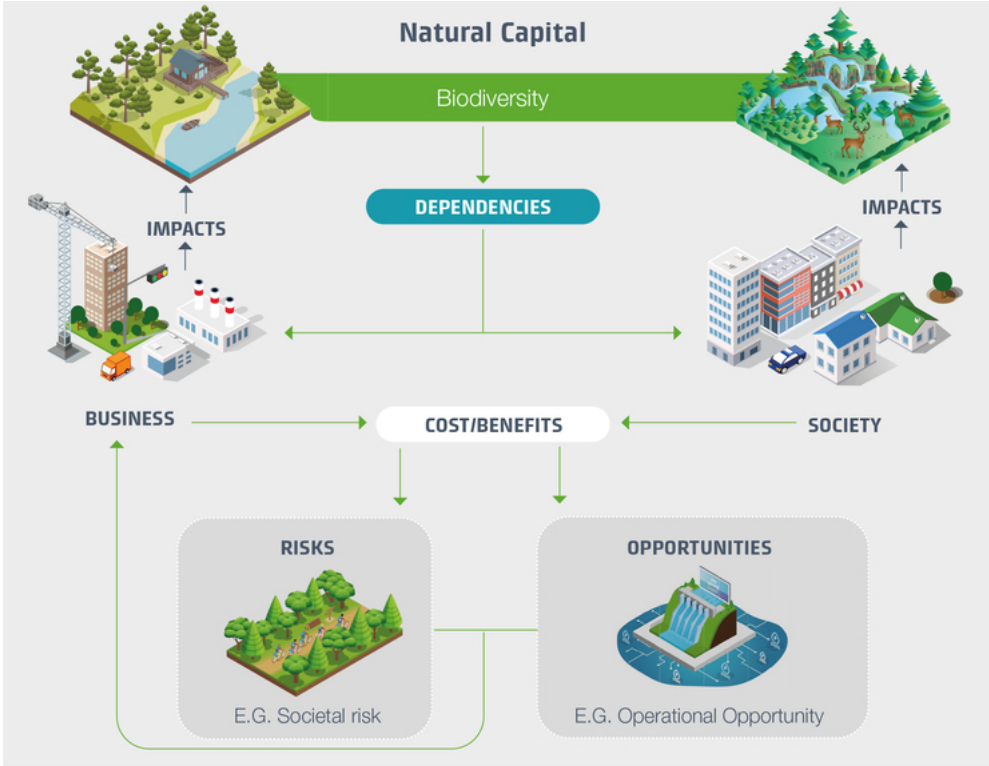
The TNFD report, based on the assessment of Cellnex's dependencies and impacts on Natural Capital, was drafted in 2023. It analyses and prioritises assets relevant to the organisation, and identifies risks and opportunities related to nature.

Methodology

The TNFD report was prepared following the methodology established by the LEAP approach. In the first phase of the report, the prioritisation of Cellnex Telecom's priority assets is carried out through a heat map that presents the biodiversity value of the geographical environment in which the organisation operates. This prioritisation is carried out considering that the organisation's assets interact with nature in specific locations. Therefore, dependencies and impacts on nature, as well as sources of business risks, are often location-specific.

Risks and opportunities related to nature are also identified based on the dependencies and impacts assessed earlier in the Natural Capital report. Risks are identified to obtain an overview of the risk levels of the organisation's various assets, and opportunities are identified in order to effectively reduce dependencies on nature, minimise environmental impacts and mitigate associated risks.

This analysis allows a global assessment of Cellnex's interaction with its natural environment, as the information obtained in both the Natural Capital report and the TNFD provides a holistic view of how the organisation's activities depend on and impact ecosystems and biodiversity. Furthermore, the development of the TNFD report provides a geographical framework through which to identify specific points on which the organisation should concentrate its efforts to mitigate any adverse impacts on both nature and the organisation's own assets.



Source: Natural capital & business relational models

"For some years now, at Cellnex we have been analysing the impacts and dependencies of natural capital, identifying the associated risks and opportunities, and also geographically locating priority assets that pose a risk to biodiversity and ecosystems. Regulatory demands and those of our stakeholders have led us to move forward and continue working on the analysis and disclosure of these risks and their financial impacts.

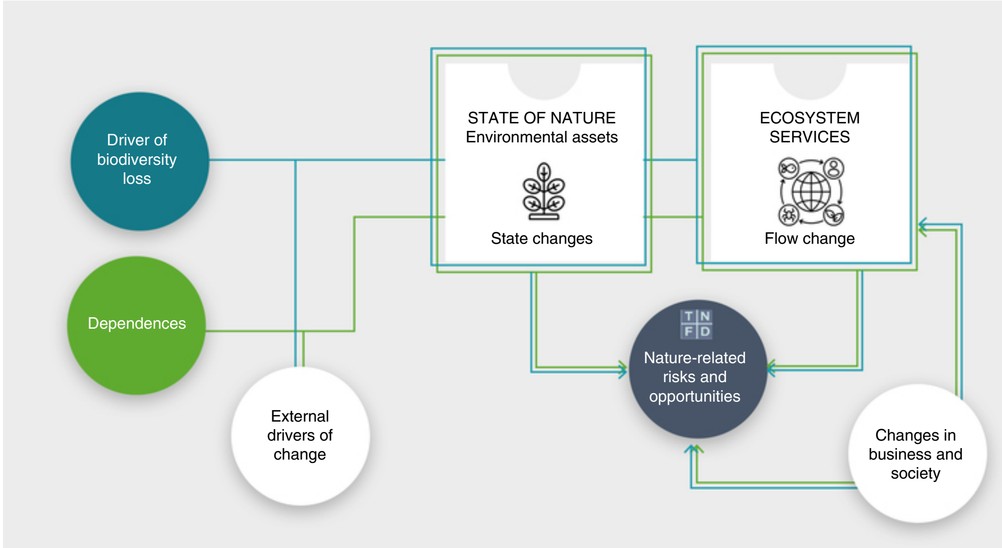
To this end, we have become TNFD early adopters, which means that at Cellnex we are pioneers in the adoption of this framework, and provides more credibility and transparency to our disclosures on biodiversity and natural capital."

Yolanda Romero
Global Environment & Climate Change Expert - Cellnex Corporate

Next steps

The calculation of the biodiversity footprint is carried out to obtain a detailed view of the organisation's impact on the ecosystems in which it operates and the biodiversity that inhabits these spaces. This will allow the establishment of strategic actions following the mitigation hierarchy for the management of the natural environment. It will also allow the definition of a baseline for the future establishment of Science-Based Targets for Nature (SBTN), science-based targets for the reduction of impacts on nature, as well as the definition of future actions and strategies that will have a positive impact on nature.

Furthermore, at the beginning of 2024, the company became an "Early adopter" of the TNFD, thus demonstrating its commitment to adopting this framework and dissemination. to the organisation, as a TNFD early adopter.



Source: TNFD

Cellnex identifies and assesses biodiversity legislation applicable to the Company using the SALEM tool

Biodiversity

Biodiversity loss and the transformation of ecosystems are real challenges that threaten to cause serious harm to human beings and worsen the impact of climate change. Cellnex recognises the importance of identifying which of its sites are in nature protection areas in the countries where the company operates. With the update of the Environmental and Climate Change policy, specific commitments regarding biodiversity and non-deforestation have been incorporated.

Cellnex identifies and assesses biodiversity legislation applicable to the Company using the SALEM tool. The tool is updated monthly with European, national and local legislation related to environment management, biodiversity, energy, etc. The SALEM tool was introduced in 2021 through a series of training and awareness-raising sessions that were held at various Cellnex Business Units. The tool is currently fully implemented and audits are carried out on a periodic basis.

Protected areas assessment

Another tool that Cellnex uses is the DaNA tool (DaMa in the case of Cellnex Spain). This tool is used to geolocate Cellnex sites in all the territories where the Company operates. It can identify the sites that are located in spaces within the Nature 2000 Network or in protected areas in line with the IUCN categories. The tool also makes it possible to apply climatic scenarios to evaluate how climate change may affect these sites and consequently apply preventive and corrective measures.

118,330
sites analysed[26]

8%
of sites in protected areas

	10 %	(2023)
	10 %	(2022)
	1 %	(2023)
	1 %	(2022)
	9 %	(2023)
	6 %	(2022)
	3 %	(2023)
	2 %	(2022)
	5 %	(2023)
	5 %	(2022)
	4 %	(2023)
	4 %	(2022)
	15 %	(2023)
	14 %	(2022)
	9 %	(2023)
	9 %	(2022)
	11 %	(2023)
	10 %	(2022)
	2 %	(2023)
	1 %	(2022)
	1 %	(2023)
	1 %	(2022)
	7 %	(2023)
	10 %	(2022)

Birdlife protection

Cellnex also evaluates the impact that its sites have on the environment (such as visual impact), carrying out studies to enable sites to blend into the rural or urban setting where they are located, or developing projects to integrate the sites into the environment. One of the main impacts managed by Cellnex relates to birdlife, especially at Cellnex Spain, as the sites are located in stopover areas for migratory birds. In this regard, storks are protected by laws and regulations in Spain, where it is prohibited to disturb them or damage their eggs or nests during the nesting period.

Because of climate change, the length of stopovers for birds in Spain has increased to as long as 10 months, making it difficult to carry out maintenance work on Cellnex sites. This results in costs due to non-compliance with the SLA and customer dissatisfaction.

Each nest weighs about 100 kg, and this causes a problem because it reduces load capacity, in addition to increasing the risk of falling from the nest and danger for people who work there. To prevent this risk and be able to carry out maintenance procedures at the sites, Cellnex Spain has designed and built structures for stork nests on its towers: **Nest Baskets**. Moreover, this structure allows Cellnex to load the weight of the nest on the most appropriate part of the tower, simultaneously preventing the nests from impacting its customers' antenna systems and improving the load capacity.

Cellnex has installed over 50 nest baskets at sites where it was technically feasible. Thus far, they have proved to be effective, as the storks have returned and made their nests in the baskets that were installed.

Where possible, Cellnex aims to foster biodiversity at its sites, but this is balanced against our core activities of operating critical communication infrastructure and services that operate 365 24/7 and require upgrades and maintenance to ensure businesses and communities remain connected. Biodiversity initiatives therefore have to reflect these operational constraints and need to and can vary from site to site. Certain biodiversity initiatives like bird boxes may not be suitable, but there is a commitment on working with relevant bodies where necessary to promote biodiversity as appropriate on a Cellnex site.

Cellnex Spain also collaborates with the Catalan Government in the Exocat project, which focuses on identifying exotic species with invasive behaviour, as they have a considerable impact on natural ecosystems, other species or even human and economic activities, leading to loss of native biodiversity. Every two years, the Catalan Government prepares an annual report entitled **"Les espècies exòtiques invasores a Catalunya"**, which includes the number of invasive species detected. Cellnex is mentioned as a collaborating company in the last report published, corresponding to 2019-2020.

[26] Including some of the forecasted roll-outs.

Protection of Avifauna

Within the 'Stork Nest Baskets' Project shared by the Environmental team of Cellnex España with the rest of the Cellnex territories in 2022, as a model of good environmental practices that reinforces Cellnex's commitment to the protection and preservation of biodiversity, in 2023, the department conducted an analysis of the effectiveness of the baskets installed in 2021 and 2022. Of the total 195 installed baskets, 88% have proven to be effective.

Nesting boxes with the Peregrine Falcon Society

Cellnex Netherlands actively takes the nesting season into account in its operations by planning work and technical visits to towers in such a way that nesting peregrine falcons are not affected, or are impacted as little as possible. In this regard, Cellnex Netherlands has installed nesting boxes on 16 of its 24 media towers, in consultation with the Peregrine Falcon Society. In 2023, the peregrine falcons suffered from bird flu. Still they could find coverage in Cellnex nests and at least 11 sibling newborns have been registered.

Compensatory measures

In 2023, Cellnex Telecom, Cellnex España, and the Cellnex Foundation continued their collaboration with the **Life Nature Funds** to implement measures for conserving agro-steppe habitats and species in the Natura 2000 Network. The purpose of Cellnex's participation in this project is to compensate the loss of biodiversity due to the presence of birds at its facilities as a consequence of its activity. The actions focus on restoring 300 hectares of degraded natural pastures, their biodiversity and quality; signing agreements with landowners to promote sustainable practices; promoting crops with greater added value on at least 100 hectares; fixing power lines that are a danger to agro-steppe birds; and strengthening alliances between farmers to improve habitats. The project will last five years and €20,000 will be invested per year. The actions will be carried out in a border area between Spain and Portugal.

Another measure to offset the removal of nests is Cellnex España's collaboration with TRENCA, an organisation located in Catalonia that relocates and builds stork nests in suitable nesting areas. This measure has been ongoing in 2023.

6 VALUE CHAIN

Extending our commitment to the value chain

2023 main actions and KPIs

Particular emphasis was placed on Cellnex's strategic approach to the operators' market through an internal Think Tank report, supporting its Value Proposition to Telecommunication Operators

Cellnex was certified for the sixth consecutive year as "Zero Outage Supplier"

The Industrial Billing Model has been defined with the aim of standardizing and making the process more efficient across all countries

The Supplier Qualification Process was redefined including Risks and ESG criteria

The successful implementation of the Ariba Tool was completed by the first half of 2023

Implementation of the model for integrating risks and ESG into the supply chain

- 5 sessions of Cellnex Connectivity Days
- Customer Engagement Survey: 7.6 customer satisfaction and 49% response rate
- 96%. local suppliers
- 83% of main suppliers assessed through CDP and Ecovadis

Follow-up on the ESG Master Plan targets

	Target year	Target		2023
Critical suppliers homologated considering ESG criteria	from 2023	100%	→	95%
Critical suppliers that have not complied with minimum ESG evaluation criteria, audited	2025	80%		Work in progress
Evaluation of critical/significant suppliers through CDP & Ecovadis	from 2023	100%	→	95%
Suppliers supported in corrective action plan implementation	2025	80%		Work in progress

Next steps for the upcoming years

Extend qualification and develop evaluation of main suppliers

Consolidate the use of the Ariba Tool

Development of action plans for suppliers with the highest risk of non-compliance

Analyse and share the results of supplier monitoring and the actions to be carried out

6.1 Customers

"Sales teams leads our customers relationships and encourages all the Cellnex's teams to develop our customer centric approach and provide excellent services and solutions to their needs. We follow the evolution the satisfaction and confidence of our customer thanks to the annual Customer Engagement Survey (CES). The results of the annual CES allows us to monitor our relationship with them and to prepare action plans to improve."

Antoni Liria
Global Sales Excellence director - Cellnex Corporate

Our customer-centric approach

Cellnex places significant emphasis on its customers within its value creation model. The company has crafted a relationship model with customers centred around proximity, transparency and a commitment to continual enhancement. To ensure a consistent and meaningful connection with its customers, Cellnex engages in ongoing interactions throughout the entirety of the service delivery process.

This interaction spans from commercial management to addressing incidents, providing reports and handling any inquiries or complaints during the provision, operation, and maintenance phases. Consequently, Cellnex has directed its sales force towards market segments, reinforcing the manager's role. The manager's primary objective involves establishing a specialised, end-to-end relationship with customers. This approach aims to offer comprehensive and personalised value-added solutions and services, assisting customers in addressing their needs and prioritising their overall satisfaction.

In terms of the strategic focus on customer relations, the role of a neutral tower company is pivotal in facilitating fair and equitable access to telecommunication infrastructure across various networks and providers in the industry. In 2023, particular emphasis was placed on Cellnex's strategic approach to the operators' market through an internal Think Tank report, supporting its Value Proposition to Telecommunication Operators.

Customers are also an essential part of Cellnex's ESG strategy, as they represent a fundamental pillar for the company. In this regard, Cellnex provides customers with communication channels through which they can submit complaints, which are subsequently analysed by Cellnex.

Accordingly, from the Quality Management System, integrated into the Global Management System, the Complaint Management process has been established, which is common to the entire Company. This process aims to handle systematically and homogeneously possible customer complaints, minimising their impact on satisfaction and service quality.

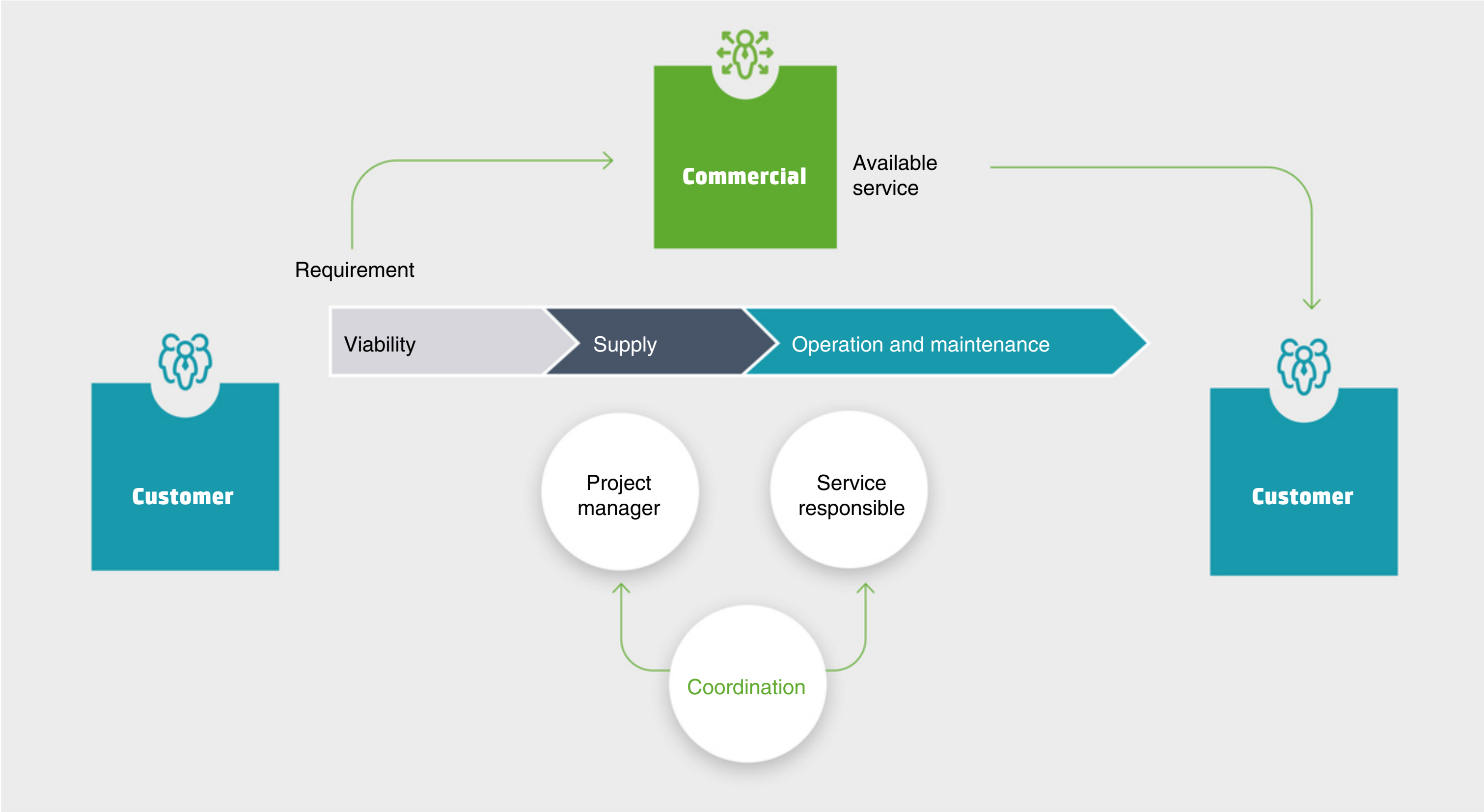
In 2023, there were a total of 48 customer complaints (16 in 2022), of which 83% (99% in 2022) were processed and resolved before the end of the year in accordance with the company's procedures. The rest are still being processed in 2024. Some complaints relate to service incidents, project delivery service assurance, lease renewal, invoice clarifications, and energy prices.

Likewise, an additional 57 societal complaints were received in Cellnex Netherlands in 2023, primarily related to noise and maintenance issues. The majority of these have been successfully resolved.

Global customer service model

The existence of a global customer service model significantly impacts and enhances the quality of customer relations on a global scale by providing an expanded market perspective and a distinct customer orientation. As an element of Cellnex's Industrial Model, the Global Commercial Vision seeks to implement a common business perspective and commercial strategy for customer relations.

The corporate Innovation, Commercial Development and Technology Department, together with the Sales Excellence Department, oversees the identification of international opportunities and drives commercial operations in each country. This involves furnishing support materials, introducing new solutions, services and products, and disseminating best practices to all sales representatives. To facilitate this, Salesforce has been deployed across all countries to streamline and standardise the sales process, thereby enhancing coordination and comprehension of the commercial procedures. After the implementation of Salesforce across all countries, there has been a thorough review of the end-to-end process, from the moment of offering and selling to billing and invoicing. The aim was to align and deploy a more consistent and efficient model across all countries. As a result of this analysis, an additional step for the future unified model has been defined: the Billing Industrial Model. The development and deployment of this new model and the integration of all systems, related with the end-to-end process, will continue throughout 2024.



In order to ensure a personalised and consistent customer relationship, Cellnex has developed a comprehensive global customer service model. This model allows Cellnex to offer its customers three contact points throughout the service:

- Commercial/Account Manager: Each customer is assigned an account manager or commercial sales representative tasked with overseeing all relationships between Cellnex and its customers, offering a holistic approach to addressing their needs and concerns.

- Project Manager: Together with Account Managers, they play a pivotal role in ensuring customer satisfaction, exerting influence through optimal service design and delivery performance.

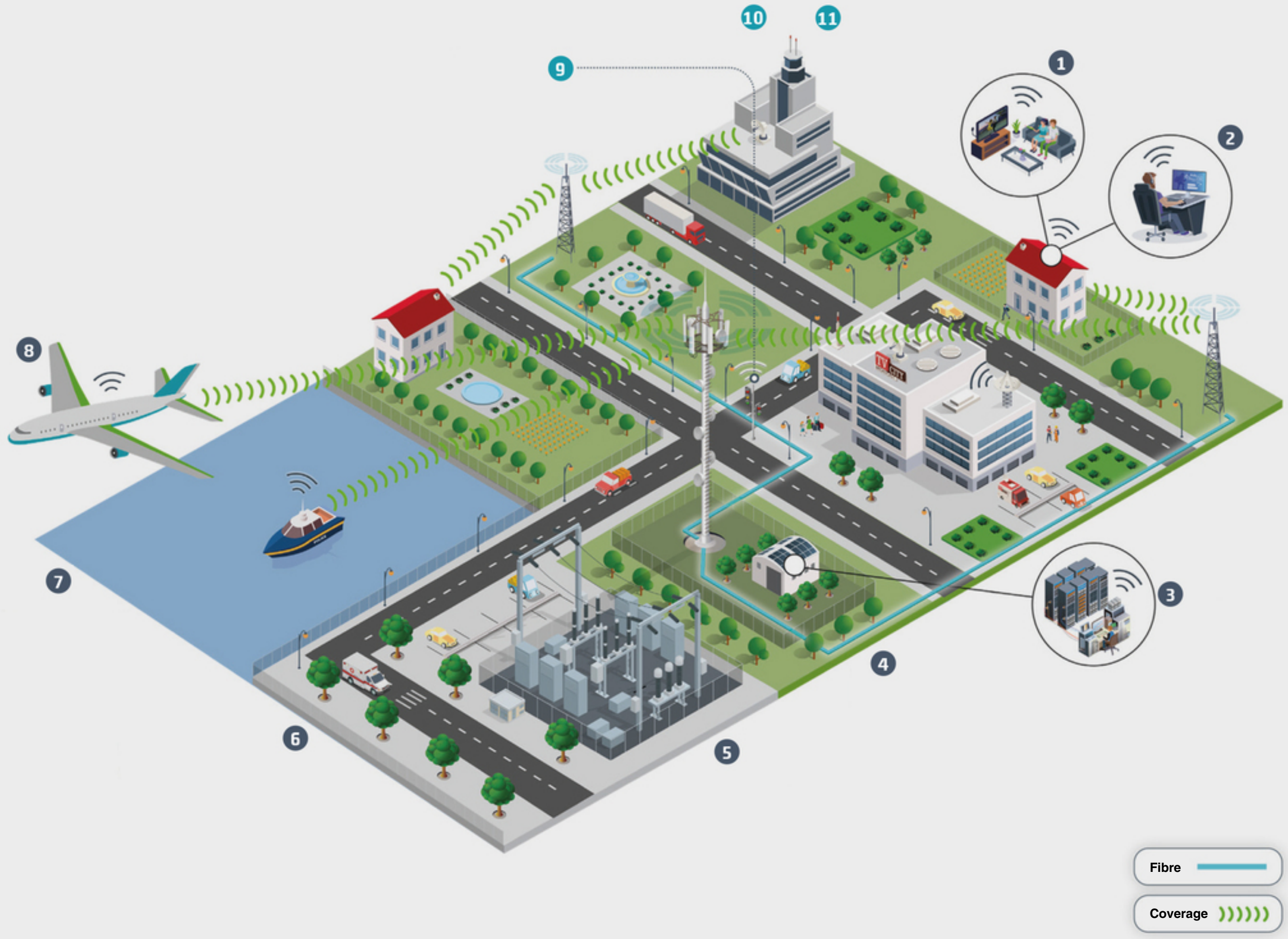
- Supervisor: Serving as primary contacts during service delivery alongside the account manager, they oversee service level availability, monitoring and optimisation to ensure the delivery of optimal service.

In 2023, the contents of *What We Do* have undergone continuous updates and improvements, providing the entire sales team with up-to-date and comprehensive information on the solutions, services, products and references offered by Cellnex to its clients. Additionally, the value propositions tailored for each targeted market segment have been reviewed to ensure a sustained competitive advantage within the company's go-to-market strategies.

Moreover, the commercial repository has been consistently updated with pertinent information and sales materials to bolster the Sales Processes. This encompasses incorporating projects and best practices across all Cellnex territories, facilitating the exchange of expertise and knowledge throughout the entire sales team.

These sales enablement initiatives are managed by Cellnex's Marketing Taskforce, a cross-functional and cross-country team. This team continuously evaluates methods to enhance customer communication, develop new materials, gain deeper insights into each country's market dynamics and coordinate commercial campaign activities to attract potential new customers.

In 2023, a notable commercial initiative was highlighted by the Marketing and Sales teams and launched into the market to rationalise their infrastructures. This initiative involved a commercial campaign specifically aimed at optimising infrastructure sharing.



Open Access to telecom operators into Cellnex sites

Cellnex is evolving its traditional model to an even more **sustainable asset-sharing** model which helps the clients afford new network deployments and proves crucial to delivering more capacity to the development of new services.

1 Content delivery
High capacity data stream driving best user experience.

2 Gaming
Latency and peak performance.

3 Radio broadcasting
TV and radio broadcasting services from the high towers.

4 Edge Datacentre connections
Grant capillarity to bring data processing closer to the clients with the best time to market.

5 Utility companies
Use the infrastructure for the roll-out of the business communication system.

6 Emergency Service Networks
Use the infrastructure to guarantee the emergency network reaches 100% of the territory and is never out of range.

7 Maritime
Reliable communication for the maritime services

8 Air Traffic Management In-Flight connectivity
Make sure passengers and air traffic controllers don't lose a second of coverage while in the air.

9 IoT operators
Connect all the machines using the infrastructure to reach all areas of the business.

10 Mobile operator suppliers
Use the urban, rooftop or tower infrastructure to give mobile services to the clients.

11 Wireless Internet Service Providers
Wireless broadband connection to clients using the infrastructure.

Ensuring the availability and reliability of Cellnex services

Cellnex is consistently looking for ways to improve by placing a strong emphasis on meeting the needs and expectations of stakeholders, offering high-quality services, and ensuring customer satisfaction.

Cellnex Austria

Cellnex Austria is currently following Cellnex's Industrial Model for maintenance and service, in order to provide availability and reliability for its products and services. In 2023, the average frequency of interruption was 1.84 days (3.5 days in 2022), and the average duration of interruption was 0.002 hours (0.006 hours in 2022).

Cellnex Denmark

All structures that Cellnex Denmark delivers as a service to its customers are managed though preventive and corrective maintenance plans to ensure continuous operation for its customers. In addition, all sites are monitored and correctively maintained by a third party operations and maintenance supplier. Based on the severity or potential impact to telecommunications services, tickets are divided into different categories, giving operations and maintenance suppliers the ability to react to cases before the network goes down.

Cellnex Denmark has developed and implemented a Business Continuity Plan, in addition to performing a risk analysis to ensure the availability and reliability of Cellnex services.

Cellnex France

The first step to guarantee the availability and reliability of services, is the preventive maintenance, as it allows Cellnex France to ensure quality equipment. Then, Cellnex France uses a ticketing tool to have all the issues detected on site. The final level is the Network Operation Centre (NOC), open 24/7, which can be used for urgent needs. In France, there is also a issue module in Agora, where stakeholders report anomalies, a supervision centre to alert Cellnex, monthly checks on compliance with contractual deadlines, and maintenance contracts, among others.

Cellnex Italy

In 2023 Cellnex Italy completed the roll-out of the Preventive Maintenance plan and Evolutionary Maintenance plan, aiming to improve the availability and reliability of its infrastructure. Offering an excellent service to customers is a key priority for Cellnex Italy as it strives to improve the reliability of the telecommunication equipment and services offered. The annual maintenance plan is highly efficient with very fast response times in the event of a breakdown. In 2023, the average frequency of interruption was 186 interruptions per month (164 per month in 2022), and the average duration of interruption was 2.4 hours (the same figure as in 2022). For the calculation of the 2023 data, it is worth noting the increase in the Cellnex Italy TIS perimeter of approximately 1000 sites.

Cellnex Netherlands

At Cellnex Netherlands there is an annual maintenance plan that addresses preventive and corrective maintenance and continuous incident reporting, registration and evaluation, as well as a Service Operating Centre, available 24/7/365, for monitoring and maintenance. In 2023, there was a total of 20 interruptions (5 in 2022).

Cellnex Poland

As a result of performance monitoring, a large set of parameters are monitored and constantly checked to find sources of decreased quality at Cellnex Poland. For example, the cell availability (and unavailability) KPI is monitored, which shows the percentage of base station cell availability time against total time. Cell availability of 99,7% or better is usually achieved for mature technologies and around 98% for 5G which is under heavy development. In addition, call (or data bearer) drop ratios are monitored separately for each technology, showing the percentage of uncompleted calls or data bearer selections against the total number of such attempts. Moreover, a quality assurance measure is deployed, focused on its biggest customer's (Polkomtel) KPI system . This system calculates the percentage of services that comply with agreed KPI target values for all the agreed quality KPIs.

In 2023, the average frequency of interruption was 19.1 days (18.7 days in 2022), and the average duration of interruption was 7.3 hours (8.6 hours in 2022).

Cellnex Portugal

Cellnex Portugal only owns and manages passive infrastructure, meaning it doesn't provide connectivity. However, it conducts preventive maintenance in accordance with a yearly plan and corrective interventions whenever needed and complies with the SLAs defined in contracts with customers. The MNOs manage the factors that ensure quality of service in relation to reliability and interruptions.

Cellnex Spain

Cellnex Spain has a Business Continuity Plan, the objective of which is to establish the technical and logistical processes necessary to guarantee the continuity of the Company's critical activities which may be affected by any type of alteration that puts their continuity at risk. The Business Continuity Plan responds to incidents that may affect the main components of the Service and includes Continuity Plans for specific services and infrastructure to ensure the continuity of certain critical services. During 2023, a simulation exercise was carried out which included detection, initial communications, convening of the Crisis Committee and the first steps to be taken in the event of a crisis at Cellnex Spain. The objectives of the drill were:

- Testing the communication and coordination protocols of the various members of the Crisis Committee.
- Rehearsing internal communications and convening the non-permanent members of the Crisis Committee.
- Identifying aspects to be modified, corrected or improved, in terms of both operations and resources.

The drill was carried out on 27 June 2023, simulating a critical incident at the Arganda Teleport.

In 2023, the average frequency of interruption was 1 interruption every 173 days (1 every 128 days in 2022), and the average duration of interruption was 2.7 hours (5.4 hours in 2022). Looking ahead to 2024, there are plans to obtain certification for ISO 22301 (Business Continuity) at global level.

Cellnex Sweden

The Cellnex Sweden Network Operation Centre (NOC) monitors the active infrastructure 24/7 and captures alarms and incidents affecting the in-service performance in real time. The NOC dispatches any repair work to the First Line Maintenance organisation which is active 24/7. A Service Level Agreement (SLA) with the MNOs regulates the time to repair. Cellnex Sweden performs preventive maintenance on all its infrastructure regularly to find and repair abnormalities before they turn into incidents.

During 2023, Cellnex Sweden has enhanced and reinforced the IT system portfolio for service management and site information storage.

Cellnex Switzerland

At Cellnex Switzerland, maintenance, both preventive and corrective, is covered by ad-hoc contracts as the company does not handle active equipment, which falls under responsibility of the MNOs. The MNOs manage the factors that would ensure quality of service in relation to reliability and interruptions.

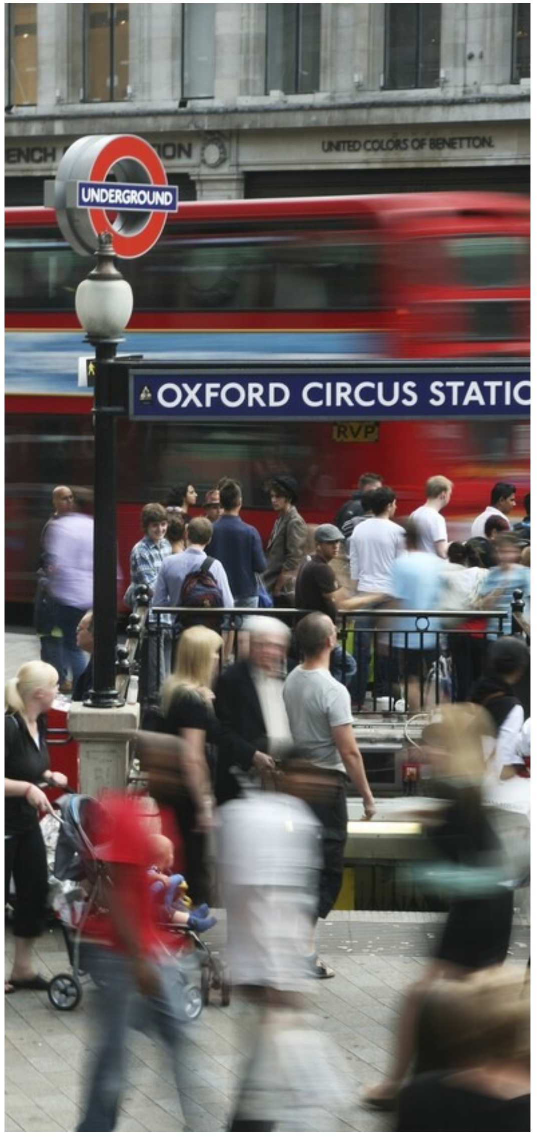
Cellnex United Kingdom

Cellnex UK town planning and community relations processes are aligned to the industry Code of Practice for Wireless Network Development in England, with a similar Code in Wales and equivalent practice in Scotland and Northern Ireland. The Code of Practice sets out guidance and principles in deploying mobile communication infrastructure, largely based around minimising environmental impact, through sharing where possible, good design, respecting site context and sensitivity. The MNOs manage the factors that ensure quality of service in relation to reliability and interruptions.

Furthermore, Cellnex engage a continuous programme of planned site inspections. Sites requiring inspection in the upcoming year are scheduled on the Ostara software platform to enable inspection suppliers to conduct the assessments.

Cellnex certified as a "Zero Outage Supplier" for the sixth consecutive year

Deutsche Telekom certifies the company in Spain for its quality standards for managing the data transmission connectivity service. Cellnex has renewed the certification granted by Deutsche Telekom as a Zero Outage Supplier for the sixth year running. This certification is part of the German company's worldwide programme for selecting and certifying their key connectivity service providers in each country, to act jointly as partners in improving service to their end customer. This programme sets the German group's quality standards for their customers based on the operational excellence, security and stability of the systems, monitoring critical components and reducing/resolving incidents with 24/7 availability from their key suppliers.



Customer engagement

Cellnex strives to ensure a consistent and intimate rapport with its customers. A method to achieve this goal involves conducting periodic Customer Engagement Surveys (CES). These surveys enable Cellnex to gauge its customers' perceptions regarding the company and evaluate the quality and suitability of the service. Action plans are devised on the basis of the findings.

Cellnex has a unified and global customer engagement survey for all Business Units, which makes it possible to standardise customer engagement and identify and develop specific global and local action plans. The main objectives of the survey are:

- To obtain an understandable and global framework, deployable across Cellnex, with the aim of comparing customer engagement in all Business Units by following common KPIs.
- To analyse both overall and country-specific customer engagement by launching a common customer survey in all Cellnex countries.

The survey is linked to the Cellnex Process Map and is broken down into five categories: General, Offer and Sell, Deliver Services, Assurance, and Customer Care. Specific questions are defined within these five categories. Business Units can choose to include more targeted questions, subject to prior validation at corporate level.

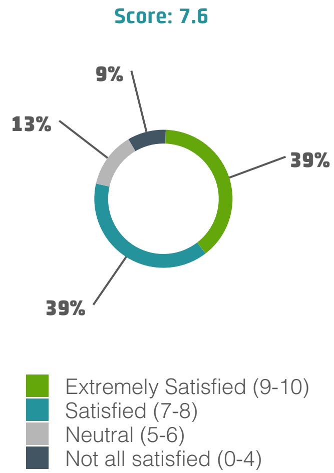
Furthermore, to ensure objectivity and independence, the fieldwork and analysis of both global and local results are centrally overseen by an external provider appointed by Corporate. The results of the main key indicators (Customer satisfaction-CSAT, Net promoter score-NPS, Customer effort score-CES, Response rate-RR) were segmented by customer ABC category (A: MNO and other critical customers, B: important customers, C: Long Tail customers) and by customer segment (Broadcast, Operators, Public Administrations and Enterprises).

Based on an analysis of the results, the results are positive - with significant satisfaction (7.6) and a significant NPS (25%), similar to the results obtained in the 2022 CES.

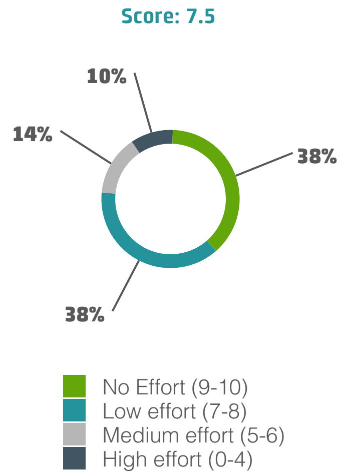
Response rate was high, reaching 49%, considering that similar surveys (B2B) experience a maximum participation of less than 20%. Moreover, in comparison with CES 2022 participation has increased in 9 points,

It has been observed that, in general, Cellnex customers rate their main needs positively, which are focused on attributes related to the quality of the service and commercial management, which have a direct impact on overall satisfaction.

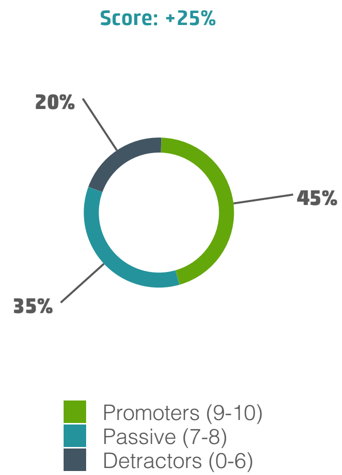
Customer Satisfaction



Customer Effort Score



Net Promoter Score



6.2 Suppliers

With the **Sustainability Linked Confirming** suppliers assessed by CDP obtain an incremental discount on the invoices they anticipate

Commitment and collaboration with our value chain

Cellnex aims to establish enduring partnerships with its suppliers, founded on mutual benefits and trust, fostering a robust business relationship. In a constantly evolving world, the collaboration of its suppliers is crucial for Cellnex to effectively address market demands. In this respect, Cellnex regularly updates its suppliers regarding new projects and encourages their cooperation. It is essential for the company that suppliers are aware of corporate policies and values, and that compliance with all of them is ensured.

The procurement process is key for Cellnex due to its high economic, environmental and social impact. For this reason, Cellnex established and actively promotes an action guide for the procurement process that goes beyond price, product and/or service quality, by also considering social, ethical, environmental and privacy aspects in the performance of the company's suppliers.

The supplier relationship model relies on a collaborative approach between the requesting departments and the procurement team, working jointly to achieve optimal procurement practices. In many cases, relationships with suppliers are built upon years of cooperation between Cellnex staff and suppliers.

Cellnex employs a supplier management model emphasising collaboration and ongoing enhancements, aiming for streamlined procurement processes and discovering technological solutions to drive improvements. In early 2023, the company also launched **Sustainability Linked Confirming,** a supplier payment solution that follows sustainable criteria, as it is linked to the supplier's CDP score. Through this programme, suppliers assessed by CDP obtain an incremental discount on the invoices they anticipate, versus the standard rate charged by the bank, depending on their CDP score. A higher score results in a higher discount.

Procurement Policy

The Procurement Policy underwent an update in 2022 to encompass the integration of the ESG risk model within the supply chain. Additionally, it now integrates the supplier code of conduct, outlining fundamental regulations that all Cellnex suppliers are required to understand and adhere to. The policy was approved by the Board of Directors in January 2023. The basic principles of the Procurement Policy are as follows:

Procurement Policy

Overall integration	Sustainable efficiency	Contractual commitments	Defence	Respect	Compliance with the protection	Information	Compliance with the applicable legal	Our Human Team
with Cellnex Policies	and financial integrity	meet the Group's minimum standards	of free competition	for the environment	respect for universally recognised basic Human Rights	containing personal and/or confidential data	and regulatory requirements	is committed to improving sustainability in our supply chain

The Supplier Code of Conduct consolidates the essential Cellnex Group principles, rules and policies

Supplier Code of Conduct

Cellnex implemented a Supplier Code of Conduct, a foundation for trust and collaboration within the organisation's value chain. This initiative aims to drive ongoing enhancement in procurement processes and foster enduring, reliable business connections. The Supplier Code of Conduct consolidates the essential Cellnex Group principles, rules and policies governing suppliers into a unified document. The Supplier Code of Conduct explicitly mentions the commitment towards anti-bribery, conflicts of interests and antitrust, in line with the Cellnex Code of Ethics.

Integrating risk and ESG in the supply chain

In 2022, the definition of the Risk Integration and ESG model in the supply chain project was implemented, in line with the Group's ESG Master plan. In cooperation with the various areas (Legal, Health & Safety, Security, Sustainability and Quality and Risk Management), the risks associated with the supply chain were defined, suppliers were categorised and a management model was defined for the inclusion of ESG and risk criteria in the sourcing, contracting, qualification and evaluation of suppliers.

In 2023, the model for integrating risks and ESG in the supply chain has been implemented, including the following milestones:

- The qualification process for suppliers has been redefined, including the following:

Supplier code of conduct - Principles

In 2023, the model for integrating risks and ESG in the supply chain has been implemented, including the milestones in the infographic below.

Suppliers evaluation:

- The qualification process for suppliers has been redefined, including the following:

As part of the qualification a screening of its main suppliers is performed through:

- Ecovadis (for ESG-related topics). Ecovadis specifically takes into consideration sectorial information to evaluate its suppliers.
- Financial Screening with Dunn & Bradstreet
- Compliance Screening with Catalyst (Bureau Van Dijk)
- When selecting which suppliers are included in the screening process, Cellnex takes into consideration the specific risks associated with the suppliers in terms of sector and good or service they are providing.
- In 2023 the Group qualified its Critical suppliers, covering 58,25% of the total Spend. Critical suppliers are those with an annual spend over 5M€ or those who are considered critical for the business continuity of the Group

Sourcing:

It is being progressively implemented the inclusion of ESG criteria in the selection of suppliers participating in tender processes, including but not limited to the following aspects:

- Prioritisation of qualified suppliers
- Depending on the good or service specific information or minimum requirement is requested (ISOs, Ecovadis scoring, CDP reporting)
- The selection criteria contain a percentage linked to ESG.
- Assessment of risks required to participate in tendering processes

Contracting:

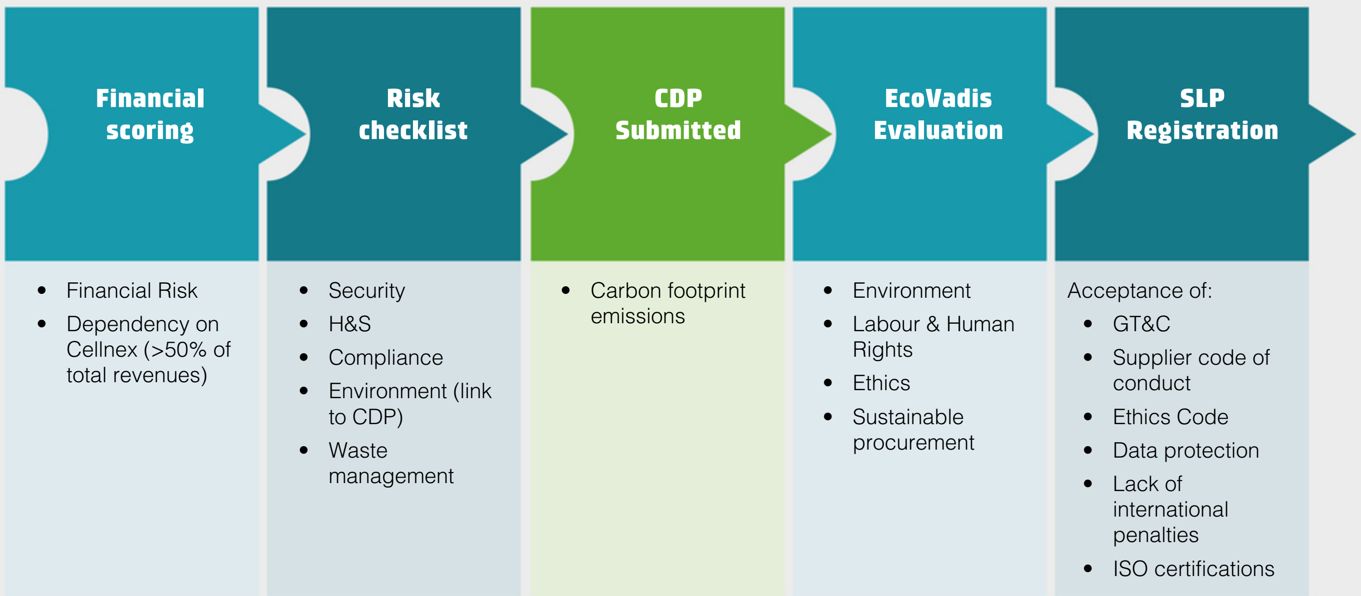
ESG-related clauses are being integrated into the contracting process to ensure that its supply chain is aligned with its ESG commitments, including but not limited to the following aspects:

- Commitment to report carbon footprint and implement reduction plans
- Ensuring compliance with internal rules and external regulations (Information Security, Health and Safety, Compliance, etc.)

Supplier Performance Evaluation

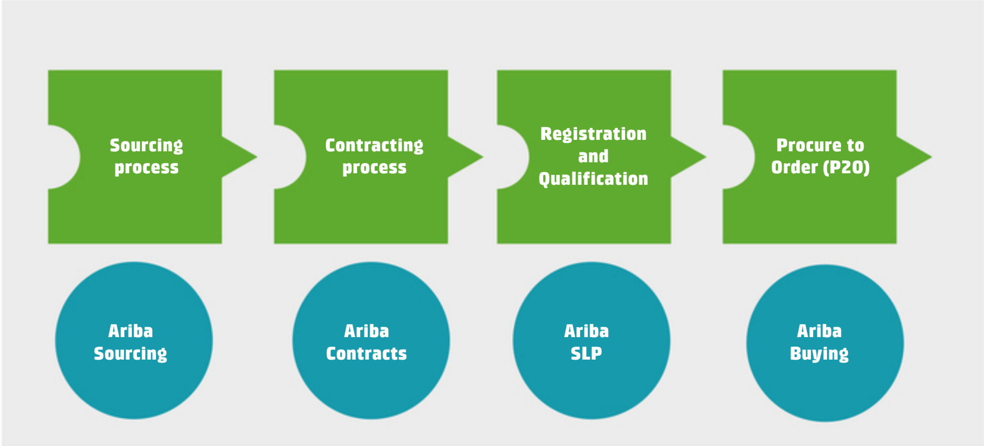
In 2023 the Supplier Performance Evaluation included ESG and risk considerations to assess the performance of suppliers for contracts with ESG and risk clauses.

Integrating risks and ESG



Ariba Tool

Supplier management is carried out in a coordinated and homogeneous manner among all the Business Units under the Cellnex Industrial Model. Since 2020, work has been carried out on implementation of the Ariba tool to improve and update the way procurement is managed in the Group. From the beginning, implementation was proposed in three phases and in a staggered manner in the various countries. The implementation plan was active from 2020 to 2023, culminating in the completion of the Ariba implementation project across the entire Group in 2023. As such, all Group companies now manage their end-to-end procurement processes through the Ariba tool. The three phases of the implementation process were divided into the tool's various pillars:



- Ariba Buying: In the first phase of the implementation process, the aim was to standardise the way in which the Group carries out operational purchases, from the purchase order to the accounting of the invoice and its subsequent payment. Deployment of this phase began at the start of the project and concluded in 2022 with the implementation of Ariba Buying in all the countries where the Group operates.

- Ariba Sourcing and Contracts: In the second phase of the implementation process, the objective was to improve and automate the tactical procurement processes, including the Sourcing process (bidding, negotiation, auctions, etc.) and the Contracts process (contracts database, electronic signature, automation of contract review flows and full integration with operational procurement management). By the first half of 2023, the implementation was successfully completed across the whole of the Group.

- Ariba SLP: In the third and final phase of the implementation process, the focus was on the automation of supplier registration and qualification management. The definition of the model was completed in line with the Risk Integration and ESG model in the supply chain.

CDP Supply Chain

In 2023, the CDP Supply Chain campaign was carried out once again. Through CDP, Cellnex suppliers can report their carbon footprint, allowing for a more accurate calculation of the emissions associated with scopes 3.1 and 3.2 of Cellnex's carbon footprint, as well as their plans to reduce emissions.

Aligned with the pledge to decrease emissions within scopes 3.1 and 3.2 by 21% by 2025, Cellnex has entered into contracts with key suppliers that include the outlining of plans to reduce carbon footprint. These suppliers have also committed to reporting their emissions through CDP throughout the duration of the contracts.

In 2023, the CDP Supply Chain questionnaire was launched for Cellnex suppliers, with 279 responses (224 in 2022).

> *"It has been a challenge to get our suppliers to go through the whole approval process that Cellnex established, but when you explain what it is and the benefits it brings to them as a win - win approach, you get a strong commitment that leads us to establish a long lasting business relationship."*
>
> **Ruth Collado**
> **Senior Procurement analyst - Cellnex Corporate**

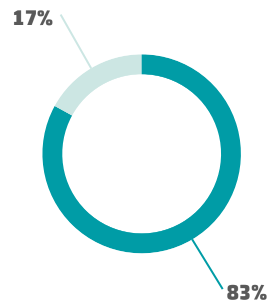
Supplier evaluation, selection, and monitoring

Cellnex is committed to generating local value by contracting most of its suppliers locally. During 2023, Cellnex has increased the percentage of local suppliers from 90% to 96%. Cellnex suppliers must share the same values and commitment to society and the environment that Cellnex has, which is why the Company periodically evaluates the sustainability of its suppliers, as well as their impact on climate change.

The supplier selection, approval and evaluation processes are considered critical within the procurement process. During 2023, the ESG supplier evaluation campaign was again carried out using the Ecovadis platform. For 2023, the supplier categorisation criteria have been taken into account to ensure that all the Group's main suppliers have been assessed by Ecovadis. Once the assessment is completed, feedback is given to suppliers and the areas with the highest risk of non-compliance are identified. On this basis, an action plan is drawn up for the supplier, registered and managed through the Ecovadis platform. In this regard, no suppliers with negative environmental impacts were identified in 2023.

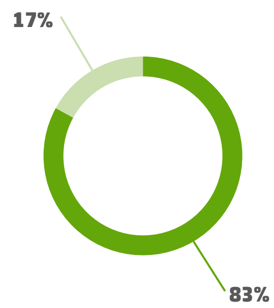
ecovadis

Social assessment (Ecovadis)



Main suppliers assessed
Main suppliers not assessed

Environmental or ESG assessment (Ecovadis + CDP)



Main suppliers assessed
Main suppliers not assessed

96%

of local suppliers

	90% (2023)	89% (2022)
	97% (2023)	93% (2022)
	94% (2023)	90% (2022)
	91% (2023)	91% (2022)
	92% (2023)	90% (2022)
	88% (2023)	88% (2022)
	86% (2023)	77% (2022)
	84% (2023)	89% (2022)
	97% (2023)	77% (2022)
	77% (2023)	79% (2022)
	90% (2023)	93% (2022)
	91% (2023)	97% (2022)

Italy

Cellnex Italy strategically extends its commitment to values and a sustainable culture across the entire supply chain. The company seamlessly integrates supplier evaluation, selection and monitoring with the assessment of ESG requirements, thus reinforcing its dedication to sustainability.

The Cellnex website proudly showcases the company's Commitment for Sustainable Procurement, underlining its transparent approach to sustainable practices. Notably, environmental and social sustainability criteria have been incorporated into the management of Tenders and Requests for Offer, reflecting the company's comprehensive commitment to sustainability.

Cellnex's selection of suppliers for audit aligns with the ESG risk level, considering factors such as the supply's nature, certifications, dedication to social and environmental responsibility, and an assessment of the supplier's environmental, health and safety, and service quality.

An evaluation process, involving 280 suppliers through the "Requisiti per la qualifica del fornitore" during qualification/confirmation in the Supplier Register, scrutinises environmental and social issues.

In 2023, the company's stakeholder engagement activities in sustainability culminated in the successful implementation of a circular economy initiative. This innovative project, stemming from repurposing 5,000 disused batteries across its sites, follows a systematic recycling process that reclaims raw materials for reintroduction into the production cycle. Notably, the entire process is orchestrated through a supply chain comprising meticulously qualified and certified Italian suppliers.

The merits of this project in terms of circular economy principles and sustainability are manifold:

1. Reduction in Battery Supply Costs: This initiative contributes to a significant reduction in battery supply expenses.
2. Engagement with Leading Italian Companies: Cellnex proudly involves prominent Italian companies in this circular economy endeavour.
3. Cost Savings through Transport Reduction: Notable cost savings are achieved by minimising transportation needs.
4. Carbon Emission Reduction: The project actively contributes to the reduction of CO_2 emissions by curbing transportation requirements.
5. Controlled Waste Management and Material Reuse: The company's approach ensures meticulous waste management, providing clear evidence of material reuse and a commitment to sustainable practices.

Spain

In 2023, the Operational Coordination Department of Operations at Cellnex Spain has commissioned external audits from Bureau Veritas to assess key suppliers responsible for comprehensive maintenance at the organisation's facilities. These audits cover operational, service quality, environmental, safety and health aspects. Such audits are an integral part of monitoring outsourced processes, identifying opportunities for continuous improvement in the supply chain.

7

Basis for the preparation of the Report

7.1 Structure and content of the Report

This document represents the Consolidated Management Report for 2023 which includes the information that complies with the provisions of Article 262 of the Capital Companies Law, establishing the content of the management report drafted in tandem with the company's annual accounts. Likewise, this report has incorporated best practices in corporate transparency during the 2023 period, applying the international framework of the Integrated Annual Report, presenting the company's financial and non-financial, management, corporate governance, and strategic information.

As a sign of Cellnex's commitment to transparency and responding to the applicable regulations in this regard, this report was prepared in accordance with Law 11/2018, which transposes Directive 2014/95/EU into Spanish law with regard to the dissemination of non-financial information and diversity. Annex 3 of this document includes the **Index of contents required by Law 11/2018**, as well as its location within the report.

Likewise, to ensure the credibility of the information and generate trust with its stakeholders, this report (including the materiality assessment process) has been verified by a third-party assurance provider, as outlined in **Annex 9. Independent Limited Verification Report.**

The structure of the Report follows the guidelines of the International Integrated Reporting Council (IIRC), Directive 2015/95/EU on non-financial information, and the CNMV guide for the preparation of listed companies' management reports. The document has been prepared with reference to the GRI Standards and the AA1000AP (2020), AccountAbility Principles Standard, in relation to the principles of inclusivity, materiality, responsiveness, and impact.

In 2023 the aspects identified in 2022 were considered to be still valid. However, at the end of 2023, a new double materiality assessment was started, to be completed in 2024 and also following the requirements of the CSRD and the EFRAG guidelines to carry it out.

7.2 Reporting scope

Regarding the scope of non-financial information, the report covers 12 countries in which Cellnex operates, which account for 100% of revenues.

In this respect, the scope of both the financial and sustainability information includes all of the subsidiary companies listed in **Appendix I of the Consolidated Financial Statements.** The information in the report regarding total staff and taxes refers to the entire Cellnex Group, unless otherwise stated.

The 2023 Integrated Annual Report is supplemented with the information presented in the Cellnex **Consolidated Financial Statements** for the financial year ended 31 December 2023, the **2023 Annual Corporate Governance Report** and the **2023 Annual Report on the Remuneration of Directors**. This information is publicly available on the National Securities Market Commission's (CNMV) website, as well as on **Cellnex Telecom's corporate website** (https://www.cellnex.com/) from the date of publication of this Integrated Annual Report.

The GRI content that Cellnex has addressed in this report is detailed in the **GRI Content Index**. Cellnex has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards.

In addition, Annex 9 to this document includes the **Independent Limited Verification Report** issued by Deloitte S.L. in relation to the review of non-financial indicators as adapted to the GRI Standards, in accordance with the "with reference" option, reported in this document.

The review process was conducted in accordance with the requirements of the Revised International Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines for assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

In addition, the non-financial information included in the report has been reviewed in accordance with the AccountAbility 1000 Assurance Standard (AA1000AS), issued by AccountAbility, to provide moderate assurance on the application of the principles set out in AA1000AP (2018) and on the sustainability performance indicators (moderate Type 2 review).

7.3 Carbon footprint: Scope and calculation methodology for CO_2 emissions

The Cellnex Group Greenhouse Gas (GHG) emissions inventory was prepared in accordance with ISO 14064-1:2018 as well as GHG Protocol standards, and GHG statements related to GHG inventories and procedures have been independently verified by a third-party (TÜV Rheinland) in accordance with ISO 14064-3:2019 and GHG Protocol standards, achieving a limited level of assurance.

The scope of Cellnex Group's carbon footprint for the year 2023 represents 100% of the Group's revenues. New companies have been included in the scope: Cellnex France Infrastructures SAS (France), The Broadcast Group B.V, Broadcast Innovations B.V, Broadcast Management&Operations B.V, Broadcast Technology B.V (Netherlands), Cignal Infrastructure UK Limited (UK), Cignal Infrastructure Portugal, S.A (Portugal), Remer sp z.o.o (Poland).

Cellnex Group has been preparing its GHG emissions inventory in accordance with the International ISO14064 Standard since 2015. As part of the internal procedure for GHG emissions information management, a summary table of the organisational and reporting boundaries has been included in Cellnex's GHG inventory since 2015.

In view of to the increase in the number of countries in which the company operates and the addition of indirect GHG emission categories as set out in the new International ISO 14064-1: 2018 Standard and the GHG Protocol, Cellnex established 2020 as the base year for GHG emissions for comparative purposes and other GHG programme requirements and intended uses.

In 2022, the 2020 and 2021 emissions inventories have been recalculated according to the GHG Protocol, as there were relevant structural and methodological changes during the year.

The results of Cellnex Group's carbon footprint correspond to the period from 1 January 2023 to 31 December 2023. The GHG emissions inventory maintains the structure and content established by the reference standard ISO14064-1:2018, as well as the GHG Protocol. The GHG inventory includes the quantification of direct GHG emissions separately for CO2, CH4, N2O, NF3, SF6 and other GHG groups (HFCs, PFCs, etc.) in tonnes of CO2e, as well as the indirect GHG emissions separated by categories in the same units. In addition, Cellnex does not present biogenic GHG emissions or removals.

The financial control approach was taken into consideration to calculate Cellnex Group's carbon footprint. In line with the ISO 14064-1:2018 methodology, GHG emissions have been aggregated into the following categories at organisational level:

ISO 14064-1:2018 methodology	GHG Protocol methodology Corporate Value Chain (Scope 3) Accounting and Reporting Standard methodology
C1. Direct GHG emissions and removals	Scope 1: direct emissions
C2. Indirect GHG emissions from imported energy (market)	Scope 2: indirect emissions from electricity
C3. Indirect GHG emissions from transportation C4. Indirect GHG emissions from products used by the organisation C5. Indirect GHG emissions associated with the use of products from the organisations	Scope 3: other indirect emissions

Following the "Guidance for the process of identifying significant indirect GHG emissions" included in standard ISO 14064-1:2018, Cellnex Group has defined its global criteria to evaluate the relevance of each indirect GHG emissions subcategory.

The principles that were taken into account when applying the criteria are relevance, completeness, consistency, accuracy and transparency.

The criteria used to evaluate the significance of indirect emissions include the following:

- Magnitude: Emissions that are assumed to be quantitatively substantial. All categories whose GHG emissions contribute less than 5% to the overall carbon footprint are considered non-relevant.
- Level of influence: Emissions which the organisation has the ability to monitor and reduce.
- Risk or opportunity: Indirect emissions that contribute to the organisation's exposure to risk or its business opportunities.
- Sector-specific guidance: GHG emissions deemed significant by the business sector.
- Outsourcing: Indirect emissions resulting from outsourced activities that are typically core business activities.
- Employee engagement: Indirect emissions that could motivate employees to reduce energy use or fight climate change.

Two categories, (4. Transport and distribution upstream and 5. Waste generated in operations) have not been included this year in the carbon footprint calculation as they are not considered significant, following the ISO 14064 significance analysis.

Emission categories	Applicable to the activity	Significant emissions
1. Goods and services purchased	✓	Yes
2. Capital goods	✓	Yes
3. Fuel and energy-related activities	✓	Yes
4. Transport and distribution upstream	✓	No
5. Waste generated in operations	✓	No
6. Business trips	✓	Yes
7. Travel by employees	✓	Yes
8. Leased assets upstream	✓	Yes
9. Transport and distribution downstream	×	No
10. Processing of products sold	×	No
11. Use of products sold	×	No
12. End-of-life treatment of products sold	×	No
13. Leased assets downstream	✓	Yes
14. Franchises	×	No
15. Investments	×	No

The quantification model obtains the amount of emissions by source by multiplying the activity data by its correspondent emission factor. The emission factors are obtained from reliable and official sources (IPCC and other relevant sources).

7.4 Contact information

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Cellnex Corporate & Public Affairs

Annexes

Annex 1. Risks

The Cellnex Telecom Group has implemented a risk management model that has been approved and is monitored by the Audit and Risk Management Committee and is applicable to all business and corporate units in countries where the Group operates. The risk management model is aimed at effectively ensuring that the Group's objectives are achieved.

The main risks to the fulfilment of the Group's objectives are as follows:

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

Strategic risks

I) Risk related to the environment in which the Group operates and risks stemming from the specific nature of its businesses

The Group's business includes the provision of services through its three different segments: (i) Telecom Infrastructure Services, (ii) Broadcasting Infrastructure and (iii) Other Network Services. Any factor adversely affecting the demand for such services, some of which are not under the control of the Group (such as for instance, those which are a consequence of the Russian invasion of Ukraine), could potentially have a material adverse impact on its business, prospects, results of operations, financial condition and cash flows.

Through the Telecom Infrastructure Services segment, the main business activity, the Group facilitates access to the spectrum (owned by its customers), by means of providing access to telecom through its connectivity services as well as the related passive and active infrastructure to external MNOs, typically under mid- and long-term contracts. Therefore, the Telecom Infrastructure Services segment is highly dependent on the demand for such infrastructures and a decrease in such demand may adversely affect the Group's business.

In the Broadcasting Infrastructure activity, the demand for the Group's communications depends on the coverage needs from its customers, which, in turn, depend on the demand for TV and radio broadcast by their customers.

Likewise, for the Other Network Services segment, the demand for connectivity, public protection and disaster relief ("PPDR") networks, operation and maintenance ("O&M"), Smart City and Internet of Things ("IoT") services depends on the demand from public administrations as well as entities operating in the private and public sectors.

The willingness of the Group's customers to use the Group's communications infrastructures, contract its services, or renew or extend existing contracts on its communications infrastructures on the same terms, can be affected by numerous factors, (some of which are beyond the Group's control) including, among others:

- increased sharing initiatives among MNOs (both related to passive and active network sharing), roaming or resale arrangements by MNOs;
- mergers or consolidations among the Group's customers such as MNOs;
- reduced potential organic growth due to higher number of competitors in each market as many MNOs have already contractualized the roll-out plans with their own towercos such as Vantage, DFMG or Totem (please see "ii. Risk of increasing competition").
- the ability and willingness of MNOs to maintain or increase capital expenditures on network infrastructure;
- the financial condition of the Group's customers, including the availability or cost of capital;
- governmental licensing of spectrum or restrictions on or revocations of spectrum licenses;
- changes in electromagnetic emissions' regulations;
- changes in demand for TV and radio services and consumption habits (channels, etc.) by end consumers, including the level of multimedia content consumption;
- significant increases in the attrition rate of customers regarding the number of PoPs or customer ratio, (among others, due to the increased number of towercos (please see Risk ii) some clients can withdraw their equipments from our towers), or decreases in overall demand for broadcast space and services, caused by, among others, the adoption of new digital patterns by customers and the obsolescence of the products and services rendered by the Group's companies;
- a decrease in consumer demand for wireless telecom and broadcasting services due to economic, political and market/ regulatory conditions, disruptions of financial and credit markets or other factors, including inflation, zoning, environmental, health or other existing government regulations or changes in the application and enforcement thereof, as well as taxes/customs duties levied on the Group's services;
- the evolution of the advertising business' revenue in the media sector, and especially, TV, internet and radio;
- changes in connectivity to the internet;

- an increase in demand for private networks;
- the evolution of public internet;
- changes in the data traffic demand worldwide as well as changes in data transmission prices and speed;
- the availability or capacity of the Group’s infrastructure or associated land interests where the infrastructure is located;
- the location of the Group’s wireless infrastructure;
- changes in, or the success or failure of, the Group’s customers’ business models;
- delays or changes in the deployment of next generation wireless technologies or the failure by the Group to anticipate the development of new wireless technologies;
- technological advances and development of alternative technologies that the Groups does not currently use, such as the development of satellite-delivered and optical fibre-delivered radio and video services and internet TV;
- the existence of alternative providers of the Group’s services or, alternatively, the self-provision of services by the Group’s customers;
- the willingness of the Group’s current or future customers to make contractual arrangements with the Group under the current terms and conditions; and
- the Group’s customers’ desire to renegotiate its agreements with them or to adversely amend current contractual arrangements.

As a result of these factors the Group’s customers may scale back their need or demand for its services which could materially and adversely affect the degree of utilisation of the capacity of the Group’s communications infrastructures and its network and connectivity development services, which could have a material adverse effect on the Group’s business, prospects, results of operations, financial condition and cash flows.

To reduce its exposure to risks as a result of the environment in which it operates, the Group pursues a selective international expansion plan, diversification and growth policy, fostering understanding with Government Agencies to develop infrastructures. In addition, it has continued to implement an efficiency plan in order to streamline operating investments and expenditures.

II) Risk of increasing competition

The Group may experience at any time increased competition in certain areas of activity from established and new competitors, for example as a result of other infrastructure providers entering the European market. Telxius completed in 2021 an agreement with American Tower for the sale of its telecommunication towers division in Europe. Therefore, American Tower is significantly increasing its presence in the European market and becoming a key player and strong competitor of the Group. In addition several infrastructure funds have recently acquired portfolios of towers from Vodafone and DFMG, thus reducing the addressable market of the Group both to grow organically and inorganically. The industry is competitive and customers have access to alternatives in telecom infrastructure services and other network services, whereas for broadcasting TV the alternatives are more limited. Where the Group acts as a provider of services, competitive pricing from competitors could affect the rates and services income. In addition, competition in infrastructure services could also increase the cost of acquisition of assets and limit the Group’s ability to grow its business. Moreover, the Group may not be able to renew existing services agreements or enter into new services agreements. The higher prices for assets, combined with the competitive pricing pressure on services agreements, could make more difficult for the Group to achieve targeted returns on investments.

Increasing competition for the acquisition of infrastructure assets or companies in the context of the Group’s business expansion has made the acquisition of high quality assets significantly more costly, and taking into consideration the Group's business nature, with long term contracts, fixed fees normally inflation-linked, more and more infrastructure funds and private equity firms have shown appetite towards this kind of assets. Some competitors are larger than the Group and may have greater financial resources (such as KKR or Brookfield), while other competitors may apply investment criteria with lower return on investment requirements. Likewise, Cellnex also faces competition or may face future competition from its US peers. Additionally, some of the Group´s customers have set up their own infrastructure companies, while more European MNOs are increasingly showing their willingness to set their own infrastructure vehicles, which could drive to scarcity in terms of assets for sale (thus generating inflation on prices for assets), combined with more competitiveness on the normal course of the Group’s business limiting the organic growth potential.

Besides, if the Group is unable to compete effectively with its competitors or anticipate or respond to customer needs, the Group could lose existing and potential customers, which could reduce its operating margins and have a material adverse effect on the Group´s business, prospects, results of operations, financial conditions and cash flows.

III) The Group's status as a "Significant Market Power" ("SMP") operator in the digital terrestrial television ("DTT") market in Spain imposes certain detrimental obligations on it compared to its competitors

In 2006, the Group was classified as a SMP operator by the competition authorities. Given its dominant market position, the National Commission of Markets and Competition (Comisión Nacional de los Mercados y de la Competencia, or "CNMC", the former Comisión del Mercado de las Telecomunicaciones, or "CMT") imposed certain regulatory remedies on it to allow it to operate in the broadcasting market which, amongst others, set out that if the Group is not able to reach a voluntary commercial agreement with an operator, the CNMC will dictate the commercial conditions of the agreements. The CNMC has introduced certain flexibility to those conditions as per the latest review of the relevant market, concluded on 17 July 2019 with the publication of Resolution approving the definition and analysis of the wholesale market for the television broadcasting transmission service (Market 18/2003, as notified to the European Commission and the European Electronic Communications Regulators Entity).

The competitors of the Group in the market who are not considered to be a SMP operator because of their low market share and limited coverage capacity are not subject to these obligations. These obligations and potential additional obligations imposed on the Group by the regulatory authorities vis-à-vis its competitors could materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

IV) Industry trends and technological developments may require the Group to continue investing in adjacent businesses to telecommunication towers, such as fibre, edge computing and small cells

European MNOs are apparently moving towards a less infrastructural-based business model, thus the sharing trends in the telecommunications sector are increasing, especially given the upcoming 5G technological cycle. In this context, Cellnex may need to reinforce its services' offer in order to meet the needs of its customers, increasingly investing in adjacent businesses to telecommunication towers, such as fibre, edge computing, small cells, or acquisition of lands.

While the above adjacent businesses can be managed through co-location services offered by a neutral provider (in a similar way to the Group's current Telecom Infrastructure Services business segment and potentially with comparable economic principles), the Group may face certain additional risks, such as (i) execution risk of entering into new businesses; (ii) limited local know-how about the commercial potential of new business deployments; (iii) higher financing requirements, requiring in turn increased financing capabilities; (iv) the need to have a large-scale to become a relevant player in these businesses given global and local competition; (v) increased risk of overbuilding capacity affecting the price equilibrium in the market; (vi) compliance with new regulations; (vii) risk of over-paying, giving the high current valuations due to growing investors' demand; and (viii) increased competition against players holding better operational capabilities, among others.

The Group believes it has the technical know-how to support the long term needs of its customers and has been gradually investing in adjacent asset-class businesses in order to gain experience and mitigate potential future risks, however failing to overcome such risks could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

V) Spectrum is a scarce resource and it is highly dependent on political decisions. Access may not be secured in the future, which would prevent the Group from providing a high portion of its services in accordance with his plans

The Group and its customers are highly dependent on the availability and accessibility of sufficient spectrum for the provision of services. Spectrum is a scarce resource and the process for guaranteeing access to it is highly complex, costly and time-consuming.

The Group depends upon spectrum allocation for the wireless services that it provides, either in the Telecom Infrastructure Services segment (4G, 5G, etc.), the Broadcasting Infrastructure segment, (TV and radio) or Other Network Services segment, (Public Protection Disaster Relief, IoT or radio links). The Group cannot guarantee that the spectrum needed to appropriately render its services or the spectrum needed by its customers will be available in the future, and any change in spectrum allocation could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

The licenses and assigned frequency usage rights that the Group and its customers use for services such as connectivity have a finite maturity. The Group and its customers could be unable to renew or obtain their licenses and frequency usage rights necessary for their business upon expiration of their terms or they may have to make significant investments to maintain its licenses, either of which could have a material adverse effect on their business, prospects, results of operations, financial condition and cash flows.

Focusing into the Broadcasting Infrastructure segment, the Group owns the infrastructures and equipment that broadcasters use to compress and distribute their signals in Spain. The evolution of technology standards, formats, coding technologies and consumer habits is likely to influence the future spectrum demand for broadcasting services.

The Group cannot guarantee that its customers or DTT broadcasters will have sufficient access to spectrum in the long-term to maintain and develop its current services.

Following the EU regulation in this matter, the Spanish government passed Royal Decree 391/2019 approving the new National Technical Plan for DTT and the regulation of certain aspects of the liberalization of the “second Digital Dividend”. This Royal Decree states that the sub-700 megahertz (“MHz”) will continue to be used for DTT broadcasting until, at least, 2030. Nonetheless, since the allocation of spectrum is decided by the Spanish government, the Group is highly dependent on political decisions for the future of its DTT broadcasting business, which decisions are outside of its control.

Since the allocation of spectrum is decided by the Spanish government, the Group is highly dependent on political decisions for the future of its DTT broadcasting business, which decisions are outside of its control. In the event that the number of MUXs available for DTT is further reduced, the Group’s customers could lose some of its current DTT multiplex spectrum currently licensed.

Finally, the Group believes that any delays in 5G rollouts in member states of the European Union (“Member States” and the “EU”, respectively) are likely to be temporary rather than long lasting, considering the systemic importance of universal broadband access. However, 5G rollouts could also be adversely affected by growing concerns, fueled in part by unreliable sources propagated through social and other media, that 5G’s radio waves could pose health risks, which could materially affect the Group’s business, prospects, results of operations, financial condition and cash flows.

VI) Risk related to a substantial portion of the revenue of the Group is derived from a small number of customers

In the Telecom Infrastructure Services segment the Group's main clients are telecom operators (mostly MNOs); in the Broadcasting Infrastructure segment its main clients are media broadcasters (TV channels and radio stations); and in the Other Network Services segment its main clients are (i) a small number of public administrations, at national, regional and/or local levels, (ii) safety and emergency response organizations, (iii) companies operating in the utility sector, and (iv) certain telecom operators. The ongoing consolidation process in the telecom and broadcasting sectors may result in a decrease in the number of MNOs or media broadcasting operators in the future, which could potentially have a negative impact on the main segments of the Group.

The Group’s reliance on a small group of customers may adversely affect the development of its business. As such, the loss of one or more of any of the Group’s main customers, resulting from, amongst others, a merger, bankruptcy, insolvency, network sharing, loss of licenses, roaming, joint development, resale agreements or contract early termination may have a material adverse effect on the Group’s business, prospects, results of operations, financial condition and cash flows.

The Group cannot guarantee that contracts with its major customers will not be terminated (including contractual agreements to transfer or build assets under the Group’s acquisition agreements, purchase commitments and build-to-suit programs), or that these customers will renew their contracts with the Group on the same terms or at all, including due to disagreements regarding certain terms or matters or otherwise. Any of the above could potentially have a material adverse effect on the Group’s business, prospects, results of operations, financial condition and cash flows. Further, the Group is exposed to constant renegotiation and renewal processes of its contracts with its customers, (especially those related to the Other Network Services segment and Broadcasting Infrastructure segment), which may result in the current contractual arrangements being adversely amended, which could in turn affect the total value of its contracts. The Group completed during last years a general cycle of renewal of contracts in the Broadcasting Infrastructures segment that has led to a downward revision of prices paid by the Group’s customers and reducing the indexation to inflation, excepting the RTVE contract that has been renewed in 2023 for a 5 years period. Contracts in the Other Network Services and the Broadcasting Infrastructure segments have generally shorter terms than contracts in the Telecom Infrastructures Services segment, and accordingly they need to be renewed more frequently. In addition, certain contracts for services may be cancelled under certain circumstances by the customer at short notice without penalty. The termination of the contracts (“churn”) with major customers may materially and adversely affect the Group’s business, prospects, results of operations, financial condition and cash flows.

In addition, the maturities of the lease contracts, sub-lease contracts and other types of contracts with third parties to operate and manage land and rooftops where the Group's telecommunications infrastructures are located, are generally shorter than the contracts that the Group has entered into with its customers for the provision of services in such infrastructures. As a result, there is a mismatch in the maturities of both contractual relationships which could prevent the Group from successfully providing agreed upon services to its customers, as the Group may not have access to primary resources essential to execute such contractual obligations. The real property interests of the Group relating to its infrastructures consist primarily of ownership interests, fee interests, easements, licenses and rights-of-way. A loss of these interests at a particular infrastructure may interfere with the Group's ability to operate infrastructures and generate revenues. Land owners could decide not to renew, or to adversely amend the terms of the land lease contracts with the relevant Group company, or landlords may lose their rights to the land they own, or they may transfer their land interests to third parties. Also, some landlords can force Cellnex to leave the towers and look for a new land. Moreover, land aggregator entities, which tend to intermediate ground lease prices by acquiring large portfolios of land contracts, may increase the price for the Group's land lease contracts, which could result in a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. In addition, subsidiaries of the Group may in the future become involved in disputes with their landlords, which could interfere with the Group's operation of a given site or force the Group to build new sites in order to continue providing services to its customers. The Group's inability to negotiate rent renewals on attractive terms, or to protect its rights to the land on which its infrastructures are located, may result in an increase in costs and may interfere with the Group's ability to operate infrastructures and generate revenues. Any damage or destruction to the Group's infrastructure due to unforeseen events, including natural disasters, may impact the Group's ability to conduct its business. Additionally, if the loss of service is not deemed to be due to an unforeseeable force majeure event, the Group could be held responsible for failing to satisfy its obligations under its transmission contracts, which could result in service credit penalties or suspension of normal fees and annual charges. If the Group is unable to provide services to its customers, it could lead to a loss of customers, resulting in a corresponding material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

In addition, some contracts entered into by the Group provide that certain expenses are passed through to the Group's customers, such as energy costs, and the Group cannot guarantee that the pass through mechanism will protect 100% of the energy cost borne by the Group during the full term of the contract (especially in the current geopolitical situation leading to energy prices escalation), which may have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. In addition, Cellnex could potentially be exposed to fines if Cellnex were found to be engaged in the electricity resale business simply because energy costs are included in the charges for which it bills its customers. Electricity supply is a regulated activity in countries where Cellnex operates.

Moreover, potential energy outages, especially in the context of the military conflict between Russia and Ukraine and disrupting supply chains may affect the Group's relationship with its customers, especially in those businesses where the Group operates active equipment providing the communications signal (such as the Broadcasting in Spain or the Augmented TowerCo model in Poland).

In the ordinary course of its business, the Group experiences disputes with its customers, generally regarding the interpretation of terms in the Group's commercial agreements. It is possible that such disputes could lead to a termination of the Group's contracts with customers or a material modification of the terms of those agreements, either of which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. If the Group is forced to resolve any of these disputes through litigation, its relationship with the relevant customer could be terminated or damaged, which could lead to decreased revenue or increased costs, resulting in a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Additionally, in relation to Telecom Infrastructure Services, the Group currently differentiates from its competitors through the neutrality of its position in the market. The loss or weakening of such neutral position as a result of one customer becoming a reference or controlling shareholder of the Parent Company could lead to the termination of contracts or to a loss of customers; and hence, to a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

VII) Risk of infrastructure sharing

While the Group believes the neutral operator model presents certain advantages and there is a growing trend of externalization of the provision of wireless communications infrastructure, extensive sharing of site infrastructure, roaming or resale arrangements among wireless service providers as an alternative to using the Group's services may slow down entering into new service agreements. Moreover, if MNOs utilize shared equipment (either active or passive) rather than deploy new equipment, it may result in the decommissioning of equipment on certain existing infrastructure because parts of the customers' networks may become redundant.

Any potential merger, integration or consolidation of the Group's customers would likely result in duplicate or overlapping networks, which may result in the termination or non-renewal of customer contracts (for example where they are co-customers on an infrastructure) and in the loss of commercial opportunities resulting in a lower number of potential customers for the Group. Likewise, the Judgment of the General Court (First Chamber, Extended Composition) issued on May 28, 2020 which annulled the Commission Decision C(2016) 2796 of May 11, 2016, declaring incompatible with the internal market the concentration resulting from the acquisition of Telefónica Europe Plc by Hutchison 3G UK Investments Ltd. may increase the interest of the Group's customers to merge, which could result also in the loss of commercial opportunities for the Group. In addition, customer consolidation may result in a reduction in their total future capital expenditures because their expansion plans may be similar. As a result of the above, either MNOs' consolidation or broadcasters' consolidation could decrease the demand for the Group wireless infrastructure, which in turn could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

VIII) Risk of non-execution the entire committed perimeter

The framework agreements for the provision of services with anchor customers may include clauses by which the parties agree to execute further acquisitions or the construction of infrastructures over a defined period or acquisition or construction of a maximum number of infrastructures. Such agreements may or may not be implemented, either in whole or in part, due to a potential integration or consolidation of the Group's customers. Moreover, customers could decide not to pursue such agreements due to a change in their business strategy. In addition, such agreements with anchor customers may include the unilateral right to dismiss a low-single digit percentage of the total sites (respiration rate clause) per year. If any these circumstances were to occur, there is no guarantee that the Group may have enough contractual protection in order to be compensated for such changes, which in turn could have a material adverse effect for the Group's business, prospects, results of operations, financial condition and cash flows.

IX) The expansion or development of the Group's business, including through acquisitions or other growth opportunities, involve a number of risks and uncertainties that could adversely affect operating results or disrupt operations

The Group's strategy is aimed at strengthening and expanding its operations, including through the acquisition of assets, entities or minority interests (including minority stakes in companies where the Group already holds a majority interest), joint ventures, mergers and other arrangements in the countries where the Group currently operates or elsewhere, which could require, among other matters, new debt and the issuance of shares (of Cellnex or its affiliates) to finance such growth opportunities and in the case of acquisitions of minority interests as described above, payments of prices which are inflationary, strongly revaluated, or higher than the original price paid by the Group (as it is already agreed upon in the relevant shareholders agreements), following the revaluation of Cellnex's share price performance (from the signing of those transactions and until the acquisition of those minority interests). For example, in 2019 the Group purchased 90% of the share capital of Swiss Infra for a total consideration (Enterprise Value) of approximately EUR 770 million and in 2021 the Group acquired an additional 10% for EUR 131.5 million, or in 2019 the Group acquired 70% of the share capital of On Tower France for an aggregate upfront consideration of approximately EUR 1.4 billion, and in 2022 the Group acquired the remaining 30% non-controlling interest from Iliad, S.A. for EUR 950 million. Additionally, in 2021 the Group acquired 60% of the share capital of On Tower Poland for a total consideration (Enterprise Value) of approximately EUR 1,458 million, and in 2022 and 2023, respectively, the Group acquired and additional 10% and the remaining 30% non-controlling interest from Iliad Purple for an amount of approximately EUR 131 million and EUR 512 million, respectively (Euro value of the date of completion), exclusive of taxes. Consequently, the Group expects that the acquisition of minority stakes may follow, at least, the same pattern and therefore for the price to be inflationary with respect to the purchase price of the majority stakes.

The Group's growth strategy deployed in recent years has an impact in the accounting losses due to a prudent depreciation and amortization policy and it exposes the Group to operational and strategic challenges and risks such as the need to identify potential acquisition or divestment opportunities on favourable terms, the diversion of management's attention from existing business, the potential impairment of acquired intangible assets, including goodwill, or the acquisition of liabilities or other claims from acquired businesses, including liabilities under "successor liability" doctrines in connection with employment, pension, tax, regulatory, environmental, accounting and other matters, which may significantly impact the value of the acquired target and the overall viability and success of the intended business.

Prior to entering into an acquisition agreement, the Group generally performs due diligence with respect to the target or the relevant assets, but such inspection is limited by its nature. Additionally, the Group's analysis and risk evaluation prior to entering into any acquisition agreements are based on the accuracy and completeness of the information available to the Group. The Group may not independently verify the accuracy or completeness of certain of the information made available to it in the context of its due diligence procedures.

Any assets acquired by the Group may be subject to hidden material defects that were not apparent or that otherwise the Group failed to discover or consider at the time of the acquisition. To the extent the Group or other third parties underestimated or failed to identify risks and liabilities associated with an acquisition, the Group may incur, directly or indirectly, in unexpected liabilities, such as defects in title, an inability to obtain permits enabling the Group to use the underlying infrastructure as intended, or other environmental, structural or operational defects or liabilities requiring remediation. As such, in accordance with IFRS 3, at an acquisition's completion date Cellnex recognises contingent liabilities (which are a result of present obligations arising from past events, where the fair value can be reliably measured) arising from the purchase price allocation process in business combinations, even if it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Failure to identify any such defects, liabilities or risks or to adequately address any such defects, liabilities or risks could expose the Group to unanticipated costs and liabilities or could result in the Group having acquired assets which are not consistent with its investment strategy, which are difficult to integrate within its portfolio, which fail to perform in accordance with expectations, and/or which adversely affect the Group's reputation, which, in turn, could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

In addition, achieving the benefits of new acquisitions depends in part on the timely and efficient integration of the acquired business operations, communications infrastructure portfolio and personnel. Integration may be difficult and unpredictable for many reasons, including, among other things, differing financial, accounting, reporting, information technology and other systems and processes, cultural differences, differences in customary business practices and conflicting policies, procedures and operations. In addition, integrating businesses may significantly burden management and internal resources. There could also be integration risks related to the commercialization of the spaces where newly acquired sites are located, as well as in connection with the transition of the payments, the retention of existing customers on newly acquired sites, including obtaining the necessary prior consents to assign the relevant services agreements, and the implementation of the Group's standards, controls, procedures and policies with regards to any newly acquired towers. The Group may also face the risk of failing to efficiently and effectively integrate the new assets into the Group's existing business or to use such assets to their full capacity.

The Group's growth strategy is also linked, among other factors, to the capacity to successfully decommission and build new infrastructures. The framework agreements for the provision of services signed with anchor customers may include agreements for the further acquisition or construction of infrastructures over a defined period of time or for the acquisition or construction of a maximum number of infrastructures. Such agreements may or may not be implemented, either in whole or in part, due to a potential integration or consolidation of the Group's customers or due to a change in their business strategy or due to the impact of the Russian invasion of Ukraine, among others. In addition, such framework agreements with anchor customers may include the unilateral right of the customer to dismiss a low single-digit percentage of the total sites per year (Respiration Rate). Any of the foregoing could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. In addition, the Build-to-Suit programs are executed on the basis of framework agreements with third-party suppliers or with the customers that will use the new infrastructures. As such the Group relies on third parties to effectively execute its contractual obligations and despite long term contracts tends to be based on fixed costs, the raw materials price increase might ultimately negatively affect the final cost of the infrastructures this impacting the Group's prospects. Moreover, the Group may face additional challenges in managing its expansion into new countries or into countries where the Group may have limited knowledge and understanding of the local market, business relationships and familiarity with the local governmental procedures and regulations.

In the ordinary course of its business, the Group reviews, analyses and evaluates potential transactions, assets, interests, activities or potential arrangements that the Group believes may add value to its business or its scope of services. Failure to timely identify growth opportunities may adversely affect the expansion or development of the Group's business. In addition, the failure to correctly assess the terms and conditions of potential transactions could imply unexpected costs to the Group, or could prevent the Group from obtaining the full benefit of the related business expansion (e.g., by way of changes in the expected perimeter of the relevant transaction upon closing), or any benefit at all, any of which could in turn materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows. Moreover, the Group may fail to sufficiently assess the price adjustments that should be taken into account for potential changes in the perimeter of the target, or may fail to successfully absorb them or pass them onto its customers, which could imply unexpected costs to the Group and could materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

The Group may face contingencies, including delays, in the implementation of its strategy (including due to the lack of suitable acquisitions or buyers for assets, the failure to negotiate and agree acceptable purchase or divestment agreements or the failure to satisfactorily complete due diligence). In addition, the completion of any pending or future acquisitions may be subject to the satisfaction of certain conditions precedent, some of which may not be within the Group's control, and failure to satisfy such conditions may prevent, delay or otherwise materially adversely affect the completion of the relevant acquisition. As such, there is no assurance that any such pending or future acquisitions or divestments will be completed or, if completed, that it will be completed on the same terms as are described in the transaction agreements. For example, necessary regulatory or administrative authorizations or approvals, including antitrust approvals, may be refused or may only be granted by way of the provision of certain remedies, involving divestitures or otherwise, on onerous terms, and any such refusal or imposition of remedies, involving divestitures or otherwise, on onerous terms may limit the Group's ability to grow its portfolio of assets in a particular market or jurisdiction as expected or at all, or may result in significant delays and/or significant unexpected costs in relation to a particular acquisition.

Even if compliant with antitrust legislation, the Group may not be able to consummate such transactions, undertake such activities or implement new services successfully due to disruptions in its activities, increased risk of operations or other consequences which could negatively impact the Group's business and its prospects. In addition, the loss of the Group's neutral position may cause sellers of infrastructure assets to be reluctant to enter into new joint ventures, mergers, disposals or other arrangements with the Group, and adversely impact its growth strategy. As the Group increases its size, management expects that large MNOs may be open to collaborating with the Group in several ways, such as by selling their sites or other infrastructure assets to the Group, including in exchange for Shares, which could negatively impact the Group's business and its prospects as this type of transactions could affect the perception of the Group's neutrality.

Market conditions and other factors, such as the Group's competitors' willingness to also expand their businesses through the acquisition of the same assets, entities or minority interests that the Group seeks to acquire, may also adversely affect the Group's ability to identify and execute acquisitions or increase the acquisition costs.

Additionally, the Group may experience at any time increased competition in certain areas of activity from established and new competitors, for example as a result of other infrastructure providers entering the European market. Further, any such competitors could become a significant landlord of the Group's portfolio. The Group's main competitors are Vantage Towers, American Tower, Phoenix Tower, TOTEM, Inwit, TDF or CTIL, among others. A potential combination of any of those would create a more predominant competitor.

The industry is competitive and customers have access to alternatives in telecom infrastructure services and other network services, whereas for broadcasting TV the alternatives are more limited. Where the Group acts as a provider of services, competitive pricing from competitors could affect the Group's rates and services income. In addition, competition in infrastructure services could also increase the cost of acquisition of assets and limit the Group's ability to grow its business. Moreover, the Group may not be able to renew existing services agreements or enter into new ones. Higher prices for assets, combined with the competitive pricing pressure on services agreements, could make it more difficult for the Group to achieve its return on investment criteria. Increasing competition for the acquisition of infrastructure assets or companies in the context of the Group's business expansion could make the acquisition of high quality assets significantly more costly (taking into consideration the nature of the Group's business, with long-term contracts and fixed fees which are normally inflation-linked, infrastructure funds and private equity firms are showing increasing appetite towards this class of assets), and could materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows. Some competitors are larger than the Group and may have greater financial resources, while other competitors may apply investment criteria with lower return on investment requirements. Likewise, the Group also faces competition or may face future competition from its peers. In addition, some of the Group's customers have set up their own infrastructure companies and more European MNOs are increasingly showing their willingness to establish their own infrastructure vehicles, which could lead to increases in the demand for assets for sale (thus leading to increases in asset prices), as well as increased competition in the ordinary course of the Group's business, limiting potential organic growth. Moreover, these MNO-captive infrastructure vehicles could eventually join together, further limiting the Group's inorganic growth prospects.

If the Group is unable to compete effectively with such customers and other competitors, or to effectively anticipate or respond to customer needs or consumer sentiment, it could lose existing and potential customers, which could reduce the Group's operating margins and have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

The Group is also subject to a number of construction, service provision, financing, operating, regulatory and other risks related to the development, expansion and maintenance of its infrastructure, many of which are beyond its control. The operation, administration, maintenance and repair of some of the Group's infrastructures requires coordination and integration of highly sophisticated and specialized hardware and software technologies and equipment, which, consequently, require significant operating expenses and capital expenditures, as well as highly- qualified personnel with the relevant technical know-how. Any failure in the functioning of any of such technologies or equipment may expose the Group to reputational risks, as well as the risk of losing clients, amongst others.

There are additional risks associated with doing business internationally, including changes in a specific country's or region's political or economic conditions, inflation, deflation or currency devaluation, expropriation, unwind of state aids, subsidies and contracts or governmental regulation restricting foreign ownership or requiring reversion or divestiture, increases in the cost of labour (as a result of unionization or otherwise), power and other goods and services required for the Group's operations and changes in consumer price indexes in foreign countries which could adversely affect the Group's results of operations.

As a result, the Group is unable to predict the timeline for the successful execution of its strategy and there is no guarantee that the Group will be successful in identifying acquisitions, divestments or making any investments in a timely manner or at all. Generally, if the Group cannot identify, implement or integrate attractive opportunities on favourable terms or at all, or if the Group's foreign operations and expansion initiatives do not succeed as expected, they could adversely affect the Group's ability to execute its growth strategy. Any of the foregoing could materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

X) Risks inherent in the businesses acquired and the Group's international expansion

Notwithstanding the Group's diversification of its risk exposure through the internationalisation of its operations, the Group cannot assure that the countries where it operates will not experience economic or political difficulties in the future.

The Group's customers in European markets such as Spain, Italy, France, the United Kingdom, Switzerland, Poland, Portugal and the Netherlands represent a significant portion of the operating income of the Group, therefore especially exposing it to risks affecting these countries. The Group increased its presence in the United Kingdom, following completion of the Hutchison United Kingdom Acquisition in 2022, and thereby increased its exposure to risks affecting this country. Notwithstanding the above, the Group is in process of completing the last disposals in France, as required in the context of the Hivory Acquisition.

Adverse economic conditions may have a negative impact on demand for the services the Group provides and on its customers' ability to meet their payment obligations. In periods of recession, the demand for services provided by the Group tends to decline, adversely affecting the Group's results of operations. A negative or low growth cycle could affect the Group in the European markets where the Group operates as of the date of the accompanying Consolidated Management Report (in particular, in those countries with customers representing a significant portion of the operating income of the Group).

Some events could severely affect macroeconomic conditions and financial markets and exacerbate the risk of regional or global recessions or "stagflation" (i.e. recession or reduced rates of economic growth coupled with high inflation rates), all of which in turn may also materially and adversely affect the Group's business, results of operations, cash flows, financial condition and prospects.

Likewise, the Group is directly exposed to adverse political conditions in the European markets where the Group operates as of the date of the accompanying Consolidated Interim Directors' Report (in particular in those countries where there are customers representing a significant portion of the operating income of the Group). Also, changes in the international financial markets' conditions as a result of the effects of the Russian invasion of Ukraine pose a challenge to the Group's ability to adapt to them as they may have an impact on its business. The Group cannot predict how the economic and political cycle in such markets will develop in the short-term or in the coming years, or whether there will be a deterioration in political stability in them.

Therefore, the Group may be adversely affected by the adverse economic conditions or potential instability in the European markets where the Group operates as of the accompanying Consolidated Interim Directors' Report (in particular, in those countries where there are customers representing a significant portion of the operating income of the Group), while at the same time a more geographically diversified revenue source allows a lower risk exposure to specific country-related issues. In addition, the Group may be adversely affected by economic, social and political conditions in the countries in which its customers, suppliers and other counterparties operate.

Countries or supranational organizations, such as the EU, in the markets where the Group or its customers operate may develop and implement legislation, adopt decisions or otherwise change laws, regulations and treaties, or their interpretation thereof, which could materially and adversely affect the Group's business, prospects and results of operations. The European Commission has conducted investigations in multiple countries focusing on whether local rulings or local legislation violate EU state aid rules and concluded that certain countries, including Spain, have provided illegal state aid in certain cases. The decisions of the European Commission and the national authorities in relation to such investigations, and any such changes to laws, regulations and treaties, or their interpretation thereof, and any related expropriation, cancellation, unwind, claw-back and recovery of state aids and subsidies could materially and adversely affect the Group's business, prospects and results of operations.

Because of the Group's significant presence in the United Kingdom, it may face the risk of political and economic uncertainty derived from the United Kingdom's decision to leave the EU which became effective on 31 January, 2020 ("Brexit"). Prior to that, on 24 January, 2020, the United Kingdom signed the Agreement on the withdrawal of the United Kingdom from the EU and the European Atomic Energy Community (the "Withdrawal Agreement"). Under the terms of the Withdrawal Agreement, a transition period ran until 31 December, 2020, during which time the United Kingdom continued to benefit from, and was bound by, many EU laws. On 24 December, 2020, the EU and the United Kingdom entered into three agreements setting out the terms of their post-Brexit relationship namely the Trade and Cooperation Agreement, the Agreement on Nuclear

Cooperation, and the Agreement on Security Procedures for Exchanging and Protecting Classified Information. The Trade and Cooperation Agreement covers the general objectives and framework of the relationship between the United Kingdom and the EU, including in relation to trade, transport, visas, judicial, law enforcement and security matters, and mechanisms for dispute resolution. Under the terms of the Trade and Cooperation Agreement, the United Kingdom firms no longer benefit from automatic access to the EU single market and there is no longer free movement of people between the United Kingdom and the EU. In addition, while domestic law derived from EU law, EU law directly applicable in the United Kingdom, and EU rights, powers, liabilities and obligations recognised and available in the United Kingdom, in each case immediately before 31 December, 2020, were, subject to certain exceptions, retained by the United Kingdom, the United Kingdom's law may diverge from EU law in the future. The legal, political and economic uncertainty resulting from Brexit may adversely affect the Group's business, prospects, results of operations, financial condition and cash flows in the United Kingdom, in particular because of the Group's significant presence in the United Kingdom.

Growing public debt, reduced growth rates and any measures of monetary policy that may be implemented in the future in the credit markets all could affect the Group's business. A change in any of these factors could affect the access of the Group to the capital markets and the terms and conditions under which it can access such capital, which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. In this regard, on 9 June 2022 the European Central Bank Governing Council announced that while reinvestments of the principal payments from maturing securities purchased under the asset purchase programmes will continue in full for an extended period of time, net asset purchases under such asset purchase programmes were discontinued as of 1 July 2022 (please see risk XXVIII).

Furthermore, as a significant portion of the contracts of the Group with operators are inflation-linked and some do not have a minimum limit or floor, deflationary macroeconomic circumstances will have an adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. Moreover, in the current high interest rate environment, most of the Group's contracts that are linked to inflation are capped at various levels, whereas the Group's operating expenses and payment of lease instalments are generally uncapped, which would negatively impact the Group's business, prospects, results of operations, financial condition and cash flows. However, even if contractually agreed, certain operators may not agree to bear the cost of the inflation impact on the Group's contracts.

As a consequence of the foregoing, the Group cannot assure that any estimates, forecasts, forward-looking statements or opinions contained herein or which may have been expressed in the past will remain accurate or will not abruptly change as a result of the effects of adverse economic and/or political conditions, in particular those deriving from the Russian invasion of Ukraine. Moreover, the Group's inability to reduce the impact of the foregoing could have a material and adverse effect on its business, results of operations, financial condition and prospects.

Risks related to acquisitions

Completion of any new acquisition or divestment is subject to the satisfaction of certain conditions, some of which are not within the Group's control, and failure to satisfy such conditions may prevent, delay or otherwise materially adversely affect the completion of the acquisition or divestment. Such conditions include the obtaining of an antitrust clearance decision by the relevant antitrust authority.

If the Group fail to complete a previously announced acquisition or divestment on the terms described in the agreements, it may not be able to obtain the expected synergies of the proposed business expansion represented by such transaction, and this failure could result in significant costs to the Company, all of which could materially and adversely affect the value of the Company's shares and the Group's deleveraging plans, business, prospects, results of operations, financial condition and cash flows. Additionally, liabilities and defects may emerge that are hidden or unknown at the time of the execution of any agreement.

Prior to entering into any agreement, the Group usually perform due diligence to identify any risks, including any potential liability arising out of the business and defects of the acquired tower business. However, the Group's capacity to physically inspect the acquired towers is limited and such towers may be subject to defects or risks that were unknown at the time of the execution of the agreements or at the time of completion of the transaction or were known but were not considered material.

In addition, the Group assume all rights and liabilities of the acquired business since the closing of the transaction, including liabilities under "successor liability" doctrines in connection with employment, pension, tax, regulatory, environmental, accounting and other matters. The Group may be subject to unknown or non-disclosed liabilities or contingencies, including those resulting from tax, labour, regulatory or accounting matters, as well as new contingencies derived from past events which the Group is unaware of or could not anticipate.

To the extent that the Group fails to identify, fully quantify or assess the materiality of such risks, the Group may incur unexpected liabilities and further costs, relating to, among others, property, environmental, labor, tax or regulatory matters, as well as structural and operational defects.

The Group may be unable to adequately address any such risks and the realization of any such risks could expose the Group to unanticipated costs and liabilities and prevent or limit the Group from realizing the projected benefits of the transaction, which could adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

The Group could not independently verify the accuracy or completeness of the information on the acquisitions

The Group's analysis and risk evaluation prior to entering into any agreements assumed on the accuracy and completeness of the information available to the Group. The Group could not independently verify the accuracy or completeness of certain of the information made available to it context of its due diligence procedures.

The Group may be unable to successfully integrate the new business into the Group

The operational integration of a new business into the Group could prove to be difficult and complex, and the benefits and synergies from such integration may not be in line with the Group's expectations. This may imply difficulties and costs in the integration process which are beyond the Group's control and may exceed those foreseen at the time of the signing of the agreements.

Difficulties may arise as a result of conflicts between control structures, procedures, standards, business cultures and policies, or compensation structures of the Group and those of business acquired, or the need to implement, integrate and harmonize diverse business operating procedures and financial, accounting, reporting, information technology and other systems, which could adversely affect the Group's ability to maintain relationships with the customers of the business acquired, employees, suppliers and other business partners following the acquisition.

There is also an integration risk related to the commercialization of the space where the sites are located, as well as in connection with the transition of the payments, the retention of existing customers on sites operated by the business acquired, including obtaining the necessary prior consents to assign the relevant service agreements and the maintenance of the Group's standards, controls, procedures and policies with regards to towers operated by the business acquired or divested.

The Group may also face the risk of failing to efficiently and effectively integrate the new assets into the Group's existing business or to use such assets to their full capacity. The Group expects to successfully combine the relevant businesses; however, in the event it cannot reach its objectives within the anticipated timeframe, or at all, or if the underlying assumptions for its expectations prove to be incorrect, the expected anticipated benefits and cost savings may not be fully realized, which could materially and adversely affect the Group's business and the value of the Parent Company's shares, prospects, results of operations, financial condition and cash flows.

It should be noted that the Group may face a risk of implementing an effective and unified culture across the different geographies where it is present as a result of several simultaneous integrations, potentially conflicting the alignment of its employees with the Group's strategy and the engagement of its workforce.

Additionally, the significant demands on the attention of the Group's management arising from the integration of the business acquired could result in other areas of the Group's business not receiving the attention they require, which could have an adverse effect on its business. If the Group is unable to manage the expanded organization, then it could impact in the opportunity to improve the efficiency of the Group's Consolidated Income Statement, in addition to any other difficulties that could arise if full integration of assets and resources of the business acquired is not achieved, which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

XI) Risk related to the non-control of certain subsidiaries

Although Cellnex has full control and a 100% stake in the vast majority of its subsidiaries, Cellnex has made and may continue to make equity investments, which may include minority investments, in certain strategic assets managed by or together with third parties, including governmental entities and private entities. In addition, the Group has full control over certain subsidiaries in which shareholders are holders of a minority investment.

Investments in assets over which Cellnex has partial, joint or no control are subject to the risk that the other holders of interest in the assets (making use their minority rights), who may have different business or investment strategies than Cellnex or with whom it may have a disagreement or dispute, may have the ability to independently make or block business, financial or management decisions, such as the decision to distribute dividends or the appointment of members of management, which may be crucial to the success of the project or Cellnex's investment in the project, or otherwise implement initiatives which may be contrary to its interests, creating impasses on decisions and affecting its ability to implement the foreseen strategy. Additionally, the approval of other shareholders or partners may be required to sell, pledge, transfer, assign or otherwise convey Cellnex's interest in such assets. Alternatively, other shareholders may have rights of first refusal or rights of first offer in the event of a proposed sale or transfer of Cellnex's interests in such assets. These restrictions may limit the price or interest level for Cellnex's interests in such assets, in the event it wants to dispose such interests. In addition, minority shareholders may target an exit through different mechanisms (i.e. put options, right of first offers, drag options, rights to acquire belonging to Cellnex, etc.) and the Group has the willingness to acquire such minority stakes. However, the price of this acquisition may be inflationary and strongly revaluated (as happened with the acquisition of the additional 30% of On Tower France as described in Note 2.h.II of the 2022 Consolidated Financial Statements, and with the acquisition of the remaining 30% of On Tower Poland as described in Note 2.h. of the accompanying Consolidated Financial Statements) or because this mechanisms may have already a defined price in the SHA, which is higher than the current original price paid by Cellnex.

During 2022, Cellnex France Groupe, Iliad, On Tower France and Free Mobile entered into two agreements, pursuant to which, Cellnex (through Cellnex France Groupe, of which Cellnex owns 100%) acquired 30% interest of the share capital of On Tower France, S.A.S ("On Tower France") from Iliad, S.A. ("Iliad"), for an amount of EUR 950 million, exclusive of taxes. The price paid was calculated pursuant to said agreement, which was very inflationary as happened with the acquisition of the additional 10% of Swiss Infra. Pursuant to this acquisition, Cellnex France Groupe held 100% of On Tower France as of 31 December 2022. In addition, Cellnex enhanced the Build-to-Suit programmes with 2,000 new sites (additional to the minimum 2,500 sites already committed -see Note 5 of the consolidated financial statements ended as of 31 December 2019-) until 2027, with an Enterprise Value of EUR 639 million. Moreover, during 2022, Cellnex Poland and Iliad Purple entered into an agreement, pursuant to which, Cellnex (through Cellnex Poland, of which Cellnex owns 100%) acquired 10% interest of the share capital of On Tower Poland, for an amount of PLN 615 million (approximately EUR 140 million at the current exchange rate) (exclusive of taxes). This price implied the same valuation of On Tower Poland applied at the closing of the Iliad Poland Acquisition. Pursuant to this acquisition, Cellnex Poland held 70% of On Tower Poland as of 31 December 2022. During 2023, Cellnex and Iliad Purple entered into an agreement pursuant to which Cellnex (through Cellnex Poland, of which Cellnex owns 100%) acquired an additional 30% interest in the share capital of On Tower Poland from Iliad Purple, for an amount of approximately PLN 2,273 million (with a Euro value of EUR 512 million as of the date of completion), exclusive of taxes. Following this acquisition, Cellnex Poland held 100% of On Tower Poland as of 31 December 2023 (see Note 2.h of the accompanying consolidated financial statements). The Iliad Poland SHA was very similar to the Iliad France SHA with regards to the referred right to sell.

Other holders of interest in the Group´s assets may become insolvent or file for bankruptcy at any time, or fail to fund their share of any capital contribution that might be required. Finally, they may be unable, or unwilling, to fulfil their obligations under the relevant shareholder or joint investment agreements or may experience financial or other difficulties that may adversely affect Cellnex's investment in a particular joint venture. This may result in litigation or arbitration procedures generating costs and diverting Cellnex's management team from their other managerial tasks. In certain of Cellnex's joint ventures, it may also be reliant on the particular expertise of other holders of interest and, as a result, any failure to perform Cellnex's obligations in a diligent manner could also adversely affect the joint venture. If any of the foregoing were to occur, Cellnex's business, prospects, results of operations, financial condition and cash flows could be materially and adversely affected.

XII) Risks related to execution of Cellnex's capital allocation

Cellnex' strategy includes the aim to expand its operations while deleveraging towards Investment Grade status by S&P, among others, through divestments. This strategy exposes Cellnex to operational challenges and risks, such as the need to identify potential opportunities on favourable terms. It also may expose Cellnex to other risks such as the diversion of management's attention from existing business or the potential impairment of acquired or divested intangible assets, including goodwill, as well as of liabilities or other claims.

Prior to entering into an agreement, Cellnex generally performs a due diligence exercise on the potential changes to existing or new tax laws or international tax treaties, methodologies impacting the Group's international operations, or fees directed specifically at the ownership and operation of communications infrastructures or its international acquisitions or divestments, which may be applied the acquisition or divestment. To the extent Cellnex or other third parties underestimated or failed to identify or disclose risks and liabilities associated with a transaction, it may incur, directly or indirectly, in unexpected liabilities, such as defects in title, an inability to obtain permits enabling Cellnex to use the underlying infrastructure as intended, environmental, structural or operational defects or liabilities requiring remediation. Failure to identify or disclose any defects, liabilities or risks could result in Cellnex having acquired or divested assets which are not consistent with its strategy which are difficult to integrate with the rest of the portfolio or which fail to perform in accordance with expectations, and/or adversely affect Cellnex's reputation, which, in turn, could have a material adverse effect on its business, prospects, results of operations, financial condition and cash flows.

Generally, if Cellnex cannot identify, implement or integrate attractive acquisition or divestment opportunities on favourable terms or at all, it could adversely impact its ability to execute its growth strategy.

XIII) Regulatory and other similar risks

Risks related to changes in tax and legal regulations and socio-political changes are significant, given that the Group carries out an activity subject to government regulations, as well as to the regulatory framework in the European Union (the "EU"). These changes in tax and legal regulations could be applied or enforced retroactively. The main rules applicable to the Group and its customers include the availability and granting of licences for the use of the spectrum, the rates for its use and the commercial framework for the sale of terrestrial radio broadcasting assets and the obligations imposed on the Group by the Spanish competition authorities in relation to its broadcasting infrastructure activities.

Moreover, environmental and health regulation imposes additional costs and may affect the Group's results of operations. In the countries in which the Group operates, it is subject to environmental laws and electromagnetic regulations, as well as to the EU laws and regulations, concerning issues such as damage caused by air emissions, noise emissions and electromagnetic radiation. These laws are increasingly stringent and may create in the future substantial environmental compliance liabilities and costs.

Public perception of possible health risks associated with cellular and other wireless communications technologies could affect the growth of wireless companies, which could in turn slow down the Group's growth. In particular, negative public perception of these health risks could undermine the market acceptance of wireless communications services, increase opposition to the development and expansion of telecom infrastructures and lead to price increases of the infrastructure services where the infrastructures are located. The potential connection between radio frequency emissions and certain negative health or environmental effects has been the subject of substantial study by the scientific community in recent years and numerous health-related lawsuits have been filed against wireless carriers and wireless device manufacturers. If a scientific study or court decision in the jurisdictions in which the Group operates or elsewhere resulted in a finding that radio frequency emissions pose health risks to consumers, it could negatively impact the Group's customers and the market for wireless services, which could materially and adversely affect the Group's business, prospects, financial condition, results of operations and cash flows. The Group insurance coverage may not be sufficient to cover all or a substantial portion of any liability it may have.

The Group's services are affected by the current electromagnetic emission rules applicable in terms of limiting the emissions coming from equipment of the Group's customers hosted by the Group. Despite the fact that the radio emitting equipment is held by Cellnex, the Group´s customers are liable for the emissions of their own equipment. In the event that such rules were amended against the Group´s interest, they could limit its growth capacity and may adversely affect its business, prospects, results of operations, financial condition and cash flows.

The Group mitigates the risks to which is exposed from possible regulatory changes through coordination in the relevant country's governmental bodies to ensure that it follows prevailing local legislation and that it is able to anticipate regulatory changes.

XIV) Litigation

The Group is subject to the risk of legal claims and proceedings and regulatory enforcement actions in the ordinary course of business. The results of legal and regulatory proceedings cannot be predicted with certainty. The Group cannot guarantee that the results of current or future legal or regulatory proceedings or actions will not materially harm the Group's business, prospects, financial condition, results of operations or cash flows, nor can it guarantee that it will not incur losses in connection with current or future legal or regulatory proceedings or actions that exceed any provisions that it may have set aside in respect of such proceedings or actions or that exceed any available insurance coverage, which may have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

XV) The Parent Company's significant shareholder's interests may differ from those of the Group

As of 31 December 2023, there are three significant shareholders of Cellnex represented in the Board of Directors with one director each, which pursuant to publicly available information on the website of the Spanish Securities Market Commission (the "CNMV"): (i) Edizione S.R.L ("Edizione") indirectly holds approximately 9.90% of Cellnex's share capital; ii) The Children's Investment Master Fund ("TCI") directly and indirectly holds approximately 9.39% of Cellnex's share capital, and; (iii) GIC Private Limited ("GIC") directly and indirectly holds approximately 7.03% of Cellnex's share capital. Pursuant to publicly available information on the website of the CNMV, there are other significant shareholders with stakes above 3% of the share capital (see Note 14 of the accompanying Consolidated Financial Statements).

Cellnex's significant shareholders may have an influence over those matters requiring shareholders' approval, including the appointment and dismissal of the members of the Board of Directors, the payment of dividends, changes in the issued share capital of Cellnex and the adoption of certain amendments to the bylaws. There can be no assurance that any current or future significant shareholder will act in a manner that is in the best interest of the Group, which could, in turn, adversely affect the Group's business, prospects results of operations, financial condition and cash flows.

Operational risks

XVI) Risks related to the industry and the business in which the Group operates

The sector where the Group develops its activities is characterized by rapid technological changes and it is essential to be able to offer the products and services demanded by the market and to select the appropriate investments.

The development and implementation of new technologies designed to enhance the efficiency of wireless networks or new technologies developing alternative network solutions (either broadcasting infrastructure or alternative technologies to the network services provided), or changes in the Group customers' business models, could reduce the need for infrastructure-based wireless services, reduce the need for broadcasting or network services, decrease demand for the Group's infrastructure space or reduce rates or other fees obtained in the past. In this regard, the Group faces the risk that its customers may not adopt the technologies the Group invests in. For example, as communication technologies continue to develop, competitors may be able to offer wireless telecom infrastructure products and services that are, or that are perceived to be, substantially similar to or better than those offered by the Group, or offer technologies that provide similar functionality with competitive prices and with comparable or superior quality.

The Group cannot be certain that existing, proposed or as yet undeveloped technologies of its complementary segments (such as, 5G, "Small Cells", DAS, data centres/edge computing and fibre will not become dominant in the future and render the technologies and infrastructure the Group currently uses obsolete. Should the Group's competitors develop and commercialize new technologies designed to improve and enhance the range and effectiveness of wireless telecom networks, it could significantly decrease demand for existing infrastructure. In fact, the Broadcasting Infrastructure business is threaten due to substitute new technologies such as cable TV, satellite TV, or OTTs, or low-orbit satellites might in the future challenge network configuration, negatively impacting the Telecommunications Infrastructure Service business prospects.

The Group's business and growth prospects could be jeopardized if it was not able to promptly identify and adapt to shifting technological solutions and/or if it failed to acquire or develop the necessary capabilities and expertise to meet the clients' changing needs. The development and implementation of new services with a significant technological component is also subject to inherent risks that the Group may not be able to overcome.

In addition, customers of the Group's services may reduce the budgets they may have allocated to telecom infrastructure, broadcasting infrastructure or other services, as the industry constantly invests in the development and implementation of new technologies or because of changes in their business model. Examples of these technologies include spectrally efficient technologies, which could reduce the Group´s customers' network capacity needs and as a result could reduce the demand for infrastructure-based wireless services.

Moreover, certain Small Cell-based complementary network technologies, in which the Group is actively working, could shift a portion of its customers' investments away from the traditional infrastructure-based networks, which may reduce the need for MNOs to add more equipment at communication infrastructures. Moreover, the emergence of alternative technologies could reduce the need for infrastructure-based broadcast or network services. For example, the growth in the delivery of wireless communications, radio and video services by direct broadcast satellites could materially and adversely affect demand for the Group's infrastructure services. Further, a customer may decide to no longer outsource infrastructures or otherwise change its business model, which would result in a decrease in the Group's revenue.

In the Broadcasting Infrastructure activity, digital terrestrial television ("DTT") is the method most widely used to transmit TV signals in Europe but an eventual unexpected increase in Spain of the use of alternative distribution platforms (such as satellite, cable or internet protocol television "IPTV") or the growth and deployment of Wi-Fi network could reduce the Group's current business volume. In the Other Network Services activity the Group uses, among other technologies, terrestrial tranked radio ("TETRA") services technology or radio links to deliver its services, and the use of alternative technologies could reduce its revenues and limit potential future growth. The development and implementation of any of these and similar technologies, as well as of new products and technologies, may render some of the products and services offered by the Group obsolete which could have a material adverse effect on its business, prospects, results of operations, financial condition and cash flows.

XVII) Risk of not developing the strategic sustainability plan

Cellnex's degree of involvement and commitment to the environment and the fight against climate change has led it to develop the Strategic Sustainability Plan based on 11 lines of action, all of which are aligned with the United Nations' ODS.

Failure to develop the plan would entail a reputational risk. A worse rating in the sustainability indices and in the analyses of proxy advisors would mean a worse valuation by investors. It would also represent a failure to comply with the commitments acquired in environmental matters with various international bodies and institutions (United Nations, Global Compact, Business for 1.5°C or Science-Based Targets initiative (SBTi) according to IPPC, as well as with our stakeholders and society in general.

The Group may not comply with the environmental requirements established in the Spanish and/or European Legislative Framework, or with the requirements of listed companies such as those established in the Non-Financial Information and Diversity Act.

Failure to implement the measures set out in the Strategic Sustainability Plan to reduce the impact of climate change would ultimately have direct consequences for the Group's activity. Among these are the management of energy efficiency and the associated carbon footprint, due to the impact on, for example, cooling systems to compensate for the increase in temperatures at the various types of the Group's telecommunications sites; or supply chain management by incorporating suppliers into the sustainability and carbon footprint reduction criteria. Failure to implement the mentioned Plan, could also have an impact on the financing costs due to the increase in margins, as a consequence of sustainability KPIs not achieved.

XVIII) Risks related to maintaining the rights over land where the Group's infrastructures are located

The Group's real property interests relating to its infrastructures consist primarily of ownership interests, fee interests, licenses and rights-of-way. A loss of these interests at a particular infrastructure may interfere with the Group's ability to operate infrastructures and generate revenues. In the context of acquisitions, the Group may not always have the ability to access, analyse and verify all information regarding titles and other issues prior to completing an acquisition of infrastructures and the absence of title or other issues can affect the Group's rights to access and operate an infrastructure.

The Group owns the majority of its telecommunications infrastructures it operates; however, the vast majority of the land and rooftops where these infrastructures are located is operated and managed through lease contracts, sub-lease contracts or other types of contracts with third parties (with the exception of the UK, where the group owns a large amount of the land where its sites are located). Thus, for various reasons, land owners could decide not to renew, or to adversely amend the terms of the ground lease contracts with the relevant Group company, or landlords may lose their rights to the land they own, or they may transfer their land interests to third parties. Also, some landlords may force Cellnex to leave the towers and look for a new land. In particular, the increasing presence of ground lease aggregators may negatively affect the Group´s ability to renew those contracts under commercially acceptable terms. For instance, the Group could lose its rights over the land, the land could be transferred to third parties or reversion of assets may be mandatory at the end of the relevant concession period. The Group also has long-term rights to use third party infrastructures and the non-compliance with its obligations would lead to the loss of the right to use these infrastructures. Lastly, in the future the Group must revert back to the corresponding government authorities certain assets under the terms of certain concession agreements (i.e. in Group subsidiaries such as Xarxa Oberta de Catalunya ("XOC") and Tradia).

In addition, the maturities of the lease contracts, sub-lease contracts or other types of contracts with third parties to operate and manage land and rooftops where the Group's telecommunications infrastructures are located, are generally shorter than the contracts that the Group has entered into with its customers to provide services. In that sense, there is a mismatch in the maturities of both contractual relationships which could prevent the Group from successfully providing agreed upon services, as the Group may not have access to primary resources essential to execute those contractual obligations.

The Group's inability to use the land where its infrastructures are located may have a material adverse effect on the Group's ability to comply with its contractual obligations and to complete its current or future infrastructure or growth projects as expected on schedule or within budget, if at all. This may in turn have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Likewise, and in line with the Group's industry peers that operate telecom or broadcasting infrastructure, the Group may not always have all the necessary licenses and permits of its infrastructure assets. The lack of necessary licenses, property titles and permits could give rise to monetary fines and, as an interim measure, the authorities could order that the affected equipment or infrastructures be sealed-off or even decommissioned until the required authorization or license is obtained. Criminal liability could also arise in certain circumstances. Similarly, the basic resources to provide service to the Group's customers may not be guaranteed.

To minimise these risks, the Group has specific control policies, procedures, plans and systems for each area, which are periodically reviewed and updated by specific external auditors for each area (financial reporting, quality, occupational risks, etc.). The Group also continually monitors and analyses its insurable risks and has implemented an insurance programme, to ensure a level of coverage and risk in keeping with the policies that have been introduced.

XIX) Difficulties to attract and retain high quality personnel could negatively affect the Group's ability to operate its business

The Group's ability to operate its business, grow and implement its strategies depends, in part, on the continued contributions of its senior executive officers and key employees. In the increasingly volatile labour market where the Group operates, the loss of any of its key senior executives, could have an adverse effect on its business unless and until a replacement is found. Related to this, the Company conducts a recurrent succession plan review to identify internal pipeline as well as external talent mapping. In addition, the Group believes that its future success, including the ability to internationally develop the Group's business, will depend on its continued ability to attract and retain highly skilled personnel with experience in its key business areas. At the same time, developing talent from within, which needs to be also a priority to build a solid talent pipeline and also a driver to retain key talent as per development opportunities. Labour markets are becoming tight and with inflationary pressure on hiring. In some markets where Cellnex operates, with low unemployment rates, demand for high quality personnel is intense and the Group may not be able to successfully recruit, train or retain qualified personnel.

The appointment of Mr. Marco Patuano as CEO, as a result of the resignation of Mr. Tobías Martínez, could cause management changes, with the subsequent need to secure the capabilities that are necessary to deliver the Group's business plans.

Any failure by the Group to attract and retain skilled and experienced employees or the loss of any of its key employees, could harm its business and growth prospects and have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Also, the execution of efficiency plans could require contention or reduction of staff. Even when in these circumstances the Group would target to eliminate redundancies, a worsened climate among its workforce could lead to losing or retaining key talent or impacting the business.

XX) The Group relies on third parties for key equipment and services, and their failure to properly maintain these assets could adversely affect the quality of its services

The Group relies on third-party suppliers to provide key equipment and services that are essential for the Group's operations. Some of these are only available from a limited number of third parties. For example, the Group relies on transmission capacity and other critical facilities that are owned by third parties. In addition, the Build-to-Suit programs are executed on the basis of agreements with third-party suppliers, and so the Group relies on third-parties to effectively execute its contractual obligations. The Group does not have operational or financial control over these partners, and it has no influence with respect to the manner in which these suppliers conduct their business. If these suppliers fail to provide equipment or services on a timely basis or in accordance with the agreed terms, the Group may be unable to provide services to its customers until an alternative supplier can be found. In addition, existing or new competitors in the markets where the Group operates may compete for services from the Parent Company's existing suppliers and such competitors may obtain more favourable terms than those the Group currently benefits from. Additionally, it is possible that current suppliers of services could become competitors, therefore competing as consumers of services they provide. Either of these occurrences could result in upward pricing pressure on these contracts and the Group may not be able to renew its contracts at all or at the same rate as in the past, and could lose market share. If any of these contracts are terminated or the Group is unable to renew them on favourable terms or negotiate agreements for replacement services with other providers at comparable terms, this could have a material adverse effect on the Group's business and capacity to fulfil their contractual obligations, prospects, results of operations, financial condition and cash flows.

Likewise, any commercial dispute with a supplier, the termination of a relationship, as well as insolvency, bankruptcy, end of or curtailing business, so forth, of any supplier, including such situations in which the supplier is forced to cease the provision of services to the Group for any reason or fails to provide the services or goods deemed necessary for the Group to carry out its activities, the Group may be exposed to additional costs and may not be able to comply in full with all the contracts with its customers. If this circumstance occurred, it could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Financial risks

XXI) Financial information risk

To mitigate risks relating to financial reporting and to ensure the reliability of such information, the Group has established an Internal Control over Financial Reporting System ("ICFRS"). The Group has a corporate risk control unit that is responsible for carrying out tests to verify compliance with the policies, manuals and procedures defined for the ICFRS, and for validating the effectiveness of controls in place to mitigate the risks related to these processes.

However, there can be no assurance that any policies and procedures established by the Group will be followed at all times or effectively detect and prevent all violations of the applicable laws and regulations in every jurisdiction in which one or more of the Group employees, consultants, agents, commercial partners, contractors, sub-contractors or joint venture partners are located. As a result, the Group could be subject to penalties and reputational damage if its employees, agents, suppliers or business partners take actions in violation of the compliance systems as well as violate any anti-corruption or anti-bribery laws. Violations of such laws may also lead to other consequences such as the early termination of the financing contracts, which, together with the above, could materially and adversely affect the Group business, prospects, financial conditions, results of operations and/or cash flows.

The Group's Accounting Policies should only change if the change is required by an IFRS or results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flows. All changes in Accounting Policies follow the guidance in IAS 8 or, if resulting from the initial application of an IFRS, in accordance with the specific transitional provisions, if any, in that IFRS. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty—that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Group develops an accounting estimate to achieve the objective set out by the accounting policy. The Group may need to change an accounting estimate if changes occur in the circumstances on which the accounting estimate was based or as a result of new information, new developments or more experience. By its nature, a change in an accounting estimate does not relate to prior periods and is not the correction of an error, but could materially and adversely affect the Group business, prospects, financial conditions, results of operations and/or cash flows.

XXII) Expected contracted revenue (backlog)

Expected contracted revenues from the service agreements (backlog) represents management's estimate of the amount of contracted revenues that the Group expects will result in future revenue from certain existing contracts. This amount is based on a number of assumptions and estimates, including assumptions related to the performance of a number of the existing contracts at a particular date but does not include adjustments for inflation. One of the main assumptions for calculating backlog is the automatic renewal of contracts for services with the Group's anchor customers. Such contracts have renewable terms including, in some cases, 'all or nothing' clauses that only allow the renewal of the entire portfolio of the relevant project (not the renewal of a portion thereof) on terms that are generally pre-agreed and may result an increase or a decrease in price, within certain parameters. In addition, the Group calculates backlog assuming that acquisitions which are subject to the satisfaction of conditions precedent will be completed on the terms described in the applicable transaction agreements in their entirety. However, there is no assurance that any pending or future acquisitions will be completed or, if completed, that they will be completed on such same terms. For example, necessary regulatory or administrative authorisations or approvals, including antitrust approvals, may be refused or may only be granted by way of the provision of certain remedies, involving divestitures or otherwise, on onerous terms, which may limit the Group's ability to grow its portfolio of assets in a particular market or jurisdiction as expected or at all. As a result, the assumptions the Group uses to calculate backlog may prove to be incorrect, which in turn could have an adverse effect on the Group's backlog estimates.

While the first contract of the Telecom Infrastructure Services subject to renewal was successfully renewed (the different Telefónica contracts were unified, harmonized and renewed for a total of up to 30 years) and one of the main contracts of the Broadcasting business was also successfully renewed for a 5 years period (under the same fees but with no escalators), it should be noted that several contracts of the Telecom Infrastructure Services business are expected to face renewals in the coming years, being KPN's at the Shere portfolio and Wind Tre S.p.A. ("Wind Tre") at the Galata portfolio amongst the most relevant contracts to be renewed first (as defined herein), please see section 1.2 of the accompanying Consolidated Interim Directors' Report. Please note that KPN contracts will reach their termination date in 2026 and 2027 respectively, thus requiring a new negotiation potentially driving the anchor terms to converge with the fees being applied in the market to secondary customers. In addition, contracts with major customers in the Broadcasting Infrastructure segment will face a new cycle of renewals in 2025 (excepting the above-mentioned RTVE contract that was renewed in 2023 for a 5 years period). Also, certain contracts for services may be cancelled under certain circumstances by the customer at short notice without penalty.

The termination of the contracts ("churn") with major customers in both of the segments above may materially and adversely affect the Group’s business, prospects, results of operations, financial condition and cash flows. It should also be noted that contracts in place with Telefónica and Wind Tre may be subject to changes in relation to the fees being applied at a time of a renewal, set within a predefined range taking into account the last annual fee (which reflects the cumulative inflation of the full initial term), that in the case of Telefonica ranges from -5% to +5% (applicable after the initial period and the first two extension periods have elapsed) and of -15% to +5% for Wind Tre.

Regarding the contracts in Polkomtel, it should be noted that the Polkomtel MSA is following a business model consisting in a long term revenue that ensures the profitability and return on investment (Capex) executed by Cellnex on behalf of the client, encouraging investment in the expansion and modernization of client infrastructure and allowing better client quality services owing to new investments (Capex). This long term revenue model presents a tariff scheme that allow Cellnex to increase revenue in line with opex increases following the Polish CPI, (please see section 1.2.2) resulting in potential risks of very high inflationary pressures on both Capex and Opex requirements that the Group might not be able to translate into the tariff scheme agreed, or other tariff concepts that could be subject to interpretation and potentially challenged by the customer. Additionally, the Group´s definition of backlog may not necessarily be the same as that used by other companies engaged in similar activities. As a result, the amount of the Group backlog may not be comparable to the backlog reported by such other companies. The realization of the Group backlog estimates is further affected by the performance under its contracts. The ability to execute the Group’s backlog is dependent on its ability to meet the clients’ operational needs, and if the Group was unable to meet such needs, the ability to execute its backlog could be adversely affected, which could materially affect the Group’s business, prospects, financial condition, results of operations and cash flows. There can be no assurance that the revenue projected in the Group’s backlog will be realized or, if realized, will result in profit. Contracts for services are occasionally modified by mutual consent. Because of potential changes in the scope or schedule of services the Group provides to its clients, the Group cannot predict with certainty when or if its backlog will be realized. Even where a project proceeds as scheduled, it is possible that the client may default and fail to pay amounts owed to the Group. Payment delays, payment defaults or contract cancellations could reduce the amount of backlog currently estimated, and consequently, could inhibit the conversion of that backlog into revenues, which would in turn materially affect the Group business, prospects, financial condition, results of operations and cash flows.

XXIII) Foreign currency risk

As the Group's reporting currency is the euro, fluctuations in the value of other currencies in which borrowings are instrumented and transactions are carried out with respect to the euro may have an effect in future commercial transactions, recognized assets and liabilities, and net investments in foreign operations.

Furthermore, the Group operates and holds assets in the United Kingdom, Switzerland, Denmark, Sweden and Poland, all of which are outside the Eurozone. It is therefore exposed to foreign currency risks and in particular to the risk of currency fluctuation in connection with exchange rate between the euro, on the one hand, and the pound sterling, the Swiss franc, the Danish krone, the Swedish krona and the Polish zloty, respectively, on the other. The Group’s strategy for hedging foreign currency risk in investments in non-euro currencies does not necessarily attempt to fully hedge this risk and tends towards a balanced hedge of this risk. In fact, the Group is open to assessing different hedging strategies, including allowing the Group to have significant positions not covered. These different hedging strategies might be implemented over a reasonable period depending on the market and the prior assessment of the effect of the hedge. Hedging arrangements can be instrumented via derivatives or borrowings in local currency, which act as a natural hedge.

Although the majority of the Group transactions are denominated in euros, the volatility in the exchange rate between the euro, and, respectively, the pound sterling, the Swiss franc, the Danish krone, the Swedish krona and the Polish zloty may have negative consequences on the Group, affecting its overall performance, business, results in operations, financial condition, and cash flows.

XXIV) Interest rate risk

The Group is exposed to interest rate risk through its current and non-current borrowings.

Borrowings issued at floating rates expose the Group to cash flow interest rate risk, while fixed-rate borrowings expose the Group to fair value interest rate risk. Additionally any increase in interest rates would increase Group finance costs relating to variable-rate indebtedness and increase the costs of refinancing existing indebtedness and issuing new debt. Recently, interest rates hikes have brought long-term Cellnex's notes to yields of approximately 5%.

The aim of interest rate risk management is to strike a balance in the debt structure which makes it possible to minimise the volatility in the consolidated income statement in a multi-annual setting.

During periods of high interest rates, the Group could also decide to enter into derivatives transaction to change fix rated contracts to variable rates contracts to benefit from the lowering of interest rates in the future.

The Group can use derivative financial instruments to manage its financial risk, arising mainly from changes in interest rates. These derivative financial instruments are classified as cash flow hedges and recognised at fair value (both initially and subsequently). The required valuations were determined by analysing discounted cash flows using assumptions mainly based on the market conditions at the reporting date for unlisted derivative instruments (see Note 11 of the accompanying consolidated financial statements).

As of 31 December 2023 and 31 December 2022 there are financing granted from third parties covered by interest rate hedging mechanisms (see Note 11 of the accompanying consolidated financial statements).

XXV) Credit risk

Each of the Group's main business activities (Telecom Infrastructure Services, Broadcasting Infrastructure and Other Network Services) obtain a significant portion of revenues from a limited number of customers, many of which are long-term customers and have high-value contracts with the Group.

The MNOs are the Group's main customers in the Telecom Infrastructure Services; television and radio broadcasting operators are the main clients in the broadcasting infrastructure; and certain central, regional and local government authorities, emergency and security forces, the public service sector and telecommunications operators are the main customers in its activities relating to Other Network Services.

The Group is sensitive to changes in the creditworthiness and financial strength of its main customers due to the importance of these key customers to the overall revenues. The long-term nature of certain Group contracts with customers and the historically high renewal ratio of these contracts helps to mitigate this risk.

The Group depends on the continued financial strength of its customers, some of which operate with substantial leverage and are not investment grade or do not have a credit rating.

During periods of high interest rates and inflation, the Group's customers can experience difficultly in making payments which could have an impact on the working capital of the Group, this affecting its prospects.

Given the nature of the Group's business, it has significant concentrations of credit risk, since there are significant accounts receivable as a result of having a limited number of customers. To mitigate this credit risk, the Group has place contractual arrangements to transfer this risk to third parties via non-recourse factoring of trade receivables in which case the Group would not retain any credit risk.

Credit risk also arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, and other debt, including unsettled receivables and committed transactions.

To mitigate this credit risk, the Group carries out derivative transactions and spot transactions mainly with banks with strong credit ratings as qualified by international rating agencies. The solvency of these institutions, as indicated in each institution's credit ratings, is reviewed periodically in order to perform active counterparty risk management.

The loss of significant customers, or the loss of all or a portion of the Group's expected services agreements revenues from certain customers and an increase in the Group's level of exposure to credit risk, or its failure to actively manage it, could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

XXVI) Liquidity risk

The Group carries out a prudent management of liquidity risk, which involves maintaining cash and having access to a sufficient amount of financing through established credit facilities as well as the ability to settle market positions. Given the dynamic nature of the Group's businesses, the policy of the Group is to maintain flexibility in funding sources through the availability of committed credit facilities. Due to this policy the Group has available liquidity amounting to EUR 4.6 billion, considering cash and available credit lines, as of 31 December 2023, and has no immediate debt maturities (the maturities of the Group's financial obligations are detailed in Note 15 of the accompanying consolidated financial statements).

As a consequence of the aforementioned the Group considers that it has liquidity and access to medium and long-term financing that allows the Group to ensure the necessary resources to meet the potential commitments for future investments.

However, the Group may not be able to draw down or access liquid funds in a sufficient amount and at a reasonable cost to meet its payment obligations at all times. Failure to maintain adequate liquidity levels may materially and adversely affect the Group business, prospects, results of operations, financial conditions and/or cash flows, and, in extreme cases, threaten the Group future as a going concern and lead to insolvency.

XXVII) Inflation risk

After a long period of historically low inflation, inflation significantly increased around the world during 2022 and the first half of 2023, with food, energy and petrol prices hitting record highs. A significant portion of the Group's operating costs could rise as a result of higher inflation and monetary policies of the European Central Bank. Further, most of the Group's infrastructure services contracts are indexed to inflation. As a consequence, its results of operations could be affected by inflation and/or deflation, specially if Cellnex is not successful in passing through the inflation to the customers. In this sense, those contracts with customers that are not inflationary capped may not be sustainable over time for our customers, which could result in renegotiation requests, bad debt increase, legal disputes and a worsened relationship between the Group and its customers, causing potential future opportunities loses.

Additionally, in the current high inflationary environment the Group may be not able to benefit from the operating leverage nature of its business in normalized conditions as a result of a mismatch between Operating Income and Operating Expenses (Opex) and Net payment of lease liabilities (leases) in terms of exposure to inflation.

This mismatch arises from a link of the Group's Operating Income to inflation which is capped at most of its contracts with anchor customers or fixed terms escalators (please see section 1.1. of the accompanying Consolidated Interim Directors' Report), whereas Opex and leases are generally uncapped, which require a strong Opex and lease control that is not under the total control of the Group, and could result in a potential margin erosion and a worsened liquidity position.

Any of the events above could in turn materially affect the Group business, prospects, financial condition, results of operations and cash flows.

XXVIII) Risk related to Group indebtedness

The Group's current indebtedness, which has increased significantly in recent years as the Group has expanded its business, or future indebtedness could have significant negative consequences on its business, prospects, results of operations, financial condition, corporate rating and cash flows, and there can be no assurance that the Group will generate sufficient cash flows from operations to service its present or future indebtedness or that future borrowing will be available in an amount sufficient to enable the Group to pay its indebtedness or to fund other liquidity needs.

Additionally, the Group's future performance and its ability to generate sufficient cash flows from operations, to refinance its indebtedness or to fund capital and development expenditures or opportunities that may arise is, to a certain extent, subject to general economic, financial, competitive, legislative, legal and regulatory factors, as well as to other of the factors discussed above, many of which are beyond the Group's control.

In particular, if future cash flows from operations and other capital resources are insufficient to pay its obligations as they mature, the Group may be forced to, among others, (i) issue equity capital or other securities or restructure or refinance all or a portion of its indebtedness, (ii) accept financial covenants in the Group's financing contracts such as limitations on the ability to incur additional debt, restrictions in the amount and nature of the Group's investments or the obligation to pledge certain Group's assets, or (iii) sell some of its core assets, possibly not on the best terms, to meet payment obligations. There can be no assurance that the Group would be able to accomplish any of these measures in a timely manner or on commercially reasonable terms, if at all. In addition, in the event that any change of control clause contained in the Group financings is triggered, the Group may be required to early repay its outstanding debt. Any of these aspects could impact in a potential downgrade in the Group's credit ratings from a rating agency, which can also make obtaining new financing more difficult and expensive.

On the other hand, if as a result of its present or future indebtedness the Group is required to dedicate a substantial portion of its cash flows from operations to service Group debt, it would have to also reduce or delay its business activities and/or the amount of cash flows available for other liquidity needs or purposes, including, among others, dividends or capital expenditures. This could, in turn, force the Group to forego certain business opportunities or acquisitions and place it at a possible competitive disadvantage to less leveraged competitors and competitors that may have better access to capital resources.

Furthermore, the Group announced a new capital allocation framework with deleverage and Investment Grade status by two credit rating agencies as key priorities (hence subordinating alternative uses of cash flow generation). Failure to deliver would significantly impact the credibility of the Group, force the Group to forego certain business opportunities and shareholding remuneration or force to sale assets while potentially being perceived as a distressed seller.

Moreover, BTS programs could be subject to acceleration demands from the Group's customers, seriously conflicting the commitment to deleverage.

In addition, the Group may be exposed to increasing demands from its customers to execute additional Engineering Services which could imply Expansion or Maintenance capital expenditures to increase. As such, from 2023 onwards, Engineering Services capex will be reported within Expansion Capex (potentially surpassing 10% guided intensity over Operating Income) or Maintenance capital expenditures, depending on its nature and magnitude (in prior years Engineering Services were included within the Build-to-suit programmes). Potentially, the Engineering Services could constitute a new capex line.

Also, achieving 2025 Targets could rely on more intensive Capital Expenditures activities, which would imply either delaying the Group's deleverage ambition or a failure to deliver on the 2025 Targets set.

In terms of interest rate risk, the Group is exposed through its current and non-current borrowings. Borrowings issued at floating rates expose the Group to cash flow interest rate risk.

Any increase in interest rates would increase the Group's finance costs relating to its variable-rate indebtedness and increase the costs of refinancing its existing indebtedness and issuing new debt, which could adversely affect the Group's business, prospects, results of operations, financial condition and cash flows. To mitigate this risk, the Group maintains the 76% of its debt at fixed rate. Thus, at 31 December 2023 and 31 December 2022 a change on the interest rates would not have a significant impact on the consolidated financial statements.

Adverse circumstances around the Group's indebtedness and the risk of refinancing debt at worsened terms could prevent Cellnex from achieving its target of accessing an Investment Grade status by two credit rating agencies.

XXIX) The Parent Company cannot guarantee that it will be able to implement its Shareholders' Remuneration Policy or to pay dividends (and even if it were able to, that it would do so)

If there are any distributable profits, declaration of a dividend requires a resolution of the General Shareholders' Meeting upon the recommendation of the Board of Directors. In the implementation of the Parent Company's Shareholder's Remuneration Policy (as defined herein), Cellnex is focused on distributing an annual dividend in an amount increased by 10% with respect to the dividend distributed the year before. However, the Parent Company's ability to distribute dividends in an amount increased by 10% with respect to the dividend distributed the year before, depends on a number of circumstances and factors including, but not limited to, the amount of net profit attributable to the Parent Company in any financial year, any limitations to the distribution of dividends included in the Group's financing agreements and the Group's growth strategy. In the future, the Parent Company may not have cash available to pay dividends in an amount increased by 10% with respect to the dividend distributed the year before or have the reserves legally required for the Parent Company to be able to do so. Even if the Parent Company does have adequate cash and reserves, the Parent Company's shareholders and Board of Directors may choose not to distribute dividends in an amount increased by 10% with respect to the dividend distributed the year before. In addition, the Parent Company's ability to distribute dividends at all, depends on the same circumstances and factors and even if the Parent Company does have adequate cash and reserves, the Parent Company's shareholders and Board of Directors may choose not to distribute dividends at all.

Consequently, the Group cannot assure that it will pay a dividend in the future in compliance with the Parent Company's Shareholder's Remuneration Policy, or that it will pay any dividend.

Compliance risks

XXX) Fraud and compliance risks

The Group's operations are also subject to anti-bribery and anti-corruption laws and regulations and affect where and how its business may be conducted. The Group has established certain systems to monitor compliance with applicable laws and regulations and provides training to its employees to facilitate compliance with such laws and regulations.

The Cellnex group has a code of conduct (the "Ethics' Code") approved by the Board of Directors. The corporation prepares an Ethics' Code Framework which is then adapted in each country . This Ethics' Code is communicated to all employees.

The Group has created a corporate compliance function to improve compliance with the Group's Ethics' Code, implemented through specific regulations for each country and the establishment of whistle-blowing channels and the supervision of oversight and control measures to prevent criminal acts. The main values and principles included in the Ethics' Code are: integrity, honesty, transparency, loyalty, commitment to and defense of Group interests, and responsibility in all actions. The Ethics' Code includes among its fundamental principles the commitment to strictly comply with the obligation of the Group to offer reliable financial information prepared in accordance with applicable regulations, and the responsibility of its employees and management to ensure this is so, by correctly carrying out of their functions and by notifying the governing bodies of any circumstance which might affect that undertaking.

XXXI) Risk associated with significant agreements signed by the Group that could be modified due to change of control clauses

Certain material contracts entered into by the Group, including the Group's material debt agreements and most of the Group's agreements with anchor customers, could be modified or terminated if a change of control clause is triggered. A change of control clause may be triggered if a third-party, either alone or in conjunction with others, obtains "significant influence" and/or "control" (which is generally defined as having (i) more than 50% of shares with voting rights (except in a few exceptional cases where this threshold is defined as having 29% or more of shares with voting rights) or (ii) the right to appoint or dismiss the majority of the members of the board of directors of the relevant Group company). A change of control clause may be triggered at the level of Cellnex or only at the level of the relevant subsidiary that has entered into the relevant contract. In certain contracts, the definition of control, and therefore of a change of control, makes specific reference to the applicable law in the relevant jurisdiction.

With regards to the material contracts entered into by Group companies with anchor customers, the triggering of a change of control provision is generally limited to events where the acquiring company is a competitor of the anchor customer. In such circumstances, the anchor customer may be granted an option to buy back assets (generally the infrastructures where they are being serviced). Such buy back option may also be granted in the event that a competitor of the anchor customer acquires a significant portion of the shares or obtains voting or governance rights which can be exercised in a way that can negatively affect the anchor customer's interests. For example, in the context of the Polkomtel Acquisition, the Group entered into a buyback agreement with Polkomtel (as defined herein) by virtue of which Polkomtel (or its nominee) will be granted the right to require Cellnex Poland or Cellnex to sell and transfer back the shares of Polkomtel Infrastruktura (sold pursuant to the Polkomtel SPA, as defined herein) to Polkomtel (or its nominee in the event (i) shares in Polkomtel Infrastruktura are issued or sold to a Restricted Entity (as such term is defined in the Polkomtel Buyback Agreement), (ii) there is a change of control, without the prior written consent of Polkomtel, by means of which a Restricted Entity gains majority ownership or control over Polkomtel Infrastruktura or any of its holding companies (other than Cellnex), (iii) there is a change of control, without the prior written consent of Polkomtel, by means of which a Restricted Entity gains ownership of more than 30% of Cellnex or gains control over Cellnex, or (iv) in certain circumstances, if a critical failure under the Polkomtel MSA occurs. In the event any of the triggering events (i) to (ii) occurs, Polkomtel may opt to exercise its right pursuant to the Polkomtel Buyback Agreement within three months or, alternatively, to have the fees of the Polkomtel MSA reduced by 50%.

On the other hand, the bonds issued under the EMTN Programme, and the Guaranteed EMTN Programme, other debt securities issued by the Group, the Convertible Bonds, (see note 15 of the accompanying consolidated financial statements) and the bank financing contracts of the Group include certain change of control clauses that could trigger an early repayment under the respective debt arrangement.

Finally, asset buy back options can also be exercised in case of an explicit breach by a Group company of the contractual obligations under services level agreements with its customers ("SLAs"). In addition, the Group may enter into contracts related to joint future investments that have a buy back clause whereby the customer has the right to acquire the related assets during defined periods. While the Group's management currently believes that the likelihood of exercising such option is not high, given it would require the relevant customer to make a significant payment to the Group, the Group can provide no assurance that any such options will not be exercised.

If a change of control clause included in any of the Group's material contracts is triggered, or if a company of the Group fails to comply with its contractual obligations under an SLA or a joint investment agreement, it may materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

Annex 2. Other public documents

At the date of issue of the accompanying Integrated Annual Report, information of a public nature is available, and should be read in conjunction with this Consolidated Management Report for the year ending 31 December 2023, as detailed below on a non-exhaustive illustrative basis. Such information is not incorporated by reference into this Consolidated Management Report.

- Prospectus Offer of Sale and Admission to Negotiate Shares of Cellnex Telecom, S.A.U (https://www.cellnex.com/app/uploads/2021/11/Oferta-Venta-y-Admision-a-Negociacion-Acciones-de-Cellnex-Telecom-23-de-abril-de-2015.pdf)
- Supplement to the informative prospectus for the sale and admission to trading of shares of Cellnex Telecom, S.A.U. (https://www.cellnex.com/app/uploads/2021/11/Suplemento.pdf).
- Prospectus March 2019 Capital Increase (https://www.cellnex.com/app/uploads/2021/11/Prospectus-Capital-Increase.pdf)
- Prospectus October 2019 Capital Increase (https://www.cellnex.com/app/uploads/2021/11/Prospectus-Capital-Increase.pdf)
- Prospectus July 2020 Capital Increase (https://www.cellnex.com/app/uploads/2021/11/Prospectus-Capital-Increase.pdf)
- Prospectus March 2021 Capital Increase (https://www.cellnex.com/app/uploads/2021/11/20210330-Cellnex-Offering-Memorandum.pdf)
- Debt Programs (https://www.cellnex.com/investor-relations/fixed-income/#shareholders-investors-debt-programs)
- Universal Registration Document (https://www.cellnex.com/app/uploads/2017/11/Folleto.pdf).
- Euro Medium Term Note Program (EMTN) Base Prospectus (https://www.cellnex.com/app/uploads/2015/12/Base-Prospectus_9a658ab1-a8aa-40f6-a58a-135203155a1e.pdf).
- Euro-Commercial Paper Programme (https://www.cellnex.com/app/uploads/2018/06/Cellnex-ECP-Programme_Information-Memorandum_FINAL.pdf).
- Report of the Board of Directors on Convertible Bonds (https://www.cellnex.com/app/uploads/2018/01/Informe-Consejo-de-Administraci%C3%B3n-Bonos-Convertibles.pdf).
- Auditor's Report on Convertible Bonds (https://www.cellnex.com/app/uploads/2018/01/Informe-Auditor-Bonos-Convertibles.pdf).
- Ratings Rating Agencies (https://www.cellnex.com/investor-relations/fixed-income/#shareholders-investors-debt-programs).
- Corporate Policies (https://www.cellnex.com/investor-relations/corporate-governance/#shareholders-investors-corporate-policies).
- Press releases (https://www.cellnex.com/mediacenter/).
- Inside Information (https://www.cellnex.com/investor-relations/cnmv-notifications/).
- Quarterly Results (https://www.cellnex.com/sections/shareholders-investors-financial-quarterly-table/).
- ESG (https://www.cellnex.com/sustainability/)
- Annual/half-yearly reports (https://www.cellnex.com/investor-relations/financial-information/#shareholders-investors-financial-reports).
- Corporate Bylaws of Cellnex Telecom S.A. (https://www.cellnex.com/app/uploads/2022/05/20220428-Estatutos-sociales-refundidos-ENG.pdf)
- Comisión Nacional del Mercado de Valores ("CNMV") website (https://www.cnmv.es/portal/home.aspx).
- Cellnex Telecom website (https://www.cellnex.com/)
- Research released by the sell-side community covering the stock are highly recommended. Please find Analysts relation at: https://www.cellnextelecom.com/en/recomendaciones-analistas/
- The Hutchison shareholder Circular (https://www1.hkexnews.hk/listedco/listconews/sehk/2020/1201/2020120101741.pdf)

Annex 3. Index of contents required by Law 11/2018

Legal content (Law 11/2018)	Materiality	Equivalent GRI indicator (2021 version if not stated otherwise)	2023 Integrated Annual Report section and/or direct response	2023 Integrated Annual Report page number
General Information				
Brief description of the group's business model, which will include: 1. its business environment, 2. its organisation and structure, 3. the markets in which it operates, 4. its goals and strategies, 5. The main factors and trends that may affect its future evolution	Material	2-1	• Name of the organisation: Cellnex Telecom, S.A. • Ownership and legal form: Cellnex Telecom, S.A. • Location of headquarters: Juan Esplandiú, 11-13 28007 Madrid • Location of operations: 1. CELLNEX - Bring the world closer through telecom connectivity / 1.2. Connectivity solutions / European Ambition	30-34
		2-6	• Activities: 1. CELLNEX - Bring the world closer through telecom connectivity / 1.2. Connectivity solutions • Value chain: 6. VALUE CHAIN - Extending our commitment to the value chain • Business relationships: 1. CELLNEX - Bring the world closer through telecom connectivity / 1.3 Our commitment / Stakeholders 2. GOVERNANCE - Showing what we are, acting with integrity / 2.5 Business perspectives 2. GOVERNANCE - Showing what we are, acting with integrity / 2.6 Investors relations	21-62; 78-87; 143; 144-152; 253-267
		2-7	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.1 People Strategy Annex 6. KPI Tables	155; 321-322
		2-22	Interview with the Chair and the CEO 2. GOVERNANCE - Showing what we are, acting with integrity / 2.1 Corporate Governance	5-7; 90-105
Reporting framework used	Material	1-3	7. Basis for the preparation of the Report / 7.2 Reporting scope This report has been prepared with reference to the GRI Standards.	270
Materiality	Material	3-1 3-2	1. CELLNEX - Bring the world closer through telecom connectivity / 1.3 Our commitment / Double materiality analysis	66-67
Policies				
A description of the policies that the group applies regarding these issues, which will include: 1.) due diligence procedures applied to the identification, evaluation, prevention and mitigation of significant risks and impacts 2.) verification and control procedures, including what measures have been taken	Material	3-3 2-23 2-24	1. CELLNEX - Bring the world closer through telecom connectivity / 1.3 Our commitment 2. GOVERNANCE - Showing what we are, acting with integrity 2.1 Corporate Governance 2.2 Global Management System 3. PEOPLE - Boosting our talent, being diverse and inclusive 3.2 Culture - Empowering our People / Equity, Diversity, and Inclusion 3.5 Social Dialogue 3.6 Safety and well-being at our core 4. SOCIETY - Being a facilitator of social progress / 4.4 Commitment to Human Rights 5. ENVIRONMENT - Growing with a long-term sustainable environmental approach 5.1 Environmental strategy and positioning 5.2 Monitoring and management of the main environmental risks, opportunities, and impacts 5.4 Resource conservation 5.5 Carbon footprint and Climate Change 6. VALUE CHAIN - Extending our commitment to the value chain 6.1 Customers 6.2 Suppliers	63-87; 90-105; 106-112; 165-171; 186-188; 189-197; 220; 223-226; 227-230; 233-238; 239-245; 255-261; 262-267

Legal content (Law 11/2018)	Materiality	Equivalent GRI indicator (2021 version if not stated otherwise)	2023 Integrated Annual Report section and/or direct response	2023 Integrated Annual Report page number
Risks				
The main risks related to these issues related to the activities of the group, including, where relevant and proportionate, their business relationships, products or services that may have negative effects in those areas, and how the group manages these risks, explaining the procedures used to detect and evaluate them according to national, European or international reference frameworks for each subject. Information on the impacts that have been detected must be included, offering a breakdown of them, in particular on the main risks in the short, medium and long term.	Material	3-3	1. CELLNEX - Bring the world closer through telecom connectivity / 1.3 Our commitment 2. GOVERNANCE - Showing what we are, acting with integrity / 2.3 Risk Management 4. SOCIETY - Being a facilitator of social progress / 4.4 Commitment to Human Rights 5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.2 Monitoring and management of the main environmental risks, opportunities, and impacts Annex 1. Risks	63-87; 113-117; 220; 227-230; 275-297
Environmental issues				
General information				
Detailed information on the current and foreseeable effects of the company's activities on the environment and, where appropriate, health and safety, environmental assessment or certification procedures.	Material	3-3 2-23	1. CELLNEX - Bring the world closer through telecom connectivity / 1.2 Connectivity solutions / Regulatory context / Exposure to electromagnetic fields 2. GOVERNANCE - Showing what we are, acting with integrity / 2.2 Global Management System 5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.2 Monitoring and management of the main environmental risks, opportunities, and impacts Annex 1. Risks	60-62; 106-112; 227-230; 275-297
Resources dedicated to the prevention of environmental risks.	Material	2-23	2. GOVERNANCE - Showing what we are, acting with integrity / 2.2 Global Management System 5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.2 Monitoring and management of the main environmental risks, opportunities, and impacts. Annex 1. Risks Consolidated Financial Statements / Note 22.	106-112; 227-230; 275-297
The application of the precautionary principle, the amount of provisions and guarantees against environmental risks.	Material	2-23	2. GOVERNANCE - Showing what we are, acting with integrity / 2.2 Global Management System 5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.2 Monitoring and management of the main environmental risks, opportunities, and impacts Annex 1. Risks Consolidated Financial Statements / Note 22 Cellnex has environmental liability insurance, in accordance with current legislation, amounting to €20Mn.	106-112; 227-230; 275-297
Pollution				
Measures to prevent, reduce or repair carbon emissions that seriously affect the environment, taking into account any form of air pollution specific to an activity, including noise and light pollution.	Not material	3-3 305-5 (2016)	While it is a non-material topic and reporting is not mandatory, information is disclosed in: 5. ENVIRONMENT - Growing with a long-term sustainable environmental approach 5.2 Monitoring and management of the main environmental risks, opportunities and impacts 5.4 Resource conservation 5.5 Carbon footprint and Climate Change 6. VALUE CHAIN - Extending our commitment to the value chain / 6.1 Customers 7. Basis for the preparation of the Report / 7.3 Carbon footprint: Scope and calculation methodology for CO_2 emissions	227-230; 233-238; 239-245; 255; 271-272

Legal content (Law 11/2018)	Materiality	Equivalent GRI indicator (2021 version if not stated otherwise)	2023 Integrated Annual Report section and/or direct response	2023 Integrated Annual Report page number
Circular economy and waste prevention and management				
Circular economy; Waste: Prevention, recycling, reuse, other forms of recovery and waste disposal.	Not material	3-3 306-2 (2020)	While it is a non-material topic and reporting is not mandatory, information is disclosed in: 5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.4 Resource conservation / Responsible and circular resource management Annex 6. KPI Tables	237-238; 339
Actions to fight food waste	Not material	-	As this is a non-material topic, reporting this information is not applicable.	-
Sustainable use of resources				
Water consumption and water supply according to local limitations	Not material	303-1 (2018) 303-3 (2018) 303-5 (2018)	While it is a non-material topic and reporting is not mandatory, information is disclosed in: 5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.4 Resource conservation / Responsible and circular resource management Annex 6. KPI Tables	237-238; 336
Consumption of raw materials and the measures adopted to improve the efficiency of their use.	Not material	-	As this is a non-material topic, reporting this information is not applicable.	-
Consumption, direct and indirect, of energy,	Material	3-3 302-1 (2016)	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.4 Resource conservation / Energy management Annex 6. KPI Tables	233-236; 333-335
Measures taken to improve energy efficiency.	Material	3-3 302-4 (2016)	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.4 Resource conservation / Energy management Annex 6. KPI Tables	233-236; 333-335
Use of renewable energies	Material	3-3 302-1 (2016)	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.4 Resource conservation / Energy management Annex 6. KPI Tables	233-236; 333-335
Climate Change				
The important elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces.	Material	3-3 305-1 (2016) 305-2 (2016) 305-3 (2016) 305-4 (2016)	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and Climate Change 7. Basis for the preparation of the Report / 7.3 Carbon footprint: Scope and calculation methodology for CO_2 emissions Annex 6. KPI Tables	239-245; 271-272; 337-338
The measures adopted to adapt to the consequences of Climate Change.	Material	3-3 201-2 (2016)	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach 5.2 Monitoring and management of the main environmental risks, opportunities, and impacts 5.5 Carbon footprint and Climate Change	227-230; 239-245
The reduction goals established voluntarily in the medium and long term to reduce greenhouse gas emissions and the means implemented for that purpose.	Material	3-3 305-5 (2016)	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and Climate Change	239-245
Biodiversity				
The measures taken to preserve or restore biodiversity.	Not material	3-3	While it is a non-material topic and reporting is not mandatory, information is disclosed in: 5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.6 Nature and biodiversity	246-252
Impacts caused by activities or operations in protected areas.	Not material	304-1 (2016) 304-2 (2016)	While it is a non-material topic and reporting is not mandatory, information is disclosed in: 5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.6 Nature and biodiversity	246-252
Social and personnel issues				
Employment				
Total number and distribution of employees by sex, age, country and professional category.	Material	3-3 2-7 405-1 (2016)	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.1 People Strategy Annex 6. KPI Tables	155; 319-325

Legal content (Law 11/2018)	Materiality	Equivalent GRI indicator (2021 version if not stated otherwise)	2023 Integrated Annual Report section and/or direct response	2023 Integrated Annual Report page number
Total number and distribution of work contract modalities.	Material	2-7	Annex 6. KPI Tables	321-322
Annual average of permanent, temporary and part-time contracts by sex, age and professional category	Material	2-7 405-1 (2016)	Annex 6. KPI Tables The annual average of contracts by type exhibits no seasonality throughout the year, therefore, the breakdown of the workforce by contract type is disclosed at the end of the reporting year.	319-322
Number of dismissals by sex, age and professional classification.	Material	401-1 (2016)	Annex 6. KPI Tables	325
The average remunerations and their evolution disaggregated by sex, age and professional classification or equal value.	Material	405-2 (2016)	Annex 6. KPI Tables	326-327
Salary gap, the remuneration of equal or average positions in the company	Material	3-3 405-2 (2016)	Annex 6. KPI Tables	326
The average remuneration of directors and executives, including variable remuneration, allowances, compensation, payment to long term savings forecast systems and any other perception disaggregated by sex.	Material	3-3 2-19 405-2 (2016)	Annex 6. KPI Tables Consolidated Financial Statements / Note 24 Annual Corporate Governance Report / 5.11 Remuneration for the Board of Directors and interests held by the members of the Board of Directors in share capital. Annex 10. Annual Report on the Remuneration of Directors / 4. Remuneration in 2023	326-327
Implementation of labour disconnection measures.	Material	3-3	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core / Well-being at Cellnex	189-190
Employees with disabilities	Material	405-1 (2016)	Cellnex had 35 employees with different abilities in 2023, 26 in 2022.	-
Work organisation				
Organisation of working time	Material	3-3	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core	189-197
Number of hours of absenteeism.	Material	403-9 (2018)	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core Annex 6. KPI Tables	189-197; 331
Measures designed to facilitate the enjoyment of conciliation and encourage joint responsibility of these by both parents	Material	3-3	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core	189-197
Health and Safety				
Conditions of health and safety at work.	Material	3-3 403-1 (2018) to GRI 403-8 (2018)	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core	189-197
Work accidents, in particular their frequency and seriousness, occupational diseases, disaggregated by sex.	Material	403-9 (2018) 403-10 (2018)	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core Annex 6. KPI Tables	189-197; 331
Social relations				
Organisation of social dialogue, including procedures for informing and consulting staff and negotiating with them.	Material	3-3 402-1 (2016)	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.5 Social dialogue	186-188
Percentage of employees covered by collective agreement by country.	Material	2-30	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.5 Social dialogue Annex 6. KPI Tables	186-188; 322
Balance of collective agreements, particularly in the field of health and safety at work.	Material	403-4 (2018)	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.5 Social dialogue Annex 6. KPI Tables	186-188; 322
Mechanisms and procedures that the company has to promote the involvement of workers in the management of the company, in terms of information, consultation and participation	Material	3-3	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.5 Social dialogue	186-188

Legal content (Law 11/2018)	Materiality	Equivalent GRI indicator (2021 version if not stated otherwise)	2023 Integrated Annual Report section and/or direct response	2023 Integrated Annual Report page number
Training				
The policies implemented in the field of training	Material	3-3 404-2 (2016)	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.4 Cellnex: A place to grow / Growing Talent / Talent Academy Annex 6. KPI Tables	182-183; 329-330
The total amount of training hours by professional categories.	Material	404-1 (2016)	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.4 Driving efficiency and performance / Talent Growth - Training hours Annex 6. KPI Tables	182-183; 329-330
Accessibility				
Universal accessibility for people with disabilities	Material	3-3	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.1 People strategy	155
Equality				
Measures taken to promote equal treatment and opportunities between men and women.	Material	3-3	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.2 Culture: Empowering our People / Equity, Diversity, and Inclusion	165-171
Equality plans, measures adopted to promote employment, protocols against sexual and gender-based harassment, integration and the universal accessibility of people with disabilities.	Material	3-3	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.2 Culture: Empowering our People / Equity, Diversity, and Inclusion	165-171
The policy against all types of discrimination and, where appropriate, management of diversity	Material	3-3	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.2 Culture: Empowering our People / Equity, Diversity, and Inclusion	165-171
Human Rights				
Application of due diligence procedures in human rights. Prevention of the risks of violation of human rights and, where appropriate, measures to mitigate, manage and repair possible abuse	Material	3-3 2-23 2-24	2. GOVERNANCE - Showing what we are, acting with integrity / 2.1 Corporate Governance / 2.1.3 Ethics and Compliance 4. SOCIETY - Being a facilitator of social progress / 4.4 Commitment to Human Rights	101-105; 220
Complaints about cases of violation of human rights.	Material	406-1 (2016)	4. SOCIETY - Being a facilitator of social progress / 4.4 Commitment to Human Rights	220
Promotion and compliance with the provisions of the fundamental Conventions of the International Labor Organisation related to respect for freedom of association and the right to collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced or compulsory labor and the effective abolition of child labor.	Material	3-3 406-1 (2016) 407-1 (2016) 408-1 (2016) 409-1 (2016)	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.5 Social dialogue 4. SOCIETY - Being a facilitator of social progress / 4.4 Commitment to Human Rights	186-188; 220
Corruption and bribery				
Measures taken to prevent corruption and bribery.	Material	3-3 2-23 2-24 205-2 (2016) 205-3 (2016)	2. GOVERNANCE - Showing what we are, acting with integrity / 2.1 Corporate Governance / Ethics and Compliance	101-105
Measures to combat money laundering.	Material	205-3 (2016)	2. GOVERNANCE - Showing what we are, acting with integrity / 2.1 Corporate Governance / Ethics and Compliance	101-105
Contributions to foundations and non-profit entities.	Material	413-1 (2016)	In 2023, the total amount of donations was €1,179,816 (€3,430,905 in 2022). The total contribution to sponsorship activities or events by Cellnex Telecom was €315,392 euros (€265,342 in 2022) and the total contribution to associations of which Cellnex is a member was €666,804.42 (€722,693 in 2022).	-
Society				
The company's commitments to sustainable development				
The impact of society's activity on employment and local development. The impact of the company's activity on local populations and the territory.	Material	3-3 203-1 (2016) 413-1 (2016)	1. CELLNEX - Bring the world closer through telecom connectivity 1.2 Connectivity solutions / Innovation 1.3 Our commitment / Our commitment to the Sustainable Development Goals (SDG) 4. SOCIETY - Being a facilitator of social progress	51-59; 74-86; 198-220

Legal content (Law 11/2018)	Materiality	Equivalent GRI indicator (2021 version if not stated otherwise)	2023 Integrated Annual Report section and/or direct response	2023 Integrated Annual Report page number
The relationships maintained with the actors of the local communities and the modalities of dialogue with them	Material	2-29 413-1 (2016)	1. CELLNEX - Bring the world closer through telecom connectivity / 1.3 Our commitment / Stakeholders 2. GOVERNANCE - Showing what we are, acting with integrity / 2.6 Investor relations 4. SOCIETY - Being a facilitator of social progress	78-87; 144-152; 198-220
Association or sponsorship actions.	Material	2-28	1. CELLNEX - Bring the world closer through telecom connectivity / 1.3 Our commitment / Stakeholders In 2023, the total amount of donations was €1,179,816 (€3,430,905 in 2022). The total contribution to sponsorship activities or events by Cellnex Telecom was €315,392 (€265,342 in 2022) and the total contribution to associations of which Cellnex is a member was €666,804.42 (€722,693 in 2022). In 2023, the contribution to Tallon Boury & Associés amounted to €77,000 (€66,000 in 2022), the contribution to Mayer Brown to €3,500 (€21,000 in 2022), the contribution to Brunswick to €521,224.43 (€532,468 in 2022), and the contribution to Hill+Knowlton Strategies to €61,000 (€45,082 in 2022).	78-87
Subcontracting and suppliers				
The inclusion in the procurement policy of social issues, gender equality and environmental issues. Consideration in relations with suppliers and subcontractors of their social and environmental responsibility.	Material	3-3 2-6 308-1 (2016) 308-2 (2016) 414-1 (2016) 414-2 (2016)	1. CELLNEX - Bring the world closer through telecom connectivity / 1.3 Our commitment / ESG Master Plan 5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and Climate Change / Carbon management throughout the value chain 6. VALUE CHAIN - Extending our commitment to the value chain / 6.2 Suppliers / Supplier evaluation, selection, and monitoring	68-73; 245; 266-267
Supervision systems and audits and their results.	Material	3-3	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and Climate Change / Carbon management throughout the value chain 6. VALUE CHAIN - Extending our commitment to the value chain / 6.2 Suppliers / Supplier evaluation, selection, and monitoring Annex 6. KPI Tables	245; 266-267; 332
Consumers				
Measures for the health and safety of consumers.	Material	3-3 416-1 (2016)	2. GOVERNANCE - Showing what we are, acting with integrity / 2.2 Global Management System / 2.2.2 Information security	111-112
Claims systems, complaints received and resolution of them.	Material	3-3 418-1 (2016)	2. GOVERNANCE - Showing what we are, acting with integrity / 2.2 Global Management System / 2.2.2 Information security 6. VALUE CHAIN - Extending our commitment to the value chain / 6.1 Customers / Our customer-centric approach	111-112; 255
Tax information				
Benefits obtained country by country	Material	3-3 207-4 (2019)	2. GOVERNANCE - Showing what we are, acting with integrity / 2.4 Financial information This information is provided in detail in the Consolidated Annual Accounts.	136-140
Taxes paid on benefits	Material	3-3 207-1 (2019) 207-4 (2019)	2. GOVERNANCE - Showing what we are, acting with integrity / 2.4 Financial information This information is provided in detail in the Consolidated Annual Accounts.	136-140
Public subsidies received.	Material	201-4 (2021)	No significant financial assistance has been received from the government.	-

Information requested by Regulation (EU) 2020/852 on Taxonomy	Materiality	Used references	2023 Integrated Annual Report section and/or direct response	2023 Integrated Annual Report page number
Proportion of eligible and aligned, eligible non-aligned and non-eligible economic activities in relation to the volume of business, calculated according to the criteria of section 1.1.1. of Annex I of Delegated Regulation 2021/2178 and its subsequent amendments.	Material	Regulation (EU) 2020/852 on Taxonomy Commission Delegated Regulation (EU) 2021/2178 supplementing Regulation (EU) 2020/852 on Taxonomy	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.3 EU Taxonomy Annex 7. EU Taxonomy	231-232; 340-364
Proportion of eligible and aligned, eligible non-aligned and non-eligible economic activities in relation to investments in fixed assets (CapEx), calculated according to the criteria of section 1.1.2. of Annex I of Delegated Regulation 2021/2178 and its subsequent modifications.	Material		5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.3 EU Taxonomy Annex 7. EU Taxonomy	231-232; 340-364
Proportion of eligible and aligned, eligible non-aligned and non-eligible economic activities in relation to operating expenses (OpEx), calculated according to the criteria of section 1.1.3. of Annex I of Delegated Regulation 2021/2178 and its subsequent modifications.	Not material		As this is a non-material topic, reporting this information is not applicable.	-
Breakdown of qualitative contextual information for the correct interpretation of the previously detailed indicators, as detailed in section 1.2. of Annex I of Delegated Regulation 2021/2178 and its subsequent modifications.	Material	Commission Delegated Regulation (EU) 2021/2178 supplementing Regulation (EU) 2020/852 on Taxonomy - Annex 1.2	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.3 EU Taxonomy Annex 7. EU Taxonomy	231-232; 340-364

Annex 4. GRI Content Index

Statement of use	Cellnex Telecom, S.A. has reported the information cited in this GRI content index for the period 1st of January 2023 to 31st of December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (2023 Integrated Annual Report section and/or direct response)	LOCATION (2023 Integrated Annual Report page number)	OMISSION
General disclosures				
GRI 2: General Disclosures 2021	2-1 Organisational details	• Name of the organisation: Cellnex Telecom, S.A. • Ownership and legal form: Cellnex Telecom, S.A. • Location of headquarters: Juan Esplandiú, 11-13 28007 Madrid • Location of operations: 1. CELLNEX - Bring the world closer through telecom connectivity / 1.2. Connectivity solutions / European Ambition	30-35	
	2-2 Entities included in the organisation's sustainability reporting	7. Basis for the preparation of the Report / Reporting scope. This information is provided in detail in the Consolidated Annual Accounts.	270	
	2-3 Reporting period, frequency and contact point	• Reporting period: Fiscal Year 2023, extending from 1st of January 2023 to 31st of December 2023. • Reporting frequency: Annual • Contact point: 7. Basis for the preparation of the Report / Contact information	273	
	2-4 Restatements of information	There haven't been restatements of information from previous reports.	321-326; 328; 330-331; 335; 337-343	
	2-5 External assurance	Annex 9. Independent Verification Report	366-372	
	2-6 Activities, value chain and other business relationships	• Activities: 1. CELLNEX - Bring the world closer through telecom connectivity / 1.2. Connectivity solutions • Value chain: 6. VALUE CHAIN - Extending our commitment to the value chain • Business relationships: 1. CELLNEX - Bring the world closer through telecom connectivity / 1.3 Our commitment / Stakeholders 2. GOVERNANCE - Showing what we are, acting with integrity 2.5 Business perspectives 2.6 Investors relations	21-62; 253-267; 78-87; 143; 144-152	
	2-7 Employees	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.1 People strategy Annex 6. KPI Tables	155; 321-322	
	2-8 Workers who are not employees	The company is working to collect and disclose this information in a more extensive and detailed way, in order to adapt to the requirements of the CSRD, for the next financial year.	-	
	2-9 Governance structure and composition	2. GOVERNANCE - Showing what we are, acting with integrity / 2.1 Corporate Governance Annex 11. Corporate Governance Report / 5.1 Structure and composition of the Board of Directors	90-105; 374	
	2-10 Nomination and selection of the highest governance body	2. GOVERNANCE - Showing what we are, acting with integrity / 2.1 Corporate Governance	90-105	
	2-11 Chair of the highest governance body	2. GOVERNANCE - Showing what we are, acting with integrity / 2.1 Corporate Governance	90-105	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (2023 Integrated Annual Report section and/or direct response)	LOCATION (2023 Integrated Annual Report page number)	OMISSION
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	1. CELLNEX - Bring the world closer through telecom connectivity / 1.3 Our commitment ESG Master Plan Stakeholders 2. GOVERNANCE - Showing what we are, acting with integrity / 2.1 Corporate Governance Annex 1. Risks Annex 11. Corporate Governance Report / 5.1 Structure and composition of the Board of Directors	68-73; 78-87; 90-105; 275-297; 374	
	2-13 Delegation of responsibility for managing impacts	1. CELLNEX - Bring the world closer through telecom connectivity / 1.3 Our commitment / ESG Master Plan 2. GOVERNANCE - Showing what we are, acting with integrity / 2.1 Corporate Governance Annex 11. Corporate Governance Report / 5.1 Structure and composition of the Board of Directors	68-73; 90-105; 374	
	2-14 Role of the highest governance body in sustainability reporting	1. CELLNEX - Bring the world closer through telecom connectivity / 1.3 Our commitment / ESG Master Plan Annex 11.Corporate Governance Report / 5.5 Powers and functions of board directors based on the position held on the Board of Directors	68-73; 374	
	2-15 Conflicts of interest	Annex 11. Corporate Governance Report / 8.3 Conflicts of interest	68-73; 374	
	2-16 Communication of critical concerns	2. GOVERNANCE - Showing what we are, acting with integrity / 2.1 Corporate Governance / Ethics and Compliance	101-105	
	2-17 Collective knowledge of the highest governance body	2. GOVERNANCE - Showing what we are, acting with integrity / 2.1 Corporate Governance	90-105	
	2-18 Evaluation of the performance of the highest governance body	2. GOVERNANCE - Showing what we are, acting with integrity / 2.1 Corporate Governance Annex 11. Corporate Governance Report / 5.1 Structure and composition of the Board of Directors	90-105; 374	
	2-19 Remuneration policies	Annex 11. Corporate Governance Report / 5.11 Remuneration for the Board of Directors and interests held by the members of the Board of Directors in share capital Annual Report on the Remuneration of Directors / 3. 2024 Directors' Remuneration Policy	374	
	2-20 Process to determine remuneration	Annex 11. Corporate Governance Report / 5.11 Remuneration for the Board of Directors and interests held by the members of the Board of Directors in share capital Annex 10. Annual Report on the Remuneration of Cellnex Telecom's Directors	374	
	2-21 Annual total compensation ratio	Annex 6. KPI Tables The ratio obtained from the calculation between the remuneration of the person who holds the position of CEO and the average remuneration of the Group is 69.27 in 2023 (in 2022 it was 71.75). The ratio between the average remuneration increase of the Group in relation to the increase of the remuneration of the CEO for the year 2023 is 0.80, (-0.11 in the previous period) and the variation in the remuneration of the CEO was 17.10%% in 2023 (-2.4% in the previous period). The changes correspond to the total remuneration accrued, excluding contributions to pension funds and life insurance premiums.	326-327	
	2-22 Statement on sustainable development strategy	Interview with the Chair and the CEO 1. CELLNEX - Bring the world closer trough telecom connectivity / 1.3 Our commitment / Cellnex's commitment to the Sustainable Development Goals (SDG) 2. GOVERNANCE - Showing what we are, acting with integrity / 2.1 Corporate Governance	4-7; 74-77; 90-105	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (2023 Integrated Annual Report section and/or direct response)	LOCATION (2023 Integrated Annual Report page number)	OMISSION
GRI 2: General Disclosures 2021	2-23 Policy commitments	1.CELLNEX - Bring the world closer trough telecom connectivity / 1.3 Our commitment 2. GOVERNANCE - Showing what we are, acting with integrity 2.1 Corporate Governance 2.2 Global Management System 3. PEOPLE - Boosting our talent, being diverse and inclusive 3.2 Culture - Empowering our People / Equity, Diversity, and Inclusion 3.5 Social Dialogue 3.6 Safety and well-being at our core 4. SOCIETY - Being a facilitator of social progress / 4.4 Commitment to Human Rights 5. ENVIRONMENT - Growing with a long-term sustainable environmental approach 5.1 Environmental and strategy positioning 5.2 Monitoring and management of the main environmental risks, opportunities, and impacts 5.4 Resource conservation 5.5 Carbon footprint and Climate Change 6. VALUE CHAIN - Extending our commitment to the value chain 6.1 Customers 6.2 Suppliers	63-87; 90-105; 106-112; 165-171; 189-197; 220; 223-226; 228-231; 233-238; 239-245; 255-261; 262-267	
	2-24 Embedding policy commitments	1.CELLNEX - Bring the world closer trough telecom connectivity / 1.3 Our commitment 2. GOVERNANCE - Showing what we are, acting with integrity 2.1 Corporate Governance 2.2 Global Management System 3. PEOPLE - Boosting our talent, being diverse and inclusive 3.2 Culture - Empowering our People / Equity, Diversity, and Inclusion 3.5 Social Dialogue 3.6 Safety and well-being at our core 4. SOCIETY - Being a facilitator of social progress / 4.4 Commitment to Human Rights 5. ENVIRONMENT - Growing with a long-term sustainable environmental approach 5.1 Environmental and strategy positioning 5.2 Monitoring and management of the main environmental risks, opportunities, and impacts 5.4 Resource conservation 5.5 Carbon footprint and Climate Change 6. VALUE CHAIN - Extending our commitment to the value chain 6.1 Customers 6.2 Suppliers	63-87; 90-105; 106-112; 165-171; 189-197; 220; 223-226; 228-231; 233-238; 239-245; 255-261; 262-267	
	2-25 Processes to remediate negative impacts	2. GOVERNANCE - Showing what we are, acting with integrity / 2.1 Corporate Governance / Ethics and Compliance 4. SOCIETY - Being a facilitator of social progress / 4.4 Commitment to Human Rights	101-105; 220	
	2-26 Mechanisms for seeking advice and raising concerns	2. GOVERNANCE - Showing what we are, acting with integrity / 2.1 Corporate Governance / Ethics and Compliance	101-105	
	2-27 Compliance with laws and regulations	2. GOVERNANCE - Showing what we are, acting with integrity / 2.1 Corporate Governance / Ethics and Compliance 3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.3 Driving efficiency and performance 4. SOCIETY - Being a facilitator of social progress / 4.4 Commitment to Human Rights 5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.2 Monitoring and management of the main environmental risks, opportunities, and impacts	101-105; 172-177; 220; 227-230	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (2023 Integrated Annual Report section and/or direct response)	LOCATION (2023 Integrated Annual Report page number)	OMISSION
GRI 2: General Disclosures 2021	2-28 Membership associations	1. CELLNEX - Bring the world closer trough telecom connectivity / 1.3 Our commitment / Stakeholder In 2023, the total contribution to sponsorship activities or events by Cellnex Telecom was €315,392 (€265,342 in 2022), the total contribution to associations of which Cellnex is a member was €666,804.42 (€722,693 in 2022). In 2023, the contribution to Tallon Boury & Associés amounted to €77,000 (€66,000 in 2022), the contribution to Mayer Brown to €3,500 (€21,000 in 2022), the contribution to Brunswick to €521,224.43 (€532,468 in 2022), and the contribution to Hill+Knowlton Strategies to €61,000 (€45,082 in 2022).	78-87	
	2-29 Approach to stakeholder engagement	1. CELLNEX - Bring the world closer trough telecom connectivity / 1.3 Our commitment / Stakeholder	78-87	
	2-30 Collective bargaining agreements	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.5 Social dialogue Annex 6. KPI Tables	186-188; 322	
Material topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	1. CELLNEX - Bring the world closer trough telecom connectivity / 1.3 Our commitment / Double materiality analysis	66-67	
	3-2 List of material topics	1. CELLNEX - Bring the world closer trough telecom connectivity / 1.3 Our commitment / Double materiality analysis	66-67	
Environmental strategy and positioning				
GRI 3: Material Topics 2021	3-3 Management of material topics	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.2 Monitoring and management of the main environmental risks, opportunities, and impacts	227-230	
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.2 Monitoring and management of the main environmental risks, opportunities, and impacts Annex 1. Risks Consolidated Financial Statements / Note 22	227-230	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and Climate Change 7. Basis for the preparation of the Report / 7.3 Carbon footprint: Scope and calculation methodology for CO_2 emissions Annex 6. KPI Tables	239-245; 271-272 337-338	
	305-2 Energy indirect (Scope 2) GHG emissions	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and Climate Change 7. Basis for the preparation of the Report / 7.3 Carbon footprint: Scope and calculation methodology for CO2 emissions Annex 6. KPI Tables	239-245; 271-272 337-338	
	305-3 Other indirect (Scope 3) GHG emissions	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and Climate Change 7. Basis for the preparation of the Report / 7.3 Carbon footprint: Scope and calculation methodology for CO2 emissions Annex 6. KPI Tables	239-245; 271-272 337-338	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (2023 Integrated Annual Report section and/or direct response)	LOCATION (2023 Integrated Annual Report page number)	OMISSION
GRI 305: Emissions 2016	305-4 GHG emissions intensity	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and Climate Change 7. Basis for the preparation of the Report / 7.3 Carbon footprint: Scope and calculation methodology for CO2 emissions Annex 6. KPI Tables	239-245; 271-272 337-338	
	305-5 Reduction of GHG emissions	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and Climate Change 7. Basis for the preparation of the Report / 7.3 Carbon footprint: Scope and calculation methodology for CO_2 emissions Annex 6. KPI Tables	239-245; 271-272 337-338	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and Climate Change / Carbon management throughout the value chain 6. VALUE CHAIN - Extending our commitment to the value chain / 6.2 Suppliers / Supplier evaluation, selection, and monitoring	245; 268-269	
	308-2 Negative environmental impacts in the supply chain and actions taken	environmental approach / 5.5 Carbon footprint and Climate Change / Carbon management throughout the value chain 6. VALUE CHAIN - Extending our commitment to the value chain / 6.2 Suppliers / Supplier evaluation, selection, and	246; 266-267	
Climate Change				
GRI 3: Material Topics 2021	3-3 Management of material topics	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and Climate Change	239-245	
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.2 Monitoring and management of the main environmental risks, opportunities, and impacts Annex 1. Risks Consolidated Financial Statements / Note 22	227-230	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and Climate Change 7. Basis for the preparation of the Report / 7.3 Carbon footprint: Scope and calculation methodology for CO_2 emissions Annex 6. KPI Tables	239-245; 271-272 337-338	
	305-2 Energy indirect (Scope 2) GHG emissions	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and Climate Change 7. Basis for the preparation of the Report / 7.3 Carbon footprint: Scope and calculation methodology for CO2 emissions Annex 6. KPI Tables	239-245; 271-272 337-338	
	305-3 Other indirect (Scope 3) GHG emissions	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and Climate Change 7. Basis for the preparation of the Report / 7.3 Carbon footprint: Scope and calculation methodology for CO_2 emissions Annex 6. KPI Tables	239-245; 271-272 337-338	
	305-4 GHG emissions intensity	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and Climate Change 7. Basis for the preparation of the Report / 7.3 Carbon footprint: Scope and calculation methodology for CO_2 emissions Annex 6. KPI Tables	239-245; 271-272 337-338	
	305-5 Reduction of GHG emissions	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and Climate Change 7. Basis for the preparation of the Report / 7.3 Carbon footprint: Scope and calculation methodology for CO_2 emissions Annex 6. KPI Tables	239-245; 271-272 337-338	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (2023 Integrated Annual Report section and/or direct response)	LOCATION (2023 Integrated Annual Report page number)	OMISSION
Energy management				
GRI 3: Material Topics 2021	3-3 Management of material topics	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.4 Resource Conservation / Energy management	233-236	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.4 Resource Conservation / Energy management Annex 6. KPI Tables	233-236; 333-335	
	302-4 Reduction of energy consumption	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.4 Resource Conservation / Energy management Annex 6. KPI Tables	233-236; 333-335	
	302-5 Reductions in energy requirements of products and services	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.4 Resource Conservation / Energy management Annex 6. KPI Tables	233-236; 333-335	
Equity, diversity, and inclusion				
GRI 3: Material Topics 2021	3-3 Management of material topics	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.2 Culture - Empowering our People / Equity, Diversity, and Inclusion	165-171	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Annex 6. KPI Tables	328	
	202-2 Proportion of senior management hired from the local community	Annex 6. KPI Tables	328	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2. GOVERNANCE - Showing what we are, acting with integrity / 2.1 Corporate Governance / Cellnex's Board of Directors 3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.2 Culture - Empowering our People / Equity, Diversity, and Inclusion Annex 6. KPI Tables	94-99; 165-171; 319-320	
	405-2 Ratio of basic salary and remuneration of women to men	Annex 6. KPI Tables	326-327	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	4. SOCIETY - Being a facilitator of social progress / 4.4 Commitment to Human Rights	220	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (2023 Integrated Annual Report section and/or direct response)	LOCATION (2023 Integrated Annual Report page number)	OMISSION
Well-being, Health and Safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core	189-197	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core	189-197	
	403-2 Hazard identification, risk assessment, and incident investigation	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core	189-197	
	403-3 Occupational health services	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core	189-197	
	403-4 Worker participation, consultation, and communication on occupational health and safety	3. PEOPLE - Boosting our talent, being diverse and inclusive 3.5 Social dialogue 3.6 Safety and well-being at our core	186-188; 189-197	
	403-5 Worker training on occupational health and safety	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core	189-197	
	403-6 Promotion of worker health	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core	189-197	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core	189-197	
	403-8 Workers covered by an occupational health and safety management system	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core At Cellnex Spain, 100% of subcontracted companies are covered by the ORP management system. In the case of Cellnex France, there are 126 subcontracted people who are also under the ORP management system and Cellnex Italy has an ISO 45001 certification, renewed in October 2023. With regard to other countries, the numbers are as follows: Switzerland has 10 subcontracted people; Netherlands and Austria have 15 subcontracted people; Poland has 118 subcontracted people; and Sweden has 7 subcontracted people. At Cellnex Portugal and United Kingdom, 100% of subcontracted people who work at Cellnex sites are covered by the ORP management system.	189-197	
	403-9 Work-related injuries	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core Annex 6. KPI Tables	189-197; 331	
GRI 403: Occupational Health and Safety 2018	403-10 Work-related ill health	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.6 Safety and well-being at our core Annex 6. KPI Tables	189-197; 331	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (2023 Integrated Annual Report section and/or direct response)	LOCATION (2023 Integrated Annual Report page number)	OMISSION
Sustainable supply chain strategy				
GRI 3: Material Topics 2021	3-3 Management of material topics	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and Climate Change / Carbon management throughout the value chain 6. VALUE CHAIN - Extending our commitment to the value chain / 6.2 Suppliers	245; 262-267	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	6. VALUE CHAIN - Extending our commitment to the value chain / 6.2 Suppliers / Supplier evaluation, selection, and monitoring Annex 6. KPI Tables	266-267; 332	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and Climate Change / Carbon management along the value chain 6. VALUE CHAIN - Extending our commitment to the value chain / 6.2 Suppliers / Supplier evaluation, selection, and monitoring Annex 6. KPI Tables	245; 266-267; 332	
	308-2 Negative environmental impacts in the supply chain and actions taken	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.5 Carbon footprint and Climate Change / Carbon management along the value chain 6. VALUE CHAIN - Extending our commitment to the value chain / 6.2 Suppliers / Supplier evaluation, selection, and monitoring	245; 266-267	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	4. SOCIETY - Being a facilitator of social progress / 4.4 Commitment to Human Rights 6. VALUE CHAIN - Extending our commitment to the value chain / 6.2 Suppliers / Commitment and collaboration with our value chain	220; 262-265	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	4. SOCIETY - Being a facilitator of social progress / 4.4 Commitment to Human Rights 6. VALUE CHAIN - Extending our commitment to the value chain / 6.2 Suppliers / Commitment and collaboration with our value chain	220; 262-265	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	6. VALUE CHAIN - Extending our commitment to the value chain / 6.2 Suppliers / Supplier evaluation, selection, and monitoring Annex 6. KPI Tables	266-267; 332	
	414-2 Negative social impacts in the supply chain and actions taken	4. SOCIETY - Being a facilitator of social progress / 4.4 Commitment to Human Rights 6. VALUE CHAIN - Extending our commitment to the value chain / 6.2 Suppliers / Commitment and collaboration with our value chain	220; 262-265	
Good governance				
GRI 3: Material Topics 2021	3-3 Management of material topics	2. GOVERNANCE - Showing what we are, acting with integrity / 2.1 Corporate Governance	90-105	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2. GOVERNANCE - Showing what we are, acting with integrity / 2.1 Corporate Governance / Cellnex Board of Directors 3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.2 Culture Empowering our People / Equity, Diversity, and Inclusion Annex 6. KPI Tables	94-99; 165-171; 319-320	
	405-2 Ratio of basic salary and remuneration of women to men	Annex 6. KPI Tables	326-327	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (2023 Integrated Annual Report section and/or direct response)	LOCATION (2023 Integrated Annual Report page number)	OMISSION
Ethics and Compliance				
GRI 3: Material Topics 2021	3-3 Management of material topics	2. GOVERNANCE - Showing what we are, acting with integrity / 2.1 Corporate Governance / Ethics and Compliance	101-105	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	2. GOVERNANCE - Showing what we are, acting with integrity / 2.1 Corporate Governance / Ethics and Compliance	101-105	
	205-2 Communication and training about anti-corruption policies and procedures	2. GOVERNANCE - Showing what we are, acting with integrity / 2.1 Corporate Governance / Ethics and Compliance Annex 6. KPI Tables	101-105 329	
	205-3 Confirmed incidents of corruption and actions taken	2. GOVERNANCE - Showing what we are, acting with integrity / 2.1 Corporate Governance / Ethics and Compliance	101-105	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2. GOVERNANCE - Showing what we are, acting with integrity / 2.1 Corporate Governance / Ethics and Compliance There have been no legal actions for anticompetitive behaviour, anti-trust, and monopoly practices in 2023.	101-105	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	4. SOCIETY - Being a facilitator of social progress / 4.4 Commitment to Human Rights	220	
GRI 415: Public Policy 2016	415-1 Political contributions	In 2023, there weren't contributions to political parties and/ or representatives (€67,000 in France in political contributions in 2022).	-	
Access to communications				
GRI 3: Material Topics 2021	3-3 Management of material topics	4. SOCIETY - Being a facilitator of social progress / 4.1 Social contribution / Access to communications	204	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	1. CELLNEX - Bring the world closer through telecom connectivity 1.2 Connectivity solutions / Innovation 1.3 Our commitment / Cellnex's commitment to the Sustainable Development Goals (SDG) 4. SOCIETY - Being a facilitator of social progress	51-55; 74-77; 198-220	
	203-2 Significant indirect economic impacts	4. SOCIETY - Being a facilitator of social progress / 4.3 Socioeconomic impact	217-220	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (2023 Integrated Annual Report section and/or direct response)	LOCATION (2023 Integrated Annual Report page number)	OMISSION
Human Rights				
GRI 3: Material Topics 2021	3-3 Management of material topics	4. SOCIETY - Being a facilitator of social progress / 4.4 Commitment to Human Rights	220	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.4 Cellnex: A place to grow / Growing Talent / Talent Growth - Training hours Annex 6. KPI Tables	183; 330	
	404-2 Programs for upgrading employee skills and transition assistance programs	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.4 Cellnex: A place to grow / Growing Talent	182-184	
	404-3 Percentage of employees receiving regular performance and career development reviews	3. PEOPLE - Boosting our talent, being diverse and inclusive / 3.3 Driving efficiency and performance / Holistic Performance Management	173	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	4. SOCIETY - Being a facilitator of social progress / 4.4 Commitment to Human Rights	220	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4. SOCIETY - Being a facilitator of social progress / 4.4 Commitment to Human Rights	220	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	4. SOCIETY - Being a facilitator of social progress / 4.4 Commitment to Human Rights 6. VALUE CHAIN - Extending our commitment to the value chain / 6.2 Suppliers / Supplier evaluation, selection, and monitoring	220; 266-267	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	4. SOCIETY - Being a facilitator of social progress / 4.4 Commitment to Human Rights 6. VALUE CHAIN - Extending our commitment to the value chain / 6.2 Suppliers / Commitment and collaboration with our value chain	220; 262-265	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	6. VALUE CHAIN - Extending our commitment to the value chain / 6.2 Suppliers / Supplier evaluation, selection, and monitoring Annex 6. KPI Tables	266-267; 332	
	414-2 Negative social impacts in the supply chain and actions taken	4. SOCIETY - Being a facilitator of social progress / 4.4 Commitment to Human Rights 6. VALUE CHAIN - Extending our commitment to the value chain / 6.2 Suppliers / Commitment and collaboration with our value chain	220; 262-265	
Cybersecurity and information privacy				
GRI 3: Material Topics 2021	3-3 Management of material topics	2. GOVERNANCE - Showing what we are, acting with integrity / 2.2 Global Management System / Information Security	111-112	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Due to the nature of the Group's activities (B2B), Cellnex doesn't handle customers' personal information, understood as that of an individual person. Nonetheless, Cellnex has a Private Data Policy. The Cellnex Group guarantees the security, secrecy and confidentiality of personal data under its responsibility, adopting the most stringent and robust security measures and technical resources to prevent the loss or misuse of the data or access to the data without an individual's authorisation. Moreover, Cellnex includes the Client Personal Data Management Clause in all of the contracts with its clients.	-	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (2023 Integrated Annual Report section and/or direct response)	LOCATION (2023 Integrated Annual Report page number)	OMISSION
Network expansion				
GRI 3: Material Topics 2021	3-3 Management of material topics	1. CELLNEX - Bring the world closer through telecom connectivity / 1.2 Connectivity solutions	21-62	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Annex 6. KPI Tables	328	
	202-2 Proportion of senior management hired from the local community	Annex 6. KPI Tables	328	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	1. CELLNEX - Bring the world closer through telecom connectivity 1.2 Connectivity solutions / Innovation 1.3 Our commitment / Cellnex's commitment to the Sustainable Development Goals (SDG) 4. SOCIETY - Being a facilitator of social progress	51-55; 74-77; 198-220	
	203-2 Significant indirect economic impacts	4. SOCIETY - Being a facilitator of social progress / 4.3 Socioeconomic impact	217-219	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2. GOVERNANCE - Showing what we are, acting with integrity / 2.1 Corporate Governance / Ethics and Compliance	101-105	

Annex 5. SASB Topics

Telecommunication Services

Topic	SASB Code	Accounting metric	2023 Integrated Annual Report section and/or direct response	2023 Integrated Annual Report page number
Environmental Footprint of Operations	TC-TL-130a.1	(1) Total energy consumed, (2) percentage grid electricity, and (3) percentage renewable	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.4 Resource Conservation / Energy management Annex 6. KPI Tables / GRI 302-1	233-235, 333-335
Data Privacy	TC-TL-220a.1	Description of policies and practices relating to targeted advertising and customer privacy	Due to the nature of the Group's activities (B2B), Cellnex doesn't handle customers' personal information, understood as that of an individual person. Nonetheless, Cellnex has a Private Data Policy. The Cellnex Group guarantees the security, secrecy and confidentiality of personal data under its responsibility, adopting the most stringent and robust security measures and technical resources to prevent the loss or misuse of the data or access to the data without an individual's authorisation. Moreover, Cellnex includes the Client Personal Data Management Clause in all of the contracts with its clients.	-
	TC-TL-220a.2	Number of customers whose information is used for secondary purposes		
	TC-TL-220a.3	Total amount of monetary losses as a result of legal proceedings associated with customer privacy		
	TC-TL-220a.4	(1) Number of law enforcement requests for customer information, (2) number of customers whose information was requested, (3) percentage resulting in disclosure		
Data Security	TC-TL-230a.1	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of customers affected	2. GOVERNANCE - Showing what we are, acting with integrity / 2.2 Global Management System / Information security	111-112
	TC-TL-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards		
Product End-of life Management	TC-TL-440a.1	(1) Materials recovered through take-back programmes, percentage of recovered materials that were (2) reused, (3) recycled, and (4) landfilled	5. ENVIRONMENT - Growing with a long-term sustainable environmental approach / 5.4 Resource Conservation / Responsible and circular resource management Annex 6. KPI Tables / GRI 306 Despite waste not being a material topic for Cellnex, the company is actively working to enhance its reporting capabilities, aiming to provide a more detailed breakdown of the requested information in the coming years.	237-238, 339
Competitive Behaviour & Open Internet	TC-TL-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	In 2023, Cellnex didn't receive any final judgements or any other type of sanction related to proceedings associated with anticompetitive behaviour regulations.	-
	TC-TL-520a.2	Average actual sustained download speed of (1) owned and commercially-associated content and (2) non-associated content	Due to the nature of Cellnex's business, this indicator does not apply. Download speed is a service offered directly by network mobile operators to the end customer.	-
	TC-TL-520a.3	Description of risks and opportunities associated with net neutrality, paid peering, zero-rating, and related practices	Due to the nature of Cellnex's business, this indicator does not apply.	-

Topic	SASB Code	Accounting metric	2023 Integrated Annual Report section and/or direct response	2023 Integrated Annual Report page number
Managing Systemic Risks from Technology Disruptions	TC-TL-550a.1	(1) System average interruption duration, (2) system average interruption frequency, and (3) customer average interruption duration	6. VALUE CHAIN - Extending our commitment to the value chain / 6.1 Customers / Global customer service model / Ensuring the availability and reliability of Cellnex services	259-260
	TC-TL-550a.2	Discussion of systems to provide unimpeded service during service interruptions	2. GOVERNANCE - Showing what we are, acting with integrity / 2.2 Global Management System	106-112
Activity Metrics	TC-TL-000.A	Number of wireless subscribers	Due to the nature of Cellnex's activities, this indicator does not apply.	-
	TC-TL-000.B	Number of wireline subscribers		
	TC-TL-000.C	Number of broadband subscribers		
	TC-TL-000.D	Network traffic		

Annex 6. KPI Tables

GRI 405-1 Diversity of governance bodies and employees. Total number, percentage and distribution of employees by gender, age, professional classification and country[27]

	2023		2022		2021	
	Workforce	%	Workforce	%	Workforce	%
Gender distribution						
Women	883	31%	929	31%	861	30%
Men	1,983	69%	2,089	69%	2,016	70%
Total	**2,866**	**100%**	**3,018**	**100%**	**2,877**	**100%**
Age distribution						
Under 30	197	7%	244	8%	219	8%
30 to 45	1,106	39%	1,197	40%	1,204	42%
46 to 55	1,120	39%	1,246	41%	1,157	40%
Over 55	443	15%	331	11%	297	10%
Total	**2,866**	**100%**	**3,018**	**100%**	**2,877**	**100%**
Professional classification						
Senior Management	14	0.5%	9	0.3%	8	0.3%
Directors	87	3.0%	102	3%	100	3%
Managers	323	11.3%	339	11%	301	10%
Coordinators/ Other professionals	2,442	85.2%	2,568	85%	2,468	86%
Total	**2,866**	**100%**	**3,018**	**100%**	**2,877**	**100%**
Country distribution						
Austria	27	1%	28	1%	23	1%
Denmark	25	1%	28	1%	25	1%
France	274	10%	283	9%	259	9%
Ireland	35	1%	43	1%	37	1%
Italy	245	9%	254	8%	252	9%
Netherlands	124	4%	104	3%	107	4%
Poland	494	17%	504	17%	450	16%
Portugal	61	2%	65	2%	61	2%
Spain	1,182	41%	1,274	42%	1,289	45%
Sweden	25	1%	28	1%	17	1%
Switzerland	53	2%	55	2%	50	2%
UK	321	11%	352	12%	307	11%
Total	**2,866**	**100%**	**3,018**	**100%**	**2,877**	**100%**

[27] CEO included in Senior Management

	2023				2022				2021			
	Women	%	Men	%	Women	%	Men	%	Women	%	Men	%
Age distribution												
Under 30	82	42%	115	58%	112	46%	132	54%	105	48%	114	52%
30 to 45	428	39%	678	61%	460	38%	737	62%	437	36%	767	64%
46 to 55	287	26%	833	74%	298	24%	948	76%	264	23%	893	77%
Over 55	86	19%	357	81%	59	18%	272	82%	55	19%	242	81%
Total	**883**	**31%**	**1,983**	**69%**	**929**	**31%**	**2,089**	**69%**	**861**	**30%**	**2,016**	**70%**
Professional classification												
Senior Management	2	14%	12	86%	2	22%	7	78%	1	13%	7	88%
Directors	19	22%	68	78%	14	14%	88	86%	14	14%	86	86%
Managers	106	33%	217	67%	91	27%	248	73%	77	26%	224	74%
Coordinators/ Other professionals	756	31%	1686	69%	822	32%	1,746	68%	769	31%	1699	69%
Total	**883**	**31%**	**1,983**	**69%**	**929**	**31%**	**2,089**	**69%**	**861**	**30%**	**2,016**	**70%**
Country distribution												
Austria	10	37%	17	63%	10	36%	18	64%	7	30%	16	70%
Denmark	8	32%	17	68%	9	32%	19	68%	8	32%	17	68%
France	122	45%	152	55%	124	44%	159	56%	110	42%	149	58%
Ireland	15	43%	20	57%	20	47%	23	53%	19	51%	18	49%
Italy	88	36%	157	64%	89	35%	165	65%	89	35%	163	65%
Netherlands	30	24%	94	76%	31	30%	73	70%	29	27%	78	73%
Poland	117	24%	377	76%	119	24%	385	76%	90	20%	360	80%
Portugal	31	51%	30	49%	30	46%	35	54%	28	46%	33	54%
Spain	305	26%	877	74%	328	26%	946	74%	328	25%	961	75%
Sweden	8	32%	17	68%	8	29%	20	71%	5	29%	12	71%
Switzerland	16	30%	37	70%	19	35%	36	65%	17	34%	33	66%
UK	133	41%	188	59%	142	40%	210	60%	131	43%	176	57%
Total	**883**	**31%**	**1,983**	**69%**	**929**	**31%**	**2,089**	**69%**	**861**	**30%**	**2,016**	**70%**

	2023				2022				2021			
	Women	%	Men	%	Women	%	Men	%	Women	%	Men	%
Senior Management												
Under 30	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
30 to 45	1	1%	2	2%	1	1%	0	0%	1	13%	1	13%
46 to 55	0	0%	4	1%	1	0%	4	1%	0	0%	3	38%
Over 55	1	0%	4	0%	0	0%	3	0%	0	0%	3	38%
Total	**2**	**14%**	**10**	**71%**	**2**	**22%**	**7**	**78%**	**1**	**13%**	**7**	**88%**

GENDER DIVERSITY

Gender diversity	2023	2022	2021	2020
Women in STEM-related positions	27.25	19.6	Not available	Not available
Women in management positions in revenue-generating functions	21.62	0.1947	Not available	Not available
Women in IT positions	20.69	Not available	Not available	Not available
Open positions filled by internal candidates	57	24.2	Not available	Not available

GRI 2-7 Employees. Total number of employees, and a breakdown of this total by gender and by region. Total number of employees by employment contract and type (permanent or temporary, and full-time or part-time), by gender professional classification and country[28]

	2023				2022				2021			
	Fix	%	Temporary	%	Fix	%	Temporary	%	Fix	%	Temporary	%
	Workforce	%	Workforce	%	Workforce	%	Workforce	%	Workforce	%	Workforce	%
Gender distribution												
Women	876	99%	7	1%	914	98%	15	2%	821	95%	40	5%
Men	1,963	99%	20	1%	2,051	98%	38	2%	1,963	97%	53	3%
Total	**2,839**	**99%**	**27**	**1%**	**2,965**	**98%**	**53**	**2%**	**2,784**	**97%**	**93**	**3%**
Age distribution												
Under 30	186	94%	11	6%	223	91%	21	9%	189	86%	30	14%
30 to 45	1,099	99%	7	1%	1,179	98%	18	2%	1,163	97%	41	3%
46 to 55	1,114	99%	6	1%	1,240	100%	6	0%	1,141	99%	16	1%
Over 55	440	99%	3	1%	323	98%	8	2%	291	98%	6	2%
Total	**2,839**	**99%**	**27**	**1%**	**2,965**	**98%**	**53**	**2%**	**2,784**	**97%**	**93**	**3%**
Professional classification												
Senior Management	14	100%	0	0%	9	100%	0	0%	8	100%	0	0%
Directors	87	100%	0	0%	102	100%	0	0%	99	99%	1	1%
Managers	323	100%	0	0%	335	99%	4	1%	297	99%	4	1%
Coordinators/ Other professionals	2,415	99%	27	1%	2,519	98%	49	2%	2,380	96%	88	4%
Total	**2,839**	**99%**	**27**	**1%**	**2,965**	**98%**	**53**	**2%**	**2,784**	**97%**	**93**	**3%**
Country distribution												
Austria	26	96%	1	4%	27	96%	1	4%	22	96%	1	4%
Denmark	25	100%	0	0%	28	100%	0	0%	25	100%	0	0%
France	274	100%	0	0%	275	97%	8	3%	246	95%	13	5%
Ireland	34	97%	1	3%	42	98%	1	2%	37	100%	0	0%
Italy	245	100%	0	0%	254	100%	0	0%	251	100%	1	0%
Netherlands	109	10%	15	12%	87	84%	17	16%	87	81%	20	19%
Poland	492	100%	2	0%	504	100%	0	0%	432	96%	18	4%
Portugal	61	100%	0	0%	65	100%	0	0%	61	100%	0	0%
Spain	1,179	100%	3	0%	1,263	99%	11	1%	1,272	99%	17	1%
Sweden	25	100%	0	0%	26	93%	2	7%	17	100%	0	0%
Switzerland	53	100%	0	0%	55	100%	0	0%	50	100%	0	0%
UK	316	98%	5	2%	339	96%	13	4%	284	93%	23	7%
Total	**2,839**	**99%**	**27**	**1%**	**2,965**	**98%**	**53**	**2%**	**2,784**	**97%**	**93**	**3%**

[28] CEO included in Senior Management

	2023				2022				2021			
	Full time	%	Part time	%	Full time	%	Part time	%	Full time	%	Part time	%
	Workforce	%	Workforce	%	Workforce	%	Workforce	%	Workforce	%	Workforce	%
Gender distribution												
Women	838	95%	45	5%	885	95%	44	5%	815	95%	46	5%
Men	1,958	99%	25	1%	2,073	99%	16	1%	1,998	99%	18	1%
Total	**2,796**	**98%**	**70**	**2%**	**2,958**	**98%**	**60**	**2%**	**2,813**	**98%**	**64**	**2%**
Age distribution												
Under 30	190	96%	7	4%	241	99%	3	1%	217	99%	2	1%
30 to 45	1,084	98%	22	2%	1,173	98%	24	2%	1,171	97%	33	3%
46 to 55	1,097	98%	23	2%	1,223	98%	23	2%	1,138	98%	19	2%
Over 55	425	96%	18	4%	321	97%	10	3%	287	97%	10	3%
Total	**2,796**	**98%**	**70**	**2%**	**2,958**	**98%**	**60**	**2%**	**2,813**	**98%**	**64**	**2%**
Professional classification												
Senior Management	14	100%	0	0%	9	100%	0	0%	8	100%	0	0%
Directors	86	99%	1	1%	102	100%	0	0%	100	100%	0	0%
Managers	318	98%	5	2%	338	100%	1	0%	301	100%	0	0%
Coordinators/ Other professionals	2,378	97%	64	3%	2,509	98%	59	2%	2,404	97%	64	3%
Total	**2,796**	**98%**	**70**	**2%**	**2,958**	**98%**	**60**	**2%**	**2,813**	**98%**	**64**	**2%**
Country distribution												
Austria	26	96%	1	4%	27	96%	1	4%	22	96%	1	4%
Denmark	25	100%	0	0%	28	100%	0	0%	25	100%	0	0%
France	274	100%	0	0%	275	97%	8	3%	246	95%	13	5%
Ireland	34	97%	1	3%	42	98%	1	2%	37	100%	0	0%
Italy	245	100%	0	0%	254	100%	0	0%	251	100%	1	0%
Netherlands	109	10%	15	12%	87	84%	17	16%	87	81%	20	19%
Poland	492	100%	2	0%	504	100%	0	0%	432	96%	18	4%
Portugal	61	100%	0	0%	65	100%	0	0%	61	100%	0	0%
Spain	1,179	100%	3	0%	1,263	99%	11	1%	1,272.00	0.99	17	1%
Sweden	25	100%	0	0%	26	93%	2	7%	17.00	1.00	0	0%
Switzerland	53	100%	0	0%	55	100%	0	0%	50.00	1.00	0	0%
UK	316	98%	5	2%	339	96%	13	4%	284.00	0.93	23	7%
Total	**2,796**	**98%**	**70**	**2%**	**2,958**	**98%**	**60**	**2%**	**2,813**	**97%**	**64**	**3%**

GRI 2-30 Collective bargaining agreements[29]

	2023		2022		2021	
	Number of employees under collective bargaining agreements	% of employees under collective bargaining agreements	Number of employees under collective bargaining agreements	% of employees under collective bargaining agreements	Number of employees under collective bargaining agreements	% of employees under collective bargaining agreements
France	274	100%	283	100%	259	100%
Italy	245	100%	254	100%	252	100%
Spain	1,170	99%	1,264	99%	1,275	99%
Sweden	24	96%	0	0%	0	0%
Total	**1,713**	**60%**	**1,801**	**60%**	**1,786**	**62%**

[29] Countries where collective bargaining figure exists are broken down. Consolidated data refers to all employees of the Group.

GRI 401-1 New employee hires and employee turnover. Dismissals by gender, age and professional classification

New employee hires	2023		2022		2021	
	New employees	New employee rate	New employees	New employee rate	New employees	New employee rate
Gender distribution						
Women	90	10%	182	20%	330	38%
Men	150	8%	273	13%	699	35%
Total	**240**	**8%**	**455**	**15%**	**1,029**	**36%**
Age distribution						
Under 30	53	27%	119	49%	145	66%
30 to 45	116	10%	207	17%	410	34%
46 to 55	49	4%	97	8%	381	33%
Over 55	22	5%	32	10%	93	31%
Total	**240**	**8%**	**455**	**15%**	**1,029**	**36%**
Professional classification						
Senior Management	3	21%	0	0%	0	0%
Directors	8	9%	9	9%	22	22%
Managers	16	5%	22	6%	104	35%
Coordinators/ Other professionals	213	9%	424	17%	903	37%
Total	**240**	**8%**	**455**	**15%**	**1,029**	**0.36**
Country distribuion						
Austria	0	0%	7	25%	20	87%
Denmark	1	4%	6	21%	11	44%
France	37	14%	75	27%	148	57%
Ireland	3	9%	11	26%	8	22%
Italy	3	1%	11	4%	94	37%
Netherlands	46	37%	19	18%	42	39%
Poland	46	9%	91	18%	478	106%
Portugal	4	7%	8	12%	9	15%
Spain	43	4%	69	5%	108	8%
Sweden	4	16%	13	46%	17	100%
Switzerland	7	13%	12	22%	6	12%
UK	46	14%	133	38%	88	29%
Total	**240**	**8%**	**455**	**15%**	**1,029**	**36%**

Employee turnover[30]	2023		2022		2021	
	Employee turnover	Rate of employee turnover	Employee turnover	Rate of employee turnover	Employee turnover	Rate of employee turnover
Gender distribution						
Women	135	15%	115	12%	64	7%
Men	257	13%	199	10%	96	5%
Total	**392**	**14%**	**314**	**10%**	**160**	**6%**
Age distribution						
Under 30	61	31%	35	14%	23	11%
30 to 45	137	12%	145	12%	69	6%
46 to 55	73	7%	61	5%	47	4%
Over 55	121	27%	73	22%	21	7%
Total	**392**	**14%**	**314**	**10%**	**160**	**6%**
Professional classification						
Senior Management	3	21%	0	0	1	13%
Directors	12	14%	9	9%	4	4%
Managers	35	11%	20	6%	15	5%
Coordinators/ Other professionals	342	14%	285	11%	140	6%
Total	**392**	**14%**	**314**	**10%**	**160**	**6 %**
Country distribution						
Austria	1	4%	2	7%	0	0
Denmark	3	12%	2	7%	4	16%
France	42	15%	51	18%	20	8%
Ireland	11	31%	5	12%	2	5%
Italy	9	4%	8	3%	8	3%
Netherlands	27	22%	22	21%	8	7%
Poland	52	11%	37	7%	31	7%
Portugal	7	11%	4	6%	3	5%
Spain	146	12%	87	7%	32	2%
Sweden	7	28%	2	7%	0	0
Switzerland	10	19%	7	13%	5	0.1
UK	77	24%	87	25%	47	15%
Total	**392**	**14%**	**314**	**10%**	**160**	**6%**

[30] Total employee turnover (voluntary and non-voluntary turnover). Both individual and collective dismissals are taken into account. Data from previous years have been restated.

Dismissals[31]	2023		2022		2021	
	Workforce dismissals	%	Workforce dismissals	%	Workforce dismissals	%
Gender distribution						
Women	11	1%	19	2%	2	0%
Men	86	4%	49	2%	1	0%
Total	**97**	**3%**	**68**	**2%**	**3**	**0%**
Age distribution						
Under 30	0	0%	0	0%	1	0%
30 to 45	12	1%	10	1%	1	0%
46 to 55	10	1%	7	1%	1	0%
Over 55	75	17%	51	15%	0	0%
Total	**97**	**3%**	**68**	**2%**	**3**	**0%**
Professional classification						
Senior Management	1	7%	0	0%	0	0%
Directors	3	3%	1	1%	0	0%
Managers	5	2%	3	1%	0	0%
Coordinators/ Other professionals	88	4%	64	2%	3	0%
Total	**97**	**3%**	**68**	**2%**	**3**	**0%**
Country distribution						
Austria	0	0%	0	0%	0	0%
Denmark	2	8%	0	0%	0	0%
France	6	2%	3	1%	2	1%
Ireland	0	0%	0	0%	0	0%
Italy	0	0%	0	0%	0	0%
Netherlands	0	0%	0	0%	0	0%
Poland	12	2%	1	0%	0	0%
Portugal	0	0%	0	0%	0	0%
Spain	69	6%	47	4%	0	0%
Sweden	3	12%	1	4%	0	0%
Switzerland	3	6%	0	0%	0	0%
UK	2	0.6%	16	5%	1	0%
Total	**97**	**3%**	**68**	**2.3%**	**3**	**0%**

[31] Both individual and collective dismissals are taken into account for the dismissal disclosed.

GRI 405-2 Ratio of basic salary and remuneration of women to men. Gender pay gap. The average remunerations and their evolution disaggregated by gender, age and professional classification or equal value[32]

Gender pay gap[33]	Median		Average	
	2023	2022	2023	2022
Austria	44%	40%	48%	9%
Denmark	5%	10%	12%	25%
France	22%	23%	24%	28%
Ireland	(1)%	16%	15%	31%
Italy	19%	19%	28%	13%
Netherlands	23%	30%	14%	24%
Poland	6%	9%	7%	26%
Portugal	7%	15%	24%	35%
Spain	(3)%	1%	7%	48%
Sweden	20%	20%	17%	14%
Switzerland	15%	23%	23%	14%
UK	22%	29%	17%	8%
Total	**7.8%**	**10.0%**	**11.7%**	**14.0%**

	2023	2022	2021
Salary evolution[34]	24.2%	20.7%	(6.1)%

Average remuneration	2023		2022	
	Women	Men	Women	Men
Senior Management (base salary)	(*)	€358,640	(*)	€396,233
Senior Management (base salary + other incentives)	(*)	€672,833	(*)	€715,333
Management level: Directors + Middle Management (base salary)	€93,866	€109,132	€86,060	€97,647
Management level: Directors + Middle Management (base salary + other incentives)	€115,066	€138,520	€105,469	€124,049
Coordinators / Other professionals (base salary)	€46,563	€48,823	€44,337	€46,900
Coordinators / Other professionals (base salary + other incentives)	€51,271	€53,604	€49,057	€51,726

(*)Due to confidentiality issues, the average remuneration data is not reported for these categories.

[32] The CEO is excluded from the scope in order to avoid overestimation of the KPI.
[33] The interannual difference is derived from the fact that all the data reported includes the companies incorporated during the year, as indicated in chapter 7.2 Reporting scope. The gender pay gap is calculated taking into account the following formula: [(Base salary + Other incentives male) - (Base salary + Other incentives female)] / (Base salary + Other incentives male).
[34] The percentage is calculated by comparing the average remuneration of the workforce between the current year and the previous one, taking into account changes in the perimeter due to the inclusion of new companies. The increase in FY2022 derives from the provision of the cost of the LTIP, as the number of LTIP beneficiaries increases.

			2023				2022				2021			
			Senior Management	**Directors**	**Managers**	**Coordinators/ Other professionals**	**Senior Management**	**Directors**	**Managers**	**Coordinators/ Other professionals**	**Senior Management**	**Directors**	**Managers**	**Coordinators/ Other professionals**
Under 30	Men	Base salary	—	—	€80,911	€37,321	—	(*)	(*)	€33,289	—	€0	€44,240	€34,315
		Base salary + Other incentives	—	—	€94,024	€40,591	—	(*)	(*)	€36,423	—	€0	€51,240	€36,837
	Women	Base salary	—	—	—	€39,840	—	—	(*)	€35,722	—	—	€32,860	€34,195
		Base salary + Other incentives	—	—	—	€43,624	—	—	(*)	€39,247	—	—	€39,432	€37,299
30 to 45	Men	Base salary	(*)	€163,917	€91,847	€46,834	—	€146,978	€80,816	€45,813	(*)	€135,043	€75,250	€42,764
		Base salary + Other incentives	(*)	€227,702	€110,505	€51,682	—	€205,816	€96,514	€50,677	(*)	€182,860	€88,576	€47,002
	Women	Base salary	(*)	€130,149	€84,661	€46,048	(*)	(*)	€74,344	€44,522	(*)	€133,455	€76,261	€42,357
		Base salary + Other incentives	(*)	€166,366	€101,174	€50,788	(*)	(*)	€89,567	€49,123	(*)	€176,419	€90,523	€46,343
46 to 55	Men	Base salary	€265,207	€153,162	€90,289	€48,848	€342,100	€152,886	€75,674	€47,398	€215,000	€145,084	€72,002	€46,250
		Base salary + Other incentives	€456,632	€209,741	€109,513	€53,576	€602,500	€207,936	€91,075	€52,023	€322,500	€190,615	€84,945	€50,384
	Women	Base salary	(*)	€144,724	€84,541	€47,471	(*)	€142,067	€82,682	€46,594	—	€129,574	€77,761	€44,820
		Base salary + Other incentives	(*)	€191,561	€100,854	€52,253	(*)	€187,119	€98,680	€51,842	—	€166,289	€90,349	€49,652
Over 55	Men	Base salary	€471,000	€179,052	€99,773	€56,672	(*)	€172,239	€77,917	€56,351	(*)	€157,672	€76,336	€54,011
		Base salary + Other incentives	€912,000	€250,410	€120,210	€62,039	(*)	€237,561	€93,747	€62,763	(*)	€208,302	€87,519	€59,455
	Women	Base salary	(*)	€153,645	89,312	€53,426	—	€145,067	—	€50,115	—	€173,000	(*)	€47,616
		Base salary + Other incentives	(*)	€203,127	111,167	€58,764	—	€189,920	—	€55,734	—	€235,700	(*)	€52,566

(*) Due to confidentiality issues, the average remuneration data is not reported for these categories.

GRI 202-1 Ratios of standard entry level wage by gender compared to local minimum wage[35]

		Austria	Denmark	France	Ireland	Italy	Netherlands	Poland	Portugal	Spain	Sweden	Switzerland	UK	Total average
Ratio of the difference between the lowest salary and minimum inter-professional salary	**2023**	Not applicable	Not applicable	1.28	1.23	Not applicable	1.19	1.25	1.73	1.4	Not applicable	1.83	1.1	1.38
	2022	Not applicable	Not applicable	0.67	1.33	Not applicable	1.41	1	1.8	1	Not applicable	1.06	1.02	1.16
	2021	Not applicable	Not applicable	1.05	1.81	Not applicable	1.13	1.14	1.69	1.33	Not applicable	1.14	1.1	1.30

GRI 202-2 Proportion of senior management hired from the local community[36]

	Plantilla		Plantilla		Plantilla	
	2023		2022		2021	
	Local	%	Local	%	Local	%
Professional classification						
Senior Management	1	33%	—	—%	—	—%
Directors	**7**	**88 %**	**2**	**22 %**	**21**	**233 %**

[35] The countries where local Interprofessional Minimum Wage (IMW) is not applicable are indicated.
[36] The percentage is calculated based on the new employee hires of each category disclosed in GRI 401-1 content.

GRI 205-2 Communication and training about anti-corruption policies and procedures

Communication about anti-corruption policies and procedures	2023		2022		2021	
	Communication to new employees in the reporting year	Total % of employees communicated	Communication to new employees in the reporting year	Total % of employees communicated	Communication to new employees in the reporting year	Total % of employees communicated
Employees and governance bodies						
Senior Management	3	100%	0	100%	0	0%
Directors	8	100%	9	100%	22	22%
Managers	16	100%	22	100%	104	35%
Coordinators/ Other professionals	213	100%	424	100%	903	37%
Employees by country						
Austria	0	100%	7	100%	20	100%
Denmark	1	100%	6	100%	11	100%
France	37	100%	75	100%	148	100%
Ireland	3	100%	11	100%	8	100%
Italy	3	100%	11	100%	94	100%
Netherlands	46	100%	19	100%	42	100%
Poland	46	100%	91	100%	478	100%
Portugal	4	100%	8	100%	9	100%
Spain	43	100%	69	100%	108	100%
Sweden	4	100%	13	100%	__	0%
Switzerland	7	100%	12	100%	__	0%
UK	46	100%	133	100%	__	0%
Total	**240**	**100%**	**455**	**100%**	**918**	**100 %**

Training about anti-corruption policies and procedures	2023		2022		2021	
	Employees trained in the reporting year	Total % of employees trained	Employees trained in the reporting year	Total % of employees trained	Employees trained in the reporting year	Total % of employees trained
Employees and governance bodies[37]						
Senior Management	8	57%	1	Not available	1	Not available
Directors	66	76%	22	Not available	19	Not available
Managers	252	78%	48	Not available	35	Not available
Coordinators/ Other professionals	1872	77%	457	Not available	396	Not available
Employees by country						
Austria	25	93%	18	75%	0	0%
Denmark	25	100%	23	85%	0	0%
France	145	53%	38	47%	37	43%
Ireland	32	91%	9	81%	23	71%
Italy	239	98%	23	69%	35	94%
Netherlands	47	38%	26	81%	10	41%
Poland	218	44%	99	21%	0	0%
Portugal	52	85%	30	30%	31	55%
Spain	1049	89%	113	85%	97	86%
Sweden	15	60%	11	59%	0	0%
Switzerland	42	79%	6	90%	26	90%
UK	309	96%	132	93%	189	72%
Total	**2198**	**77%**	**396**	**70%**	**259**	**79%**

[37] All members of the Board of Directors receive relevant anti-corruption training.

GRI 404-1 Average hours of training per year per employee. Total amount of training hours by gender, country and professional classification

Total amount of training hours per professional classification	2023		2022		2021	
	Women	Men	Women	Men	Women	Men
Senior Management	55	150	103	220	78	354
Directors	817	1,988	390	1,512	1,319	1,051
Managers	4,243	6,693	2,843	6,192	2,078	3,065
Coordinators/ Other professionals	21,547	51,347	16,608	38,862	9,152	27,293
Total	**26,661**	**60,178**	**19,944**	**46,786**	**12,627**	**31,762**

Total amount of training hours per country	2023	2022	2021
Austria	500	155	286
Denmark	936	312	317
France	5,469	889	186
Ireland	238	549	124
Italy	13,123	9,344	6,310
Netherlands	1,111	915	400
Poland	17,798	12,312	828
Portugal	2,138	2,824	582
Spain	39,347	35,774	32,340
Sweden	172	156	195
Switzerland	1,518	460	319
UK	4,490	3,039	2,502
Total	**86,839**	**66,730**	**44,389**

Average of training hours per employee	2023	2022	2021
Gender distribution			
Women	30.2	21.5	14.7
Men	30.3	22.4	15.8
Professional classification			
Senior Management	14.6	35.8	53.9
Directors	32.2	18.6	23.7
Managers	33.9	26.7	17.1
Coordinators/ Other professionals	29.9	21.6	14.8
Country distribution			
Austria	18.5	5.5	12.4
Denmark	37.4	11.1	12.7
France	20.0	3.1	0.7
Ireland	6.8	12.8	3.4
Italy	53.6	36.8	25.0
Netherlands	9.0	8.8	3.7
Poland	36.0	24.4	1.8
Portugal	35.0	43.4	9.5
Spain	33.3	28.1	25.1
Sweden	6.9	5.6	11.5
Switzerland	28.6	8.4	6.4
UK	14.0	8.6	8.2
Total average	**30.3**	**22.1**	**15.4**

Total Amount Spent per Employee training (euros)	2023	2022	2021	2020
Total	**657.3**	**846.0**	**500.9**	**434.8**

GRI 403-9 & GRI 403-10 Work-related injuries and Work-related ill health[38,39]

	2023			2022		
	Women	Men	Total	Women	Men	Total
Employee health and safety data						
Nº of accidents with injuries	1	9	10	6	12	18
Nº of high-consequence work-related injuries	0	0	0	0	0	0
Nº of accidents with leave	0	1	1	1	2	3
Nª of work-related ill health	0	0	0	0	0	0
Deaths due to accidents at work or occupational diseases	0	0	0	Not available	Not available	Not available
Hours worked	1,643,182	3,667,576	5,310,758	1,600,667	3,599,347	5,200,014
Hours of absenteeism	49,110	67,822	116,694	0	0	140,009
Health and safety data of third parties (non-employees)[40]						
Nº of accidents with injuries	2	9	11	1	24	25
Nº of high-consequence work-related injuries	0	1	1	0	0	0
Nº of accidents with leave	0	6	6	Not available	Not available	Not available
Nª of work-related ill health	0	0	0	Not available	Not available	Not available
Deaths due to accidents at work or occupational diseases	0	1	1			
Hours worked	718,599	5,451,378	6,169,977	Not available	Not available	Not available

	2023			2022		
	Women	Men	Total	Women	Men	Total
Employee accident rates						
Injury Frequency Rate (IFR)	1	2	2	4	3	3
Rate of high-consequence work-related injuries	0	0	0	0	0	0
Accident Frequency Rate (AFR)	0	0	0	1	1	1
Accident severity rate (SR)	0	0	0	0	0	0
Incident Rate of Occupational Diseases (IROD)	0	0	0	0	0	0
Absenteeism rate	0	0	0	__	__	0
Third party accident rates (non-employees)						
Injury Frequency Rate (IFR)	3	2	2	Not available	Not available	Not available
Rate of high-consequence work-related injuries	0	0	0	0	0	0
Lost Time Accident Frequency Rate (AFR)	0	1	1	Not available	Not available	Not available
Accident severity rate (SR)	0	0	0	Not available	Not available	Not available
Incident Rate of Occupational Diseases (IROD)	0	0	0	Not available	Not available	Not available

[38] There have been no employee fatalities due to work-related accidents or ill health in the years reported. Regarding the non-employees whose work and/or workplace is controlled by the organization there have been two fatality (customer's workers), one in 2023 and one in 2022.

- Lost Time Injury Frequency Rate (IFR) = (Nº accidents with injuries / Nº worked hours) x 106
- Lost Time Accident Frequency Rate (AFR) = (Nº accidents with leave / Nº worked hours) x 106
- Rate of high-consequence work-related injuries = (High-consequence work-related injuries in the reporting year / Nº worked hours) x 106
- Accident severity rate (SR) = (Nº lost days due accidents with leave / Nº worked hours) x 103
- Incident Rate of Occupational Diseases (IROD) = (Nº leaves due to diseases/Nº employees) x 103
- Worked hours: Number of theoretical hours
- Lost days: Number of days lost due to clinical absenteeism (due to accident)
- Absenteeism disclosed: Working days of sick leave due to occupational accidents or disease, maternity or paternity leave, temporary disability, unpaid leave.

[39] Third party hours worked and third party ratios refer to contractors and suppliers.

[40] Regarding Health and safety data of third parties (non-employees), in 2022 there have been registered a total of 4 accidents with leave, being the total hours worked 6,221,605 hours.

GRI 204-1 Proportion of spending on local suppliers

	2023				2022			2021		
	Number of suppliers	Number of local suppliers	% of local suppliers	% of spending on local suppliers	Number of suppliers	Number of local suppliers	% of local suppliers	Number of suppliers	Number of local suppliers	% of local suppliers
Austria	231	210	91%	99%	94	72	77%	42	11	26%
Denmark	93	72	77%	96%	120	95	79%	64	62	97%
France	557	522	94%	99%	392	351	90%	605	545	90%
Ireland	118	101	86%	97%	92	71	77%	183	148	81%
Italy	1,289	1,246	97%	98%	517	483	93%	433	410	95%
Netherlands	306	280	92%	96%	338	303	90%	317	282	89%
Poland	1,187	1,149	97%	99%	655	636	97%	204	199	98%
Portugal	133	112	84%	99%	92	82	89%	146	127	87%
Spain	1,667	1,499	90%	93%	1,733	1,543	89%	1,734	1,544	0.89
Sweden	222	199	90%	98%	379	354	93%	127	125	0.98
Switzerland	214	194	91%	98%	275	250	91%	180	165	0.92
UK	436	382	88%	97%	423	373	88%	300	283	0.94
Total	**6,224**	**5,966**	**96%**	**98%**	**5,110**	**4,613**	**90%**	**4,335**	**3,901**	**90%**

GRI 308-1 & GRI 414-1. New suppliers that were screened using environmental criteria and New suppliers that were screened using social criteria. Total number of suppliers evaluated using ESG criteria[41]

Supplier assessment	2023		2022	2021
	Suppliers	% of suppliers	Suppliers	Suppliers
Environmental				
New suppliers screened	33	9%	103	27
Total number of suppliers assessed	314	83%	352	238
Social				
New suppliers screened	53	17%	84	29
Total number of suppliers assessed	314	83%	235	240
ESG (CDP+Ecovadis)				
New suppliers screened	53	17%	103	27
Total number of suppliers assessed	314	83%	352	238

[41] New suppliers screened: Number and percentage of suppliers evaluated for the first time with respect to the total number of main suppliers in the reporting year.

GRI 302-1 Energy consumption within the organisation[42]

Gasoline consumption by country (MWh)	2023	2022	2021	2020 (base year)
Austria	0.00	0.00	0.00	0.00
Denmark	—	—	—	—
France	—	—	—	—
Ireland	—	—	—	—
Italy	—	—	—	—
Netherlands	—	—	—	—
Poland	249.69	560.25	329.64	331.12
Portugal	—	—	—	—
Spain	98.30	76.52	67.27	28.93
Sweden	—	—	—	—
Switzerland	—	—	—	—
UK	0.00	0.00	—	—
Total	**347.98**	**636.78**	**396.92**	**360.05**

Diesel consumption by country (MWh)	2023	2022	2021	2020 (base year)
Austria	—	—	—	—
Denmark	—	—	—	—
France	—	0.34	0.19	0.20
Ireland	—	—	—	—
Italy	—	—	—	—
Netherlands	414.51	452.16	395.36	366.63
Poland	782.48	525.17	194.69	195.97
Portugal	—	—	—	—
Spain	2,625.84	2,389.74	2,075.70	2,453.82
Sweden	—	—	—	—
Switzerland	—	—	—	—
UK	—	—	—	—
Total	**3,822.82**	**3,367.41**	**2,665.93**	**3,016.62**

Natural gas consumption by country (MWh)	2023	2022	2021	2020 (base year)
Austria	—	—	—	—
Denmark	—	—	—	—
France	—	—	—	—
Ireland	—	—	—	—
Italy	—	—	—	—
Netherlands	4.998	—	0.146	0.573
Poland	—	—	—	—
Portugal	—	—	—	—
Spain	—	—	0.005	0.003
Sweden	—	—	—	—
Switzerland	—	—	—	—
UK	—	—	—	—
Total	**5.00**	**—**	**0.15**	**0.58**

[42] According to the GHG Protocol, the carbon footprint data reported for years 2020 and 2021 has been recalculated according to the reporting year perimeter, taking into account 2020 as base year.

Grid electricity consumption by country (MWh)	2023	2022	2021	2020 (base year)
Austria	0.00	0.00	0.00	0.00
Denmark	5,734.20	1,960.53	40.65	40.65
France	39,986.44	9,776.30	5,333.01	5,333.01
Ireland	1,403.79	1,069.91	386.53	647.15
Italy	713,274.79	686,617.99	612,372.58	566,501.15
Netherlands	32,916.00	33,407.43	32,968.04	34,989.50
Poland	171,120.00	170,912.20	159,575.39	159,575.39
Portugal	—	—	—	—
Spain	310,282.74	288,712.63	321,029.67	295,074.48
Sweden	39,794.87	36,878.51	29,846.88	29,846.88
Switzerland	80.42	44.44	28.92	21.85
UK	64,896.67	63,979.53	60,992.44	58,248.01
Total	**1,379,489.92**	**1,293,359.47**	**1,222,574.11**	**1,150,278.07**

Other imported energy consumption (district cooling/heating) by country (MWh)	2023	2022	2021	2020 (base year)
Austria	—	—	—	—
Denmark	—	—	—	—
France	20.00	—	—	—
Ireland	—	—	—	—
Italy	—	—	—	—
Netherlands	—	0.33	0.48	0.30
Poland	—	—	—	—
Portugal	—	—	—	—
Spain	1,754.87	2,063.59	1,302.70	1,302.70
Sweden	—	—	—	—
Switzerland	3.34	—	—	—
UK	—	—	—	—
Total	**1,778.21**	**2,063.92**	**1,303.18**	**1,303.00**

Total energy consumption by country (MWh)	2023	2022	2021	2020 (base year)
Austria[43]	—	—	—	—
Denmark	5,734.20	1,960.53	40.65	40.65
France	40,006.44	9,776.64	5,333.20	5,333.21
Ireland	1,723.79	1,069.91	386.53	647.15
Italy	713,351.79	686,617.99	612,372.58	566,501.15
Netherlands	33,335.51	33,854.85	33,363.88	35,929.60
Poland	172,154.66	171,992.79	160,099.72	160,102.47
Portugal	—	—	—	—
Spain	319,141.74	295,000.13	324,956.65	299,137.78
Sweden	39,794.87	36,878.51	29,846.88	29,846.88
Switzerland	83.76	44.44	28.92	21.85
UK	64,896.67	63,979.53	60,992.44	58,248.01
Total	**1,390,223.43**	**1,301,175.32**	**1,227,421.45**	**1,155,808.76**

Total energy consumption by source (MWh)	2023	2022	2021	2020 (base year)
Gasoline	347.98	636.78	396.92	360.05
Diesel	3,822.82	3,367.41	2,665.93	3,016.62
Natural Gas	5.00	0.00	0.15	0.58
Electricity	1,384,269.42	1,295,124.47	1,223,050.88	1,150,553.27
Grid electricity	1,379,489.92	1,293,359.47	1,222,574.11	1,150,278.07
Self-generated electricity	4,779.50	1,765.00	476.77	275.20
District heating/cooling	1,778.21	2,063.92	1,303.18	1,303.00
Total	**1,390,223.43**	**1,301,192.57**	**1,227,417.06**	**1,155,233.51**

[43] The Self-generated electricity consumption is aggregated to the total energy consumption.

Total renewable energy consumption (MWh)	2023	2022	2021	2020 (base year)
Renewable grid electricity	1,066,920.72	999,537.14	496,150.99	115,373.95
Self-generated electricity[44]	4,779.50	1,765.00	476.77	275.20
Total	**1,071,700.22**	**1,001,302.14**	**496,627.76**	**115,649.15**

Share of renewable electricity by country (%)	2023	2022	2021	2020 (base year)
Austria	na	na	0%	0%
Denmark	100%	100%	0%	0%
France	100%	100%	0%	0%
Ireland	0%	0%	0%	0%
Italy	58%	59%	37%	0%
Netherlands	100%	100%	68%	63%
Poland	93%	94%	0%	0%
Portugal	na	na	—	—
Spain	1.00	1.00	0.47	—
Sweden	100%	100%	100%	100%
Switzerland	100%	100%	100%	100%
UK	100%	100%	100%	100%
Total	**77%**	**77%**	**41%**	**10%**

Self-generated electricity consumption by country (MWh)	2023	2022	2021	2020 (base year)
Austria	0.00	0.00	0.00	0.00
Denmark	0.00	0.00	0.00	0.00
France	0.00	0.00	0.00	0.00
Ireland	320.00	0.00	0.00	0.00
Italy	77.00	0.00	0.00	0.00
Netherlands	0.00	0.00	0.00	0.00
Poland	2.50	0.00	0.00	0.00
Portugal	0.00	0.00	0.00	0.00
Spain	4,380.00	1,765.00	476.77	275.20
Sweden	0.00	0.00	0.00	0.00
Switzerland	0.00	0.00	0.00	0.00
UK	0.00	0.00	0.00	0.00
Total	**4,779.50**	**1,765.00**	**476.77**	**275.20**

[44] Self-generated electricity corresponds to self-consumed electricity.

GRI 303-5 Water consumption[45]

Water consumption by country (m3)	2023			2022			2021			2020 (base year)		
	Water (supply network)	Water (rainwater)	Total	Water (supply network)	Water (rainwater)	Total	Water (supply network)	Water (rainwater)	Total	Water (supply network)	Water (rainwater)	Total
Austria	595	—	595	—	—	—	—	—	—	—	—	—
Denmark	—	—	—	—	0	—	—	0	0	—	0	0
France	7,492	—	7,492	—	—	—	—	—	—	—	—	—
Ireland	—	—	—	—	—	—	—	—	—	—	—	—
Italy	—	0	—	—	0	—	751	0	751	445	0	445
Netherlands	600	—	600	442	—	442	668	—	668	1,725	—	1,725
Poland	—	—	—	—	—	—	—	—	—	—	—	—
Portugal	—	—	—	—	—	—	—	—	—	—	—	—
Spain	3,788	260	4,048	1,497	256	1,753	8,765	854	9,619	9,216	926	10,142
Sweden	—	—	—	—	—	—	—	—	—	—	—	—
Switzerland	880	—	880	—	—	—	—	—	—	—	—	—
UK	—	—	—	—	—	—	—	—	—	—	—	—
Total	**13,355**	**260**	**13,615**	**1,939**	**256**	**2,195**	**10,184**	**854**	**11,038**	**11,385**	**926**	**12,311**

GRI 304-2 Significant impacts of activities, products and services on biodiversity[46]

Impacts on biodiversity	2023				2022				2021				2020			
	Total analyzed sites	Not affected	Affected	% of sites in protected areas	Total analyzed sites	Not affected	Affected	% of sites in protected areas	Total analyzed sites	Not affected	Affected	% of sites in protected areas	Total analyzed sites	Not affected	Affected	% of sites in protected areas
Austria	4,846	4,348	498	10%	4,698	4,236	462	10%	3,189	2,880	309	10%	0	0	0	—%
Denmark	1,662	1,652	10	1%	1,385	1,376	9	1%	1,351	1,320	31	2%	0	0	0	—%
France	27,450	25,094	2,356	9%	11,840	11,128	712	6%	12,399	11,678	721	6%	4,753	4,651	102	2%
Ireland	1,998	1,943	55	3%	1,651	1,610	41	2%	1,774	1,723	51	3%	520	469	51	10%
Italy	23,474	22,332	1,142	5%	20,371	19,407	964	5%	21,663	20,581	1,082	5%	11,477	10,961	516	4%
Netherlands	4,041	3,876	165	4%	3,961	3,806	155	4%	769	681	88	11%	817	771	46	6%
Poland	16,668	14,091	2,577	15%	7,868	6,805	1,063	14%	6,911	6,069	842	12%	0	0	0	—%
Portugal	6,376	5,818	558	9%	5,719	5,210	509	9%	5,958	5,443	515	9%	4,927	4,521	406	8%
Spain	11,000	9,767	1,233	11%	10,247	9,194	1,053	10%	10,733.00	9,527.00	1,206.00	0.11	8,734.00	7,539.00	1,195.00	0.14
Sweden	3,392	3,337	55	2%	2,437	2,413	24	1%	5,308.00	5,237.00	71.00	0.01	—	—	—	—
Switzerland	5,564	5,483	81	1%	4,994	4,924	70	1%	5,308.00	5,237.00	71.00	0.01	5,085.00	4,749.00	336.00	0.07
UK	11,859	10,976	883	7%	9,257	8,365	892	10%	9,236.00	8,346.00	890.00	0.10	8,419.00	8,323.00	96.00	0.01
Total	**118,330**	**108,717**	**9,613**	**8 %**	**84,428**	**78,474**	**5,954**	**7 %**	**84,599**	**78,722**	**5,877**	**7 %**	**44,732**	**41,984**	**2,748**	**6 %**

[45] According to the GHG Protocol, the carbon footprint data reported for years 2020 and 2021 has been recalculated according to the reporting year perimeter, taking into account 2020 as base year.

[46] Total analysed sites including some of the forecasted roll-outs. The analysis consists of the identification of sites in areas categorised by the IUCN, which also include the protected areas of the Natura 2000 network.

GRI 305 Emissions: GRI 305-1 Direct (Scope 1) GHG emissions; GRI 305-2 Energy indirect (Scope 2) GHG emissions; GRI 305-3 Other indirect (Scope 3) GHG emissions; GRI 305-4 GHG emissions intensity; GRI 305-5 Reduction of GHG emissions[47]

GHG emissions by scope and country (t CO2e)	2023			2022			2021			2020 (base year)		
	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3
Austria	114	0	23,305	88	0	25,080	110	0	26,223	110	0	30,454
Denmark	3	0	765	4	0	2,845	5	15	4,361	5	15	5,755
France	57	1	29,195	31	0	32,937	73	0	40,458	72	0	39,827
Ireland	0	486	17,930	0	353	8,373	0	128	6,677	0	215	6,849
Italy	939	26,363	57,013	961	40,954	59,119	1,127	110,444	69,841	1,114	167,695	66,857
Netherlands	179	0	9,791	172	0	24,394	151	2,762	33,369	377	5,430	42,536
Poland	359	9,945	220,954	429	7,014	236,089	263	179,786	257,623	264	179,786	264,308
Portugal	0	0	33,878	0	0	31,228	0	0	36,885	0	0	41,394
Spain	1,362	3	43,728	1,519	5	36,883	1,887	33,723	51,586	1,990	79,019	55,838
Sweden	3	0	1,077	8	0	1,044	7	0	1,306	9	0	1,435
Switzerland	0	0	3,113	0	0	5,723	0	0	14,284	0	0	12,943
UK	0	0	39,241	0	3	42,758	0	0	58,316	0	0	61,015
Total	**3,016**	**36,798**	**479,990**	**3,212**	**48,329**	**506,470**	**3,623**	**326,857**	**600,929**	**3,940**	**432,160**	**629,210**

GHG emissions by country (t CO2e)	2023	2022	2021	2020 (base year)
Austria	23,418	25,168	26,333	30,564
Denmark	767	2,849	4,381	5,775
France	29,253	32,968	40,531	39,899
Ireland	18,416	8,726	6,805	7,064
Italy	84,315	101,033	181,413	235,666
Netherlands	9,970	24,566	36,282	48,342
Poland	231,259	243,532	437,671	444,357
Portugal	33,878	31,228	36,885	41,394
Spain	45,092	38,407	87,196	136,847
Sweden	1,081	1,051	1,313	1,443
Switzerland	3,113	5,723	14,284	12,943
UK	39,241	42,762	58,316	61,015
Total	**519,804**	**558,011**	**931,409**	**1,065,310**

GHG emissions by scope (t CO2e)	2023	2022	2021	2020 (base year)
Scope 1	3,016	3,212	36,323	3,940
Scope 2	36,798	48,329	326,857	432,160
Scope 3	479,990	506,470	600,929	629,210
Total	**519,804**	**558,011**	**931,409**	**1,065,310**

[47] According to the GHG Protocol, the carbon footprint data reported for years 2020 and 2021 has been recalculated according to the reporting year perimeter, taking into account 2020 as base year.

Emission intensity by country (Scope 1+2+3)	2023		2022		2021		2020 (base year)	
	GHG emissions/ operating income (tCO2e/€Mn)	GHG emissions/ sites (tCO2e/site)	GHG emissions/ operating income (tCO2e/€Mn)	GHG emissions/ sites (tCO2e/site)	GHG emissions/ operating income (tCO2e/€Mn)	GHG emissions/ sites (tCO2e/site)	GHG emissions/ operating income (tCO2e/€Mn)	GHG emissions/ sites (tCO2e/site)
Austria	5.78	0.21	7.09	0.24	8.32	0.30	99.36	3.94
Denmark	0.19	0.01	0.80	0.03	1.38	0.05	10.78	0.56
France	7.22	0.26	9.29	0.31	12.80	0.46	57.56	1.76
Ireland	4.55	0.16	2.46	0.08	2.15	0.08	18.68	0.48
Italy	20.82	0.74	28.47	0.95	57.28	2.07	8,247.66	167.02
Netherlands	2.46	0.09	6.92	0.23	11.46	0.41	71.62	2.39
Poland	57.11	2.04	68.63	2.30	138.20	5.00	3,060.73	82.79
Portugal	8.37	0.30	8.80	0.30	11.65	0.42	355.22	7.98
Spain	11.14	0.40	10.82	0.36	27.53	1.00	1,877.21	30.49
Sweden	0.27	0.01	0.30	0.01	0.41	0.02	29.79	0.54
Switzerland	0.77	0.03	1.61	0.05	4.51	0.16	232.90	7.12
UK	9.69	0.35	12.05	0.40	18.41	0.67	484.17	15.17
Total	**128.38**	**4.59**	**149.80**	**5.02**	**294.11**	**10.65**	**334.70**	**10.58**

Emission intensity by country (Scope 1+2)	2023		2022		2021		2020 (base year)	
	GHG emissions/ operating income (tCO2e/€Mn)	GHG emissions/ sites (tCO2e/site)	GHG emissions/ operating income (tCO2e/€Mn)	GHG emissions/ sites (tCO2e/site)	GHG emissions/ operating income (tCO2e/€Mn)	GHG emissions/ sites (tCO2e/site)	GHG emissions/ operating income (tCO2e/€Mn)	GHG emissions/ sites (tCO2e/site)
Austria	0.03	0.00	0.02	0.00	0.03	0.00	0.36	0.01
Denmark	0.00	0.00	0.00	0.00	0.01	0.00	0.04	0.00
France	0.01	0.00	0.01	0.00	0.02	0.00	0.10	0.00
Ireland	0.12	0.00	0.10	0.00	0.04	0.00	0.57	0.01
Italy	6.74	0.24	11.81	0.40	35.23	1.28	5,907.86	119.64
Netherlands	0.04	0.00	0.05	0.00	0.92	0.03	8.60	0.29
Poland	2.54	0.09	2.10	0.07	56.85	2.06	1,240.18	33.55
Portugal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Spain	0.34	0.01	0.43	0.01	11.24	0.41	1,111.24	18.05
Sweden	0.00	0.00	0.00	0.00	0.00	0.00	0.18	0.00
Switzerland	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UK	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	**9.83**	**0.35**	**14.53**	**0.49**	**104.36**	**3.78**	**137.01**	**4.33**

GRI 306-3 Waste generated[48]

Waste (t)	2023			2022			2021			2020 (base year)		
	Non-hazardous waste	Hazardous waste	Total	Non-hazardous waste	Hazardous waste	Total	Non-hazardous waste	Hazardous waste	Total	Non-hazardous waste	Hazardous waste	Total
Spain	149.8	14.5	164.3	126.0	39.6	165.6	158.3	39.6	197.9	134.4	42.7	177.2
Rest of the countries[49]	76.3	46.1	122.4	1.5	0.0	1.5	0.0	0.0	0.0	0.0	0.0	0.0
Total	**226.1**	**60.6**	**286.7**	**127.5**	**39.6**	**167.1**	**158.3**	**39.6**	**197.9**	**134.4**	**42.7**	**177.2**

GRI 306-4 & GRI 306-5 Waste diverted from disposal and Waste directed to disposal

Waste by type of treatment (t)	2023			2022			2021			2020 (base year)		
	Non-hazardous waste	Hazardous waste	Total	Non-hazardous waste	Hazardous waste	Total	Non-hazardous waste	Hazardous waste	Total	Non-hazardous waste	Hazardous waste	Total
Elimination	0.0	46.1	46.1	1.8	0.5	2.3	10.0	0.9	10.9	0.5	1.0	1.5
Recovery	226.1	14.5	240.6	124.0	39.1	163.1	148.3	38.6	187.0	133.9	41.7	175.6
Total	**226.1**	**60.6**	**286.7**	**125.8**	**39.6**	**165.4**	**158.3**	**39.6**	**197.9**	**134.4**	**42.7**	**177.2**

[48] According to the GHG Protocol, the carbon footprint data reported for years 2020 and 2021 has been recalculated according to the reporting year perimeter, taking into account 2020 as base year.

[49] Waste arising from Cellnex's activities is mainly generated by its suppliers and subcontractors. Therefore, it is the suppliers who are responsible for managing the waste in Cellnex activities/facilities under their responsibility. Cellnex has kept ownership and management of part of the waste generation mainly in Spain, with small amounts also in Italy, France and Poland.These quantities do not represent a significant impact and are therefore considered a non-material environmental aspect.

Annex 7. EU Taxonomy

Introduction

Regulation (EU) 2020/852 established a phased implementation of the regulation, starting with simpler regulatory requirements in 2022 and expanding them from January 2023. From January 1, 2024, all obligations come into force of disclosure of the Taxonomy for the objectives of Mitigation and Adaptation, requiring reporting based on Annexes I and II of the Delegated Act of Article 8 (2021/4987/UE), the latter updated with the Environmental Delegated Act and the Supplementary Delegated Act to the Climate Delegated Act. Alignment will then be reported in addition to the eligibility of economic activities, with all that entails quantitative and qualitative checks on the activities outlined in the Climate Delegated Act. With regard to the economic activities incorporated in the Environmental Delegated Act and the Climate Delegated Act Supplementary Delegated Act, non-financial companies will only disclose the proportion of economic activities eligible based on mitigation and adaptation objectives to the taxonomy. These disclosures will exclude activities not eligible in relation to revenues, CapEx, and OpEx. Additionally, qualitative information will be provided for technical screening criteria, DNSH, and minimum safeguards.

Consequently, following the regulations that apply from 2024 onwards, the analysis of eligibility and alignment of economic activities and the calculation of the KPIs to be disclosed this year with data from 2023 have been developed, explaining the reasoning and approaches used during the study.

Methodology

This section aims to provide details on how the process of calculating the different indicators of the Taxonomy has been approached, based on economic-financial data, and the phases established in the process. This exercise builds on the taxonomy project conducted since 2021 in preparation for disclosing information on the indicators linked to the taxonomy in the Integrated Annual Report for 2021, 2022, and 2023.

The process followed to determine the degree of alignment based on Taxonomy Regulation 852/2020/EU has followed the following steps:

1. Identification of business units
2. Classification of activities based on one or several NACE codes
3. Analysis of Cellnex's activities incorporated directly or indirectly in the Taxonomy
4. Assessment of eligibility by activity
5. Assessment of alignment by activity. This phase comprises:
    i. Not causing any significant detriment to any of the other environmental objectives (DNSH).
    ii. Being carried out in accordance with the minimum safeguards.
    iii. Complying with the technical screening criteria established for each activity.
6. Obtaining evidence.
7. Extraction of financial indicators according to the methodology of the Disclosure DP and its subsequent amendments.

In each of the phases, quantitative and qualitative data and evidence have been collected for subsequent external verification and validation.

Identification of business units

The identification of large business units is based on the one developed last year with the confirmation and validation of the different business managers. Among these, the following were identified:

- Telecommunications Infrastructure Service (TIS): Co-location on mobile operators' infrastructures to facilitate the installation of their wireless broadcasting and telecommunications equipment. Offering a wide range of integrated network infrastructure services for mobile networks, wireless, and broadband telecommunications operators.

- Audiovisual broadcasting networks and infrastructures: The broadcasting activity includes the distribution and transmission of television and radio (FM) signals, the operation and maintenance of broadcasting networks, the provision of connectivity for media content, OTT broadcasting services (over-the-top multiscreen services), and other related services.

- Network services and others: Cellnex includes services ranging from the design, installation, operation, and maintenance of Wi-Fi and mobile telephony networks (2G, 3G, LTE/4G) to roaming and downloading services. This activity includes connectivity services for telecommunications operators (excluding broadcast operators), radio communication, operation and maintenance services, commercial services, Smart Cities/IoT ("Internet of Things"), and other related services.

- Investment in R+D+i: Cellnex dedicates part of its budget to research, development, and implementation of innovative solutions that have enabled the company to anticipate radical changes that have occurred in the sector, such as the example of 5G technology, the Internet of Things or Infrastructure Services for telecommunications.

The result of this analysis was a list of specific economic activities for each of the three large branches described, providing definitions for each of them and the necessary details to define a specific NACE.

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.		
Datacentres		

This level of detail allowed us to start considering how the various business align with the statistical definitions of different economic activities.

Taxonomy eligibility assessment per activity

Based on the identification of different economic activities and their respective descriptions, a NACE code was assigned to each of them. This code, along with the definition of each activity, served as the basis for the eligibility analysis.

In the eligibility and alignment analysis, activities were differentiated and classified according to the KPIs analysed (revenue, CapEx, and OpEx), as some activities only appear in certain defined items. The OpEx KPI is not shown in the following sections because it has been considered a non-material indicator. As established in Annex I of the Delegated Disclosure Act (Art. 8), referring to Regulation 2020/852/EU, point 1.1.3.2, those non-financial companies that consider that Opex is not a material indicator for their model of business, are exempt from calculating the numerator of the Opex KPI.The company considers that the OpEx margin for the calculation of the Taxonomy is not material. Primarily, in accordance with IFRS 16 accounting standards, the most significant item (rental costs) is reflected in financial interest and amortisation in the company's financial statements. Therefore, this causes the company having a very high operating leverage and margin.

Operating income

For each of the business activities, it was validated whether they actually fit with the proposed Taxonomy activities. The approach of this task helped to outline the final eligible activities in relation to those incorporated in the Climate Delegated Act and the Environmental Delegated Act.

In this third year of validating the eligibility of economic activities conducted by Cellnex, the following list was defined

Business Unit	Eligibility based on Taxonomy (Activity)	Environmental objective	Type of activity
Datacentres	8.1. Data processing, hosting and related activities	Mitigation CC	Transition
Broadcast[50]	8.3. Radio and television programming and broadcasting activities	Adaptation CC	Adapted
Internet Media	8.3. Radio and television programming and broadcasting activities	Adaptation CC	Adapted
IoT Utilities	4.1 Provision of water leakage detection services	Water and water resources	Facilitator
IoT Smart Services	8.2 Data-driven solutions to reduce greenhouse gas emissions	Mitigation CC	Facilitator
Mission Critical (MCPN)	14.1 Emergency services	Adaptation CC	Adapted - Facilitator[51]

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

Operating income (Thousands of Euros)		
	31 December 2023	31 December 2022
Telecommunications Infrastructure Services	3,680,767	3,159,629
Broadcast Infrastructures	230,027	223,497
Other network services	138,429	112,054
Operating income	**4,049,223**	**3,495,180**

Revenues by typology		
	31 December 2023	31 December 2022
Services (Gross)	3,808,059	3,251,155
Other operating income	245,147	247,467
Advances to customers (Note 13.b)	(3,983)	(3,442)
Operating Income	**4,049,223**	**3,495,180**

If we now focus on the reason why each of the activities has been considered eligible, we must take into account the following points:

- Datacentres: This activity fits perfectly within the definition of activity 8.1 Data processing, hosting and related activities as a whole.Revenues are derived from the rental of "Racks", physical spaces designed to house servers, networking devices, cables or other data centre computer equipment. These racks are leased within each data centre to independent customers. Cellnex is engaged in maintaining the conditioned space to store and operate IT or telecommunications equipment. Although this activity is presented in Annex I and II of the Climate Delegated Act, it has been considered more closely linked to the former. Data centres contribute to optimising the performance and processes of computer systems in infrastructures with stable and secure environments. Cellnex is making progress in the decarbonisation and efficiency of these centres.

- Broadcast: The activity carried out by Cellnex is directly related to radio and television broadcasting services, an aspect included in the definition of activity 8.3 Radio and television programming and broadcasting activities. This line of business is based on the broadcasting of third-party television signals from Cellnex's telecommunications infrastructures. However, the revenues derived from this activity have not been included in the revenue indicator (%) as they are considered, at accounting level, to be revenues from an eligible "adapted" activity and cannot be included in the numerator.

- Internet Media: The activity in question involves television broadcasting via the Internet, a nuance included in the definition of activity 8.3 Radio and television programming and broadcasting activities, considering that the technology used for broadcasting is not discriminated against. Cellnex is engaged in the technological development and management of television broadcasting platforms via the Internet. However, revenue derived from this activity has not been included in the revenue indicator (%) as it is considered, at the accounting level, as revenue from an eligible 'adapted' activity and cannot be included in the numerator."

[50] These activities have not been included in the calculation of the numerator of the revenue indicator, but are included in the list of adapted activities. Cellnex has a climate risk analysis developed in accordance with the recommendations of the TCFD, which identified the climate risks faced by the company and has developed an adaptation plan for those assets that require it.
[51] According to the report "DRAFT COMMISSION NOTICE on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of Taxonomyeligible and Taxonomy-aligned economic activities and assets (second Commission Notice)", instead of two typologies of adaptation activity (Adapted or Enabling) are defined, a third one considered Adapted - Enabling for those that fit the text "Where an economic activity in this category complies with the substantial contribution criterion specified in point 5, the activity is an enabling activity as referred to in Article 11(1), point (b), of Regulation (EU) 2020/852, provided that it meets the technical screening criteria set out in this Section".

- IoT - Utilities: The IoT business carries out two distinct activities. IoT Utilities involves projects related to the connectivity and data transmission of electronic water meters, aiming to monitor consumption, enhance incident management, and ensure smart control of the water distribution network. In 2022, the activity was considered eligible under mitigation activity 7.5 Installation, maintenance, and repair of instruments and devices to measure, regulate, and control the energy efficiency of buildings. However, the publication of the activities under the water and water resources objective has improved the classification by making use of activity 4.1 Provision of IT/OT data-driven solutions for leakage reduction, the final objective of the service.

- IoT - Smart Services: The other facet of the IoT business focuses on Smart Services, digital solutions provided by Cellnex as an intelligent information management tool with the aim of establishing Smart Cities or Smart Regions. Cellnex's services fall under "Internet of Things" services, establishing sensor networks and integrating other data sources into transversal digital management systems to improve mobility management, increase energy efficiency, reduce resource consumption, improve waste management, and decrease atmospheric pollution. This integrated information management tool, aimed at improving energy efficiency, has been considered eligible under Mitigation activity 8.2 Data-driven solutions to reduce greenhouse gas emissions. Based on the technical screening criteria of activity 8.2, it demonstrates a contribution to climate change mitigation by providing data and analysis to reduce GHG emissions, or the ICT solution demonstrates a substantial reduction in GHG emissions throughout its life cycle compared to the best performing alternative solution or technology.

- Mission Critical (MCPN): The activity provides highly reliable and secure broadcasting services to public emergency services such as fire, civil protection, maritime rescue or police, which are key for resilience to acute climate events. Radio connectivity for emergency services was considered eligible in 2022 under adaptation enabling activity 8.3 Radio and television programming and broadcasting activities due to its key contribution to climate risk resilience. However, a new adaptation activity has been published in 2023 that specifically includes telecommunication services under 14.1 Emergency Services.

The most relevant revenue item for the group, Telecommunications Infrastructure Services (TIS), which represents approximately 67% of sales, could not be included in the eligibility calculations. This is because, within the environmentally sustainable economic activities outlined in the regulation, there is not yet an activity that aligns with the operations conducted by Cellnex. TIS's activity is based on the operational efficiency of telecommunication towers, an activity with a high positive impact as described above. The omission of environmentally sustainable services related to wireless and wired network connectivity represents a notable detriment in assessing the environmental sustainability of Cellnex's business.The lack of development of the Taxonomy damages the transparency of a company whose main business is linked to efficiency.

CAPEX

The numerator of the CapEx indicator, which is required to be reported under the Taxonomy regulation, states that the following investments can be counted as eligible/aligned:

- Those related to assets or processes associated with economic activities aligned with the Taxonomy.

- Those that are part of a plan to expand economic activities aligned with the taxonomy or ensure alignment with the taxonomy (CapEx Plan). This is not yet the case for Cellnex.

- Those related to the purchase of output from economic activities aligned with the Taxonomy or individual measures to facilitate low carbon economic activity (mainly focused on Installation, maintenance and repair of energy efficient equipment, charging stations for electric vehicles, instruments and devices to measure, regulate and control the energy efficiency of buildings or renewable energy technologies).

In general, Cellnex distinguishes its investments in:

Investment (Thousands of Euros)		
Capital expenditures	**31 December 2023**	**44926**
Maintenance capital expenditures	138,884	107,726
Expansion (or organic growth) capital expenditures	458,193	349,553
Expansion capital expenditures (build-to-suit programmes) and remedies	936,899	2,133,206
Expansion capital expenditures (build-to-suit programmes)	1,568,330	2,282,650
Remedies (2)	(631,431)	-149,444
M&A capital expenditures	695,969	4,881,163
Total investment (1)	**2,229,945**	**7,471,648**

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

- Expansion (or organic growth): Adaptation of mobile telephony infrastructures for new customers, land leases (including upfront payments and renegotiations), and other efficiency measures related to energy and connectivity. It also involves adapting infrastructures to increase site capacity. All of this corresponds to investment related to business expansion, which generate additional Leveraged Recurring Cash Flow (including decommissioning, telecom site adaptation for new tenants, and prepayments of land leases).

- Expansion (build-to-suit projects): Corresponds to committed build-to-suit programmes, consisting of towers, backhaul, backbone, edge computer centres, DAS nodes or any other type of telecommunications infrastructure, as well as any related upfront payments or Engineering Services to different customers. This may include any ad-hoc maintenance capital expenditure that may be required by any service line.

- Inorganic: This refers to investment through business combinations (excluding deferred payments in business combinations that are payable in subsequent years), as well as investment through the acquisition of site or land packages (asset purchases).

For each of these categories, specific investment items have been identified, and after an analysis of their alignment with the definitions, they are considered eligible. Most of these stem from investments in the expansion and maintenance of eligible activities. However, investments in outputs of alienated activities are also included. The corresponding table is given below:

Investment item	Eligibility based on Taxonomy (Aligned Activity)	Environmental objective
Datacentres	8.1. Data processing, hosting and related activities	Mitigation CC
IoT Utilities	4.1 Provision of water leakage detection services	Water and water resources
IoT Smart Services	8.2 Data-driven solutions to reduce greenhouse gas emissions	Mitigation CC
Broadcast[52]	8.3. Radio and television programming and broadcasting activities	Adaptation CC
Internet Media	8.3. Radio and television programming and broadcasting activities	Adaptation CC
Mission Critical (MCPN)	14.1 Emergency services (related to emergency telecommunication services that increase resilience to climate hazards)	Adaptation CC
Energy efficiency (air-conditioning + equipment)	7.3. Installation, maintenance and repair of energy-efficient equipment	Mitigation CC
Renewable energy	7.6. Installation, maintenance and repair of renewable energy technologies	Mitigation CC

[52] These activities have not been included in the calculation of the numerator of the CapEx indicator but are included in the list of adapted activities. Cellnex has a TCFD analysis which identified the climate risks faced by the company and has developed an adaptation plan.

While the eligible activities have been defined in the previous revenue section, some of which are listed in the table above, two new activities have been added for the CapEx indicator.

- Efficiency Capex (Energy): Although this activity has not been included in the revenue 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 as it is related to the purchase of output and investment in economic activities aligned - for the time being eligible - with the Taxonomy or individual measures to facilitate low carbon economic activity. This investment item includes emissions focused on reducing the company's consumption through the implementation of more efficient equipment, remote control systems, or the installation of solar panels for the company's own consumption.
    - 7.3. Installation, maintenance and repair of energy efficiency equipment; includes investments mainly for efficiency in refrigeration equipment.
    - 7.6. Installation, maintenance and repair of renewable energy technologies. Mainly linked to investments in photovoltaic solar energy.

Assessment of alignment to the Taxonomy by activity

In this phase, the requirements established in Article 3 of Regulation 2020/852/EU for an activity to be considered environmentally sustainable have been assessed. In addition to the point of contributing to one or more environmental objectives that has been previously assessed (Eligibility), compliance with the rest of the criteria has been verified:

- Comply with the Technical Selection Criteria (TSC) established for each activity.
- Do Not Significant Harm (DNSH) to any of the other environmental objectives.
- Be carried out in accordance with the minimum guarantees established.

All four points established in Art.3 must be met simultaneously for an activity to be considered environmentally sustainable. To analyse the degree of alignment of each activity, an eligibility screening was first carried out, and then a verification of compliance with the criteria for Do Not Significant Harm (DNSH), minimum guarantees and Technical Selection Criteria (TSC). To ensure a correct alignment analysis, Cellnex has exhaustively examined these criteria and points, working in parallel to meet each of the points that the alignment process marks.

The technical selection criteria (TSC) and DNSH principles of each of the activities identified as eligible for Cellnex are discussed below.

Datacentres

Activity	Eligibility based on Taxonomy (Activity aligned if compliant with STS and minimum guarantees)	Environmental objective	Type of activity
Datacentres	8.1. Data processing, hosting and related activities	Mitigation CC	Climate transition

Cellnex has data centres in Spain, France. and the Netherlands, with the majority located in the latter two countries. he approach taken to analyse the alignment of technical selection criteria was based on the following:

1. Initial filtration of sites with R32, the only refrigerant gas used by Cellnex with GWP ≤ 675. For sites with more than one refrigerant gas in the equipment, only a partial site alignment has been considered when R32 is available.
2. With the list of filtered centres, the degree of compliance with the EU Code of Conduct Questionnaire has been assessed at a percentage level by means of an external audit carried out by TÜV Rheinland.

The refrigerant gas data collected for calculating the verified carbon footprint under the ISO 14064 standard facilitated the analysis of data centres where all or part of the refrigerant gases had a GWP of less than or equal to 675. Some data centres use multiple cooling units to regulate different rooms, so for those centres where compliant gases did not constitute the entirety, partial alignment awards were granted based on the weight of the refrigerant gases. Practically, this criterion was analysed prior to the best practices of the code of conduct, excluding centres without an adequately advanced refrigeration system.

To comply with the second CTS, a working group was organised to analyse in detail the European Code of Conduct on Data Centre Energy Efficiency, starting with the review of the 2023 Best Practice Guidelines for the EU Code of Conduct on Data Centre Energy Efficiency, the Participant Guidelines v.3.0.0 and the Reporting Form 14.2 spreadsheet. Once the requirements established for participants with colocation characteristics, as is the case of Cellnex, had been analysed, a meeting was held with the heads of the Joint Research Center, who provided guidance for completing the best practices questionnaire.

Once the operations managers of each data centre had completed the corresponding EU Code of Conduct questionnaires, the information was provided to the auditor (TÜV Rheinland) to verify compliance with best practices in energy efficiency and ensure compliance with the CTS for those centres that had the technical characteristics and basic information to demonstrate alignment.


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The result of the TÜV Rheinland Verification was a list of 31 Datacenters, out of a total of 89, with a differentiated degree of alignment according to refrigerant gases and the 2023 Best Practice Guidelines for the EU Code of Conduct on Data Centre Energy Efficiency V 14.1.0.

The explanation of each point of the DNSH that applies to the activity is shown below:

2. Adaptation: The activity complies with the criteria set out in Appendix A of this Annex.

Cellnex conducted a Climate Change Adaptation Plan for 2022, which consists of two distinct parts: (i) the first focused on analysing the climate risk of all its assets, and (ii) the second focused on proposing adaptation activities and recommendations for assets at risk. In general terms, the project followed 5 steps:

1. Prioritisation of climate variables based on lists from international climate-related platforms, such as the European Environment Agency (EEA), the World Meteorological Organisation (WMO), the Intergovernmental Panel on Climate Change (IPCC), as well as the list of variables incorporated in Annex A of the Climate Delegated Act of the EU Taxonomy.

2. Obtaining and modelling climate information, data, and statistics from the most advanced climate data storage platforms on the market. These data are obtained for the periods 2011-2040 and 2041-2070, covering the 50-year average useful life of the assets. At the same time, the worst case scenario of the RCP 8.5 trajectory has been used to obtain the worst case scenario, adopting a conservative approach. Data have been obtained from the Copernicus Climate Data Warehouse (ECMWF), the European Environmental Agency, as well as from regional projections obtained from EURO-CORDEX CIMP5 and CIMP6, with resolutions down to 1km resolution.

3. Analysis of exposure, vulnerability, and likelihood of damage to assets through the use of prioritisation matrices, geographic information systems, statistical data, and technical information for each infrastructure analysed.

4. Quantification of the final climate risk through the use of models fitted per climate variable that provide a final risk value, taking into account synergies between variables.

5. The proposal, quantification, and approach of adaptation solutions for each type of asset and climate risk.

The specific result obtained for data centers has been used to define the final alignment degree.

3. Sustainable use and protection of water and marine resources.

The Cellnex Water Availability Footprint, based on ISO 14046:2018, analyzes the availability, consumption, and impact on bodies of water. The analysis includes companies that incorporate data centres (MBA Datacenters, Towerlink France S.A.S, Alticom B.V, OnTower Telecom Infraestructuras S.A.U), examining whether the consumption and impact on bodies of water are relevant to the activity, as well as direct and indirect consumption. From the result of the Water Availability Footprint, it is defined that only 0.1% is linked to direct impact and 99.9% to indirect, with 45% of the footprint in upstream and downstream operations. Water consumption has been considered non-material for the business, extending it also to the data centres.

Regarding the Environmental Impact Assessment, in accordance with the transposition of Directive 2011/92/EU on EIAs, all studies include a mandatory analysis of the environmental vector water, assessing potential physical and biological impacts.

4. Transition to a circular economy

Cellnex is a neutral "collocator" that offers control and management of the space (data centre) by measuring temperature, humidity, providing power, without installing its own equipment, leaving customers with a space to install their servers. Thus, this category would apply to the operators of the servers and not to the space managed by Cellnex.

For Cellnex control products in the data centres, the restricted substances in point 2 are complied with, given that the purchasing team has only approved products with the CE label and specific sustainability labels, which certify compliance with the limits for halogenated materials in accordance with Directive 2011/65/EU and Royal Decree 219/2013, which transposes it into Spanish law.

As part of its ISO 14001 environmental management system, Cellnex has a procedure specifically focused on waste management, which is implemented in all countries where it operates and is mandatory for its own centres and suppliers that outsource waste management tasks. At the same time, this procedure establishes clear guidelines to focus the waste generated on a management that prepares it for reuse, recovery or recycling.

Obtaining financial data

Based on the elimination criteria linked to the CTS and DNSH, financial data will be extracted only from data centres that meet all the criteria set to be considered aligned.

Internet of Things (IoT)

Cellnex offers data network services dedicated to the Internet of Things in several European countries. The benefits of IoT solutions deliver improvements with low power consumption, long reach, low traffic, and low cost to customers. In all projects, secure and resilient data communication is provided through collaborative cellular design and random frequency transmission. The end-to-end services ultimately achieve an optimal cross-system service for resource management and efficiency in all areas of management.

Within the IoT business, although many of the services have implicit features that improve environmental management, only services offered to public administrations or energy or natural resource utilities are considered for sustainability purposes.

IoT - Utilities

Activity	Eligibility based on Taxonomy (Activity aligned if compliant with CTS and minimum guarantees)	Environmental objective	Type of activity
IoT Utilities	4.1 Provision of IT solutions for leakage reduction	Water and water resources	Enabler of sustainable water management

The activity fits into the three individual measures presented in point 1 of the STS:

a) Monitoring systems, including comprehensive IT/OT tools or packages, or additions or extensions to such tools that facilitate the identification, tracking, and tracing of water leakage;

b) IT/OT solutions, or additions or extensions to such tools, that enable water leakage to be monitored, managed, and mitigated;

c) IT/TO solutions, or additions or extensions to such tools, that ensure interoperability of systems in water measurement areas when new monitoring systems or IT/TO solutions are installed.

If we focus on ADESAL's services for water distribution companies, the company provides services to remotely control (meters) consumption or flow with integrated IoT solutions. The use of this type of solution is fantastic for smart water meters, where real-time, low-cost readings are needed to manage the supplier's infrastructure more efficiently, optimising its operations (reducing energy consumption and carbon footprint) and improving efficiency in use by the end customer, avoiding excessive consumption (reducing the water footprint).

To comply with point 2 of the TSC, a specific environmental study was carried out to assess the risks of environmental degradation related to the preservation of water quality and the prevention of water stress in the municipalities where the service described in this activity is carried out.

Of 26 municipalities served, 96.15% are at severe risk of non-compliance with water management plans, a poor current status, or high or extremely high future water risk. Having analysed the state of the waters where the water leak detection activity is carried out through sensors and "Internet of Things" networks, it can be said that the current and projected situation for the vast majority of the bodies of water analysed is unfavourable or unfavourable. Given the nature of the activity (already underway) related to the implementation of ICTs for automation in the detection of leaks or other risks associated with water management, a positive impact on the sustainable use and protection of water and marine resources is estimated.

The explanation of each point of the DNSH that proceeds for the activity is shown below:

2. Adaptation: The activity complies with the criteria set out in Appendix A of this Annex.

Cellnex carried out a Climate Change Adaptation Plan for 2022 which has two distinct parts, (i) the first focused on analysing the climate risk of all its assets, and (ii) a second focused on proposing adaptation activities and proposals for those assets at risk. For the IoT Utilities business, the percentage of assets adapted to climate change linked to the transmission of information has been assessed, considering the rest as not aligned.

At the same time, the activity implements sensors adapted to climate change based on their technical characteristics to ensure the long-term operability of the business.

4. Transition to a circular economy:

Sensors or equipment installed for customer IoT projects, in most contracts, become the property and responsibility of the customer. Cellnex can provide maintenance or upgrade services, but in the vast majority of cases, it is the customer who is responsible for managing any waste that may be generated during the life cycle of the project.

In the case of Cellnex being the owner of the assets and in charge of maintenance, the company has an ISO 14001 Environmental Management Standard, verified by an independent third party, which contains a waste management procedure for the entire company. This procedure is applied both in its own activities and in the activities linked to suppliers, to whom specific waste management obligations are established by contract, prioritising the material recovery of waste and its recycling. At the same time, Cellnex has a standard waste management plan for all its activities that may require it, thus ensuring the best possible management.

4. Pollution control and prevention

The services provided by ADESAL's activity make use of two third-party products: services linked to the infrastructure in the nine, and sensors used to monitor water flows. Cellnex has contacted the cloud service providers to verify compliance with this specific directive. The provider has confirmed compliance with 2009/125/EC.

On the other hand, the supplier of all the equipment has been asked for the technical data sheets of the equipment, demonstrating compliance with the RoHS Directive of the European Union. The supplier has sent the technical data sheets, showing compliance with this regulation.

Obtaining financial data

In order to obtain the financial data for this line of business, a detailed analysis conducted for all projects linked to this activity based on the information extracted from SAP by the financial department. Once the first list of projects with revenues computed in 2023 was obtained, meetings were held with the business managers to analyse whether the services offered to each specific client fit the definition established in the Taxonomy regulation. This analysis included the revenue and CapEx sections, with revenue items being the only ones with projects linked to the definition of the Taxonomy regulation.

IoT Smart Services

Activity	Eligibility based on Taxonomy (Activity aligned if compliant with STS and minimum guarantees)	Environmental objective	Type of activity
IoT Smart Services	8.2. Data-driven solutions to reduce GHG emissions	Mitigation CC	Facilitator of mitigation

The digital solution offered by Cellnex is an integrated information management tool with the aim of improving energy efficiency, reducing the consumption of natural resource, and consequently, lowering greenhouse gas emissions (Smart Cities or Smart Regions).

If we focus on services to public administrations or private entities, these are focused on the creation of Smart cities, Smart regions, or Smart Companies, depending on the client in question. A smart city goes beyond the use of digital technologies for better use of resources and reduction of emissions. It means smarter urban transport networks, improved water supply and waste disposal facilities, and more efficient ways of lighting and heating buildings, as well as energy services.

Cellnex services include sensor networks and the integration of other data sources in transversal management systems to enhance mobility management, increase energy efficiency, reduce resource consumption, improve waste management, and decrease atmospheric pollution. The establishment of indicators to assess changes in environmental vectors and ensure compliance with short-, medium- and long-term climate objectives is one of the services provided as a public administration tool. Private companies are more focused on enhancing efficiency in energy use related to renewable energy production or air quality controls. In this way, the administration and private companies can use reliable, real-time data, processed by Cellnex, to make decisions that reduce greenhouse gas emissions.

Through the data, reports, and results of the implemented projects, it has been considered proven that the activity meets the established technical selection criteria.

The explanation of each point of the DNSH that proceeds for the activity is shown below:

2. Adaptation: The activity complies with the criteria set out in Appendix A of this Annex.

In general, the IoT - Smart Services activity implements sensor networks for the integration of other data sources in transversal management systems, generating two types of physical climate risk to the activity, one linked to the risks for the management of this type of project at corporate level, and the other linked to the networks or sensors implemented. The aspects linked to climate change are set out below;

As mentioned above, Cellnex carried out a Climate Change Adaptation Plan for 2022 that analysed the company's degree of adaptation. Given that the IoT Smart Services activity involves different company assets, it has been considered to be aligned to the same degree as the company as a whole.

At the same time, the IoT Smart Services activity uses a catalogue of sensors with different characteristics, which are selected to ensure that they adapt to the climatic conditions of the location where they are installed. It is for this reason that they have indoor or outdoor sensors, varying the degree of protection to climatic variables depending on the sensor. For example, for specific flood signal sensors, the equipment is adapted to extreme conditions of precipitation or river flooding that allow them to send data in extreme cases.

3. Transition to a circular economy:

All electronic products purchased by Cellnex follow a green purchasing procedure that assesses sustainability aspects, requires maximum compliance with regulations and voluntary recommendations, and ensures the best technical performance. Throughout the process, it is ensured that the restricted substances in point 2 are complied with, given that the purchasing team has only approved products that have the CE label and other sustainability labels that ensure compliance with the limits of halogenated materials according to Directive 2011/65/EU and Royal Decree 219/2013, which transposes it into Spanish law.

As part of its ISO 14001 environmental management system, Cellnex has a procedure specifically focused on waste management, which is implemented in all countries where it operates and is mandatory for its own centres and suppliers that outsource waste management tasks. At the same time, this procedure establishes clear guidelines to focus the waste generated on a management that prepares it for reuse, recovery or recycling.

Obtaining financial data

To obtain the financial data for this line of business, a detailed analysis was made of all the projects linked to this activity based on the information extracted from SAP by the financial department. Once the first list of projects with revenues calculated in 2023 was obtained, meetings were held with the business managers to analyse whether the services offered to each specific client fitted the definition established in the Taxonomy regulation. To obtain the financial data for this line of business, a detailed analysis was made of all the projects linked to this activity based on the information extracted from SAP by the financial department. Once the first list of projects with revenues calculated in 2023 was obtained, meetings were held with the business managers to analyse whether the services offered to each specific client fitted the definition established in the Taxonomy regulation.

This analysis incorporated both revenue and CapEx, with revenue items relating to specific customers and projects, and CapEx items relating to telecommunications networks used for specific services.

Broadcast

Activity	Eligibility based on Taxonomy (Activity aligned if compliant with CTS and minimum guarantees)	Environmental objective	Type of activity
Broadcast	8.3. Radio and television programming and broadcasting activities	Adaptation CC	Adapted to climate change

Cellnex's Broadcast activity is directly related to radio and television broadcasting services, an aspect included in the definition of activity 8.3 Radio and television programming and broadcasting activities. This line of business is based on the broadcasting of third-party television signals from Cellnex's telecommunications infrastructures, establishing the company as a key facilitator for individuals and businesses to receive these signals.

The activity is considered almost fully aligned based on the results obtained in the company's climate risk analysis and climate change adaptation plan.

Revenues from this activity have not been accounted for in the revenue indicator (%) as they are considered, at accounting level, as revenues from an "adapted" activity. Consequently, they do not qualify for inclusion in the numerator in accordance with the provisions of the Delegated Disclosure Act 2021/4987/EU.

Internet Media

Activity	Eligibility based on Taxonomy (Activity aligned if compliant with CTS and minimum guarantees)	Environmental objective	Type of activity
Internet media	8.3. Radio and television programming and broadcasting activities	Adaptation CC	Adapted to climate change

Cellnex's Internet Media business is directly related to radio and television broadcasting services via the Internet, an aspect included in the definition of activity 8.3 Radio and television programming and broadcasting activities. This line of business is based on the broadcasting via digital platforms of third-party television signals from telecommunications infrastructures.

An example of Internet Media's business is the LOVEStv platform, the new DTT audiovisual platform adapted to new consumption habits. Cellnex Telecom is the technology provider of the platform that the Spanish public broadcaster RTVE and the two large private broadcasting groups, Atresmedia and Mediaset, are working together to launch. The platform offers viewers the advantages of linear DTT while providing access to both content and innovative non-linear services.

As previously mentioned, Cellnex conducted a Climate Change Adaptation Plan for 2022, evaluating the company's level of adaptation. Considering that the Internet Media activity involves various assets of the company, it has been deemed aligned to the same degree as the company as a whole.

Revenues from this activity have not been accounted for in the revenue indicator (%) because, at the accounting level, they are considered revenues from an "adapted" activity. Consequently, they are ineligible for inclusion in the numerator, as per the provisions of the Delegated Disclosure Act 2021/4987/EU.

Mission Critical

Activity	Eligibility based on Taxonomy (Activity aligned if compliant with CTS and minimum guarantees)	Environmental objective	Type of activity
Mission Critical	14.1 Emergency services	Adaptation CC	Enabling - adapted to climate change

The acronym MCPN stands for Mission Critical and Private Networks. The business is based on the construction and operation of private communication networks, for limited and known users for security and efficiency reasons. The business is clearly divided into two parts: Mission Critical Networks (Emergency Corps) and Private Networks (Enterprise Sector).

Mission Critical Networks are those of interest in terms of sustainability, as they are offered to public emergency services such as fire brigades, civil protection, forestry agents, police, or medical services. The network technology offered can be Narrowband (TETRA, DMR) or Broadband (4G/5G), depending on the customer's needs. These private networks provide highly reliable and secure radio communications services to public emergency services that are mainly used in extreme circumstances such as natural disasters (floods, storms, forest fires, etc.), accidents such as oil spills or gas leaks, etc.

Mission Critical's priority activity is to provide communication services to emergency services to increase resilience to physical climate risks to people, nature, cultural property, and private assets. Secure and stable communication ensures that the response of emergency responders is coordinated, safe and effective, reducing exposure to climate change risks, reducing the impact of these risks, and increasing resilience through improved post-disaster management. At the same time, emergency teams need the signal provided by Cellnex to send early warning signals of potential disasters, ensuring greater preparedness of organisations and individuals, increasing their resilience to potential impacts.

Based on the above, this activity is considered to fit within adaptation activity 14.1 Emergency services within the complementary Climate Delegated Act. Its definition includes "... iv. installation, maintenance and operation of emergency communication systems to ensure communications during and after emergencies;...". In the case of Mission Critical, radio data transmission is provided to facilitate adaptation.

In 2021, this activity was already incorporated in the Cellnex 2021 Taxonomy report and was considered reasonable by all stakeholders. Mission Critical is categorised within radio broadcasting since any communication from emergency services must invariably traverse Cellnex towers, where this signal is received and re-broadcast so that it is passed directly to the relevant system, ensuring safe and efficient transmission.

Following the European Commission's technical clarification issued on 19 December 2022, outlining the interpretation and implementation of the technical criteria for screening and DNSH of climate targets, it is explicitly stated that enabling activities must (i) ensure adaptation to climate change and (ii) contribute to the resilience or adaptation efforts of third parties.

Cellnex conducted a Climate Change Adaptation Plan for 2023, comprising two distinct parts, (i) a initial focused on analysing the climate risk of all its assets, and (ii) a second focused on proposing adaptation activities and proposals for those assets at risk. For the Mission Critical business, the percentage of assets adapted to climate change, particularly related to information transmission, has been assessed, while the remaining assets are considered not aligned.

The explanation of each point of the DNSH that applies to the activity is shown below:

1. Climate change mitigation

In order to meet the requirements of the DNSH mitigation, Cellnex has:

- Scope 1, 2 and 3 carbon footprint calculation verified by TÜV Rheinland based on ISO 14064.
- Emission reduction targets Science Based Targets initiative (SBTi), aiming to reduce Scope 1 and 2 emissions by 70% by 2030 based on 2020 levels. Additionally, there is a target to reduce Scope 3 emissions by 21% by 2025, based on 2020 results, and achieve 100% renewable electricity by 2025.
- In parallel, a Net-zero strategy is in place to achieve the proposed emission reduction targets, with a timetable for the implementation of measures.
- The company also has an Energy Transition Plan through which the operations teams plan the implementation of freecooling systems, renewable production, refrigeration equipment upgrades, etc.
- Annualised monitoring of emission reductions achieved as a result of the company's changes and investments is included in reporting to CDP, the Integrated Annual Report, etc. In fact, senior management has ESG objectives, including greenhouse gas emissions, as one of the variables of its bonus.

3. Sustainable use and protection of water and marine resources.

The Cellnex Water Availability Footprint, based on ISO 14046:2018, analyses the availability, consumption, and impact on bodies of water. The analysis includes all Cellnex companies for which it has been analysed whether the consumption and impact on bodies of water is relevant to the activity, as well as direct and indirect consumption. From the results of the Water Availability Footprint, it is defined that only 0.1% is attributed to direct impact, and 99.9% to indirect impact. Water consumption is not considered material for the business, extending it to the data centres as well.

However, measures have been put in place to reduce the indirect impact on the Water Availability Footprint, such as sourcing more renewable energy, reducing travel, and improving corporate procurement activities.

On the other hand, all assets that require an Environmental Impact Study according to the transposition of Directive 2011/92/EU on EIAs, already include the water vector in a mandatory way and specific studies are not carried out due to their immaterial nature.

Beyond the justifications provided, the company has an environmental management system, verified according to the ISO 14001 standard, which establishes all the company's management procedures to respond to all potential impacts on environmental vectors in an orderly and official manner, avoiding problems.

Of all the DNSH requirements set out, the company also understands that some of them are not applicable to Cellnex's telecommunications business.

4. Transition to a circular economy.

As part of its ISO 14001 environmental management system, Cellnex has a procedure specifically focused on waste management, which is implemented in all countries where it operates and is mandatory for its own centres and suppliers that outsource waste management tasks. At the same time, this procedure establishes clear guidelines to focus the waste generated on a management that prepares it for reuse, recovery, or recycling.

Within the ISO 14001 standard audited Environmental Management System, the company collects and monitors data on waste generation in its facilities to maintain effective control.

Based on the data obtained, it is considered that the generation of waste by the company is very limited, given that most of it is generated and managed by suppliers and contractors. Therefore, it is the suppliers who are responsible for managing waste in Cellnex activities and facilities under their responsibility. Only in Spain and the Italian offices do they retain part of the ownership and management of the waste generated. These quantities are not considered to have a significant impact and are therefore deemed a non-material environmental aspect.

5. Pollution prevention and control.

The approach taken for this DNSH criterion does not apply to Cellnex's business as it is focused on the use of fire fighting or similar materials.

6. Biodiversity and ecosystems.

Although this criterion is more focused on emergency activities than services, the company aims to demonstrate its awareness of the relevance of nature as a provider of a wide range of benefits for development, economic, and social progress. Cellnex has gone a step further and adopted the natural capital approach in the management of biodiversity and the development of its strategy.

In this respect, the company has made progress in:

- Internal training on natural capital for the correct management of the issue by the sustainability department.
- Analysis of the materiality of natural capital for the company, assessing impacts, dependencies, risks and opportunities in the supply chain, customers, and direct operations.
- Definition of the company's risks and opportunities at the physical and transition level (TNFD), as well as the preliminary calculation of the financial impact.
- Identification and prioritisation of the most important biodiversity assets with geospatial tools that incorporate criteria for protected areas, habitat type, endangered species, special areas of conservation, etc.
- On-site implementation of measures to reduce disturbance to birds where Cellnex towers are breeding sites.
- Public commitment to biodiversity conservation and no deforestation, along with the development of an Action Guide for the preservation of biodiversity and ecosystems.

Minimum guarantees

According to Article 3(c) of Taxonomy Regulation 2020/852/EU, the minimum safeguards referred to therein shall be the procedures applied by a company engaged in economic activities to ensure compliance with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights (UNGPs). This includes adherence to the principles and rights set out in the eight core conventions mentioned in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

When implementing the above procedures, firms must adhere to the "no significant harm" principle referred to in Regulation (EU) 2019/2088, i.e. the Sustainability Disclosure Regulation for the financial services sector (SFDR).

As described in the previous paragraphs, the European Commission's notification 2023/C 211/01, designed to address frequently asked questions (FAQs), states that according to the regulator, the requirements set out in the minimum safeguards should focus on Article 18.1, associated with international standards of business conduct, and Article 18.2, related to the DNSH principle of the SFDR regulation.

Considering the above, the substantive and relevant issues that remain relevant for minimum guarantees are as follows, with environment and science and technology regarded as aspects of state responsibility:

1. Human rights (including labour and consumer rights)

2. Bribery, bribe solicitation and extortion

3. Taxation

4. Fair competition

Based on the review of the procedures, policies, and analysis on the subject of minimum guarantees, it is considered that Cellnex Telecom complies in all its activities and geographical areas with the minimum guarantees established in the framework of the Taxonomy Regulation 2020/852/EU. For each of the substantive issues presented above, the company has identified the documents where it outlines the measures and procedures for each issue, and these documents are available to stakeholders on the corporate website.

Substantive issues	Cellnex documents
Fair competition	Code of Ethics (point 3.3.3.7)
Taxation	Code of Ethics (point 3.3.3.4) Tax Policy, Tax Compliance Committee IAR pages 130-134
Human rights	Code of Ethics (point 3.3.3.2) Politics Human rights Due Diligence Human Rights Equity Diversity and Inclusion Policy Supplier Code of Conduct
Labor rights	Collective agreements, OHS Policy, ISO 45001 Equity, Diversity and inclusion Policy Politics Human rights Harassment Prevention Protocol (ES)
Interests (rights) of consumers (customers)	Code of ethics (point 3.3.7.2) Global Quality Policy Customer satisfaction survey Information Security Policy
Bribery	Code of Ethics (point 3.3.6) Corruption Prevention Disciplinary system Whistleblowing channel
Transversal documents	ESG Policy Disciplinary system (for all employees, not for third parties Corporate policy repository Cellnex Annual Report

Financial indicators and methodology

As previously stated, the Taxonomy mandates the reporting, in 2023, of the percentage of eligible and aligned revenue, CapEx, and OpEx based on the economic activities published in the Climate Delegated Act, which covers both climate change adaptation and mitigation. However, Cellnex will already publish the percentages of alignment with the activities of the Environmental Delegated Act and the full Climate Delegated Act.

The financial information used for this analysis was externally audited when the annual accounts for the year were closed. These accounts were subject to joint analysis and control by the local and central teams to ensure consistency with the consolidated income for the year. The controls focused on both the treatment of intra-group transactions and the breakdown of revenues by business segment and sub-segment.

The consolidation of financial data adheres to IFRS accounting policies and undergoes auditing by Cellnex's financial auditors. The financial data is extracted from the "reporting package" of each country, sourced from the ERP consolidation system "FCCS", which is fed by "PBCS" that, in turn, is fed by "SAP" or local ERP, depending on each country. The computerisation of these processes ensures the minimization of human errors.

Revenues presented here are accounted for by business activity as follows:

- Revenues generated from Datacenters' activities are based on the rental of "Racks", physical spaces designed to house servers, networking devices, cables, or other data centre computer equipment. These racks are rented to independent customer within each data centre. Cellnex is dedicated to maintaining the conditioned space for storing and operating IT or telecommunications equipment. The data has been extracted from the PBCS software used by the company for accounting, which is sourced from SAP in each country using the Datacenters business line. Since the alignment analysis has been carried out at a very high level of detail, the revenue per data center has been extracted in order to extract the aligned revenue and CapEx.

- Revenues from IoT contracts are determined using the "IoT" business line. The income of this business unit varies across projects undertaken by the IoT teams. To allocate revenues and Capex to either the Utilities activity (4.1 Provision of IT solutions for leakage reduction) or to the Smart Services business (8.2 Data-driven solutions to reduce greenhouse gas emissions), the list of projects for 2023 was obtained, and together with the teams from each business, the fit or otherwise with each of the defined activities was assessed. The data was extracted from the PBCS software used by the company for accounting, which is fed by SAP in each country.

- Revenues generated by Mission Critical's activities are based on service contracts for emergency and relief telecommunication networks (e.g. "Rescat"), provision of services to the merchant navy, interconnection of police broadcasting networks, protection of firefighting networks, etc. Among the total customers of Mission Critical's business, those that fit the definition of climate resilience have been identified as emergency services. Other customers that do not fit the reasoning have been ignored. The data was extracted from the company's PBCS accounting software, which is sourced from SAP in each country.

- The broadcasting activity carried out by Cellnex is directly related to services for radio and television broadcasting, an aspect incorporated in the definition of activity 8.3 Radio and television programming and broadcasting activities. This line of business is based on the broadcasting of third party television signals from Cellnex's telecommunications infrastructure and is fully included in the eligibility calculation. Using the Climate Change Adaptation DNSH compliance percentages, the aligned revenues from this activity are established. However, the aligned revenues derived from this activity have not been accounted for in the revenue indicator (%) as they are considered, at the accounting level, revenues from an "adapted" activity and cannot be included in the numerator.

- The Internet Media activity carried out by Cellnex is directly related to services for radio and television broadcasting via the internet, an aspect incorporated in the definition of activity 8.3 Radio and television programming and broadcasting activities. This line of business is based on the broadcasting and management of internet television platforms and is fully included in the eligibility calculation. Using the compliance percentages with the DNSH for Climate Change Adaptation, the aligned revenues from this activity are established. However, the aligned revenues derived from this activity have not been accounted for in the revenue indicator (%) as,at the accounting level, they are classified as revenues from an "adapted" activity and cannot be incorporated into the numerator.

It is necessary to emphasize the casuistry of Broadcast and Internet Media. Both activities fall under activity 8.3, "Radio and television programming and broadcasting activities," of Annex II on Adaptation to Climate Change of Delegated Regulation 2021/2139/EU. Due to the typology of the activity, they are classified as activities adapted to climate change. For this typology of activities, the Delegated Disclosure Regulation (Article 8) 2021/4987/EU, which defines in its Annex I the content to be published by non-financial companies, establishes that revenues generated by adapted activities cannot be incorporated into the numerator of the % revenues aligned with the taxonomy. This means that, although Broadcast and Internet Media activities are aligned with the STS and DNSH established in the Taxonomy Regulation, their revenues, due to the type of activity, cannot be counted in the revenue indicator.

On this basis, we could say that, of the eligible activities, 8.76% of the eligible income corresponds to leases - Datacenter business - and the remaining 91.24% are based on contracts with costumers for specific services.

The data reported in the report does not consider the production of companies for others within the Cellnex group. This may be the case for some activities, but only data at the consolidated level of revenues from external customers are reported.

The CapEx data presented in this report is accounted for as follows:

- Investments linked to Datacenters activities are defined as those focused on the purchase, improvement, or installation of data centers. The data is taken from the PBCS software used by the company for accounting, which is sourced from SAP in each country.
- Those of Mission Critical have been extracted from MCPN's list of investments, analyzing on a case-by-case basis the fit with Mission Critical's activity. The data were 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 investments in energy efficiency and control, mainly linked to air conditioning or improvement of equipment. Thanks to the analysis of the energy and operations managers, it has been possible to extract the items that fit into the alignment approach. The data has been extracted from the PBCS software used by the company for accounting, which is fed by SAP in each country.
- Finally, investments focused on specific embedded IoT Utilities and IoT Smart Services projects focused on sustainable water management and climate change mitigation have also been considered. The data was extracted from the company's PBCS accounting software, which is sourced from SAP in each country.

To avoid double counting, the calculations of the different indicators have differentiated between activities incorporated in the mitigation or adaptation objective, accounting only on the basis of the objective where the contribution is considered more substantial. This avoids double counting of the same revenue or CapEx item.

Changes compared to 2022

At the level of economic activity:

- Internet of Things (IoT): In 2022 the IoT business was differentiated between activity (7.5) for energy consumption control and monitoring projects using smart meters (IoT Utilities), and (8.2) the development of "Smart" systems that help reduce energy consumption and automate processes (IoT Smart Services). As IoT Utilities focuses almost exclusively on Adesal's services linked to the management of smart systems to monitor water consumption and leakage, it has been decided to reclassify this activity under *4.1 Provision of IT solutions for leakage reduction* in the new Water delegated act.
- Mission critical: In 2022 the analysis was improved and only the MC business, public customers for emergency networks was considered in the same activity 8.3. However, as the classification was not suitable, it has been decided to use the new activity 14.1 Emergency services which includes emergency telecommunications and fits much better with the background of the activity.

Capex:

- In terms of Capex, a much more detailed analysis of financial data has made it possible to review all investments in energy matters one by one, facilitating the identification of investments in the activity 7.3 energy efficiency of refrigeration and air conditioning equipment, as well as investments in photovoltaic panels, renewable energy activity 7.6.

At the level of review and compliance with technical selection criteria (CTS), DNSH criteria and Minimum Guarantees:

- This year, specific studies have been carried out on:
    - Contribution to the correct status and functioning of water bodies or watercourses at water risk in order to demonstrate that the activities within the one classified with 4.1, contribute positively to the water management of the municipalities with which it works.
    - Geospatial analysis of the number of assets in areas of high biodiversity interest, as well as an analysis of risks and opportunities for better nature management.
    - For the IoT Smart Services activity (8.2) data and justifications have been obtained from the client demonstrating the effectiveness of the implemented measures as required by the auditor in 2022.
- Each CTS and DNSH has been analysed and responded to based on in-house technical expertise to ensure alignment.
- Compliance with the minimum guarantees has been analysed thanks to the clarification of the FAQs in notification 2023/C 211/01.

Information reporting:

- The new tables will be used to disseminate the Taxonomy data published in the supplementary Delegated Disclosure Act.

Based on the revenue and CapEx items linked to eligible and aligned activities, 2023 presents significant changes compared to 2022 in terms of:

- Datacenters: The Datacenters business, eligible in its entirety, has grown substantially in 2023, reaching 36,884 thousand eligible euros, an increase of approximately 46 %. In terms of investment, this year it has increased to 52,798 euros for the acquisition of businesses, improvement of centres and extensions.
- IoT: In 2023, revenues from the IoT business were split between activity 4.1 and 8.2, totalling EUR 6,982 thousand fully eligible. This year, the differentiation between IoT Utilities, with activity 4.1, with total eligible revenues of EUR 6,128.25 thousand, and the IoT Smart Services activity, with activity 8.2, with total eligible revenues of EUR 853.94 thousand, has been improved. In 2022, approximately EUR 67 thousand in investments linked to the IoT activities were reported, but this year, thanks to a more detailed item-by-item breakdown, eligible/aligned investments of EUR 198.07 thousand have been obtained. The difference is explained by an improved level of detail in 2023 and the exclusion of investments that did not fit the methodology of the Delegated Disclosure Act.
- Mission Critical: In the last alignment report the MCPN Mission Critical item was included, totalling 39,155 thousand euros of income. This year, thanks to a greater degree of detail of the projects, Mission Critical income has been extracted that fits with activity 14.1, totalling 34,064.93 thousand euros. A decrease in the total value of eligible revenues is identified between 2022 and 2023. For the projects selected as eligible, the investment has amounted to EUR 1,977.93 thousand, lower than in the previous year.
- Broadcast: Comparing the Broadcast activity in 2022 and 2023, a growth from 220,956 thousand euros to 227,376 thousand euros is identified, which is considered eligible and highly aligned, although it cannot be reported in activity 8.3 for accounting in the revenue alignment KPI due to the classification as aligned activities
- Internet Media: Comparing the Internet Media activity in 2022 and 2023, a growth from EUR 2,541 thousand to EUR 2,651 thousand is identified, which is considered eligible and highly aligned, although it cannot be reported in activity 8.3 for accounting in the revenue alignment KPI due to the classification as aligned activities.
- Energy efficiency: In the last eligibility report a total of 1,887 thousand euros in investments linked to activity 7.3 were presented. In 2023 the total has been 328 thousand euros and the investments have been more focused on those described in activity 7.3, mainly on cooling improvements.
- Renewable energies: In the last eligibility report a total of 1,770,921 euros in investments linked to activity 7.6 of renewable energy self-production were presented. In 2023 the total has been considerably higher, amounting to 2,021,214 euros, linked entirely to investments in photovoltaic solar panels.

Results

Eligibility and alignment results are presented below based on the new tables in Annex II of the Article 8 Delegated Act, published in Annex V of the Supplementary Delegated Act to the Climate Delegated Act 2023/2486. Disclosure of information in this format is required from 2024 onwards, in order to disclose the results in a standardised way by economic actors and financial market participants.

- Revenues: Out of a total of 4,049,223,400 euros of revenues in 2023, 307,958,834 euros (7.61% of total revenues) are considered to come from eligible economic activities based on those outlined in the Climate and Environment Delegated Act, with a total of 3,741,264,566 euros from activities not eligible under the taxonomy (92.39% of total revenues). Of the eligible revenues, a total of 244,802,170 euros are considered eligible and aligned with the taxonomy. If from the revenues of aligned activities we extract those coming from activities adapted to climate change, the total is 37,547,590 euros, which is 15.34% of the total eligible revenues and 0.93% of the total revenues. Eligible and non-aligned revenues total 63,156,663 euros, 20.51% of total eligible revenues and 1.56% of total revenues.
- CapEx: Of a total CapEx of €2,229,945,000 euros invested in 2023, €61,929,714 euros are considered to correspond to eligible investments based on the Taxonomy (2.78% of the total CapEx) and a total of €2,168,015,286 euros in activities not eligible with the taxonomy (97.22% of the total CapEx). €5,057,626, a percentage of 8.17% of total eligible CapEx and 0.23% of total CapEx. Eligible and non-aligned CapEx amounts to €56,872,088 euros, 91.83% of total eligible CapEx and 2.55% of total CapEx.

- OpEx: Cellnex has not calculated the eligible OpEx indicator based on the Taxonomy as it is not considered material to the business, thus assuming zero percent alignment.

Conclusions

The results obtained in this third year of assessment for the degree of eligibility and first year of alignment of Cellnex's activities under the total list of economic activities of the Taxonomy regulation show low levels, similar to the last year. The Taxonomy does not incorporate the bulk of Cellnex's business. The EU Regulation 2020/852/EU is not considered a useful tool for assessing the environmental sustainability of the Group's business due to the fact that most of the economic activities carried out have not been incorporated into any of the climate and environmental objectives. Consequently, Cellnex cannot assess whether or not it meets the technical selection criteria and thus evaluate its substantial contribution to sustainability. For those activities where it does meet the technical selection criteria, it cannot report such revenues as aligned for methodological consideration. The Delegated Disclosure Act (Art. 8) states that "adapted" activities cannot be counted in the numerator of the revenue indicator.

- Out of the total income, 7.61% is established as eligible on the basis of the taxonomy and 92.39% as ineligible. Of the eligible income, 20.51% of the eligible income is considered to be aligned, with the indicator of eligible and aligned income being 0.93% of total income. In the case of being able to incorporate the income from adapted activities, the percentage of aligned income would rise to 6.05%.

- On the other hand, 2.78% of CapEx is set as eligible based on the taxonomy and 97.22% as ineligible. Of the eligible CapEx, 8.17% of eligible CapEx is also considered aligned, with the indicator of eligible and aligned CapEx with respect to total CapEx being 0.23%.

The most significant variation between eligibility and alignment is identified on the revenue side and stems from the methodological impossibility of counting Broadcast and Internet Media (Adapted Activities) revenues in the numerator, even though they are considered aligned.

Cellnex has adopted a conservative approach to reporting eligibility and alignment based on the Taxonomy, avoiding forcing the definitions of economic activities to incorporate activities of its business. We understand that the regulation aims to avoid "greenwashing," and it would do no good to try to tailor the regulation in favour of the company. An approach that responds to the principles of integrity, representativeness, and truthfulness has been maintained.

Internally, Cellnex has worked during 2023 to carry out relevant assessments and validations to ensure compliance with the criteria set out in Article 3 of Regulation 2020/852/EU. The technical selection criteria have been validated for each of the different business units that carry out the same Taxonomy activity, obtaining evidence and certificates that accredit compliance with the established criteria at the most granular level possible. The same approach has been used to validate the criteria of no significant harm to other environmental objectives (DNSH). Finally, the minimum guarantees have been validated at the group level because they are internal procedures or policies applicable to all the company's subsidiaries.

Cellnex aims in the coming years to improve the degree of alignment of the company with the technical selection criteria and DNSH principles of its eligible activities, to maintain those classified as aligned during 2023 and to improve the methodologies and procedures for the development of the applicability and usability of the Taxonomy.

ANNEX

Below are the mandatory reporting tables for this year on the degree of eligibility and alignment of the company with Regulation 2020/852/UE.

Operating income

Financial year N		Year		SUBSTANTIAL CONTRIBUTION CRITERIA (%)						NHDS (Y/N)									
Economic activities (1)	Codes (2)	Turnover (2)	Share of turnover, year 2023 (4)	Climate change mitigation (5)	Adaptation to climate change	Water (7)	Circular economy (9)	Pollution (8)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Circular economy (15)	Pollution (14)	Biodiversity(16)	Minimum guarantees (17)	Proportion of turnover conforming to taxonomy (A.1) or eligible under taxonomy (A.2), year N-1 (18)	Category facilitating activity (19)	Transition activity category (20)
		Currency (EUR)	%	Y; N; N/EL [53]	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N		F	
A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																			
A.1 Environmentally sustainable activities (conforming to the taxonomy)																			
4.1 Provision of water leak detection services	WTR	€ 5,308,972	0.13%	N/EL	N/EL	S	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	**0.00 %**	F	
8.1 Data processing, hosting and related activities	CCM	€ 725,054	0.02%	S	S	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	**0.09 %**		T
8.2 Data-driven solutions for reducing greenhouse gas emissions	CCM	€ 821,065	0.02%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	**0.03 %**	F	
14.1 Emergency services	CCA	€ 30,692,498	0.76%	N/EL	S	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	**1.01 %**	F	
8.3 Radio and TV programming and broadcasting activities	CCA	€ 207,254,581	5.12%	N/EL	S	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	**5.76 %**	F	
(A.1) Turnover of environmentally sustainable activities (Taxonomy-aligned)		**€ 37,547,590**	**0.93 %**	**0.04 %**	**0.76 %**	**0.13 %**	**0.00 %**	**0.00 %**	**0.00 %**	**S**	**S**	**S**	**S**	**S**	**S**	**S**	**1.13 %**		
Of which: facilitators		**€ 36,822,535**	**0.91 %**	**0.02 %**	**0.76 %**	**0.13 %**	**0.00 %**	**0.00 %**	**0.00 %**	**S**	**S**	**S**	**S**	**S**	**S**	**S**	**1.04 %**	**F**	
Of which: transitional		**€ 725,054**	**0.02 %**	**0.02 %**						**S**	**S**	**S**	**S**	**S**	**S**	**S**	**0.09 %**		**T**
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
4.1 Provision of water leak detection services	WTR	€ 819,276	0.02%	N/EL	N/EL	EL	N/EL	N/EL	N/EL								**0.00 %**		
8.1 Data processing, hosting and related activities	CCM	€ 36,159,382	0.89%	EL	EL	N/EL	N/EL	N/EL	N/EL								**0.64 %**		
8.2 Data-driven solutions for reducing greenhouse gas emissions	CCM	€ 32,877	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								**0.00 %**		
14.1 Emergency services	CCA	€ 3,372,428	0.08%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								**0.11 %**		
8.3 Radio and TV programming and broadcasting activities	CCA	€ 22,772,701	0.56%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								**0.63 %**		
(A.2) Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		**€ 63,156,663**	**1.56 %**	**0.89 %**	**0.65 %**	**0.02 %**	**0**	**0**	**0**								**1.39 %**		
Total (A.1 + A.2)		**€ 100,704,253**	**2.49 %**	**0.93 %**	**1.40 %**	**0.15 %**	**0**	**0**	**0**								**2.52 %**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
(B) Turnover of Taxonomy-non-eligible activities		**€ 3,948,519,147**	**97.51 %**																
TOTAL A+B		**€ 4,049,223,400**	**100.00 %**																

[53] S: yes, activity eligible under the taxonomy and which complies with the taxonomy in relation to the relevant environmental objective.

N: no, activity eligible according to the taxonomy, but not compliant with the taxonomy in relation to the relevant environmental objective.

N/EL: not eligible, activity not eligible according to the taxonomy for the relevant environmental objective.

EL: eligible activity according to the taxonomy for the corresponding objective.

- Activity 4.1 includes the IoT Utilities activity. It is considered as an enabling activity in line with the Environmental Delegated Act - Water.
- Activity 8.1 includes revenues from eligible Datacenters aligned with the Taxonomy Regulation. It is considered as a transitional activity in Annex I Climate Change Mitigation.
- Activity 8.2 includes revenues from IoT Smart Services.
- (*) Activity 8.3 includes revenues from Broadcast and Internet Media, whose aligned revenues are not counted in the percentage of aligned turnover, hence the discrepancy between the percentage in column 4 for A1.
- Activity 14.1 includes Mission Critical as enabling activities for climate change adaptation as set out in the amendment to Annex II on Climate Change Adaptation.

The most relevant revenue item for the group, Telecommunications Infrastructure Services (TIS), which represents approximately 70% of the group's revenue, could not be included in the eligibility and alignment calculations given that within the environmentally sustainable economic activities presented in the regulation, there is not yet an activity in line with that carried out by Cellnex. The TIS activity is based on the operational efficiency of telecommunications towers through the sharing of these between several operators, an activity with a positive environmental impact given that it avoids the duplication of infrastructures, optimises the land occupied, reduces the impact on biodiversity and achieves improvements in energy efficiency. The lack of development of the Taxonomy is damaging to the public image of the company, whose core business is linked to operational and energy efficiency.

At the same time, Cellnex has revenues linked to eligible and aligned economic activities higher than those provided in the indicator. Based on Annex II of the Climate Delegated Act (Climate Change Adaptation Activities) certain economic activities of the company meet the eligibility and alignment criteria, but are not counted in the numerator of the alignment percentage. The Broadcast and Internet Media activities, with more than 207 million euros in aligned revenues, could not be counted as they are classified as "adapted" activities under adaptation activity 8.3, Radio and television programming and broadcasting activities. At a methodological level, the Delegated Disclosure Act states that "adapted" activities are not considered as sustainable, greatly affecting Cellnex's aligned revenue KPI. The alignment percentage would increase to 6.05% if Broadcast and Internet Media activities, considered as adapted, were counted.

Unfortunately, the bulk of Cellnex's business is either not included in the lists of sustainable economic activities or is included as an adapted activity, a categorisation that does not allow it to be counted in the Taxonomy indicators.

Capital Expenditures (CAPEX)

Economic activities (1)	Codes (2)	CapEx(2)	CapEx ratio (4)	SUBSTANTIAL CONTRIBUTION CRITERIA (%) Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Circular economy (9)	Pollution (8)	Biodiversity (10)	DNSH CRITERIA ('Does Not Significantly Harm') Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Circular economy (15)	Pollution (14)	Biodiversity (16)	Minimum guarantees (17)	Proportion of turnover conforming to taxonomy (A.1) or eligible under taxonomy (A.2), year N-1 (18)	Category facilitating activity (19)	Transition activity category (20)
		Currency (EUR)	%	Y; N; N/EL[54]	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N		F	
A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																			
A.1 Environmentally sustainable activities (conforming to the taxonomy)																			
4.1 Provision of water leak detection services	WTR	€ 171,592	0.01%	N/EL	N/EL	S	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	**0.00 %**	F	
8.1 Data processing, hosting and related activities	CCM	€ 755,136	0.03%	S	S	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	**0.00 %**		T
8.2 Data-driven solutions for reducing greenhouse gas emissions	CCM	€ —	0.00%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	**0.00 %**	F	
14.1 Emergency services	CCA	€ 1,782,111	0.08%	N/EL	S	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	**0.05 %**	F	
7.3. Installation, maintenance and repair of energy-efficient equipment	CCM	€ 327,573	0.01%	S	S	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	**0.03 %**	F	
7.6 Installation, maintenance and repair of renewable energy technologies	CCM	**€ 2,021,214**	**0.09 %**	**S**	**S**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**S**	**S**	**S**	**S**	**S**	**S**	**S**	**0.02 %**	**F**	
(A.1) CapEx of environmentally sustainable activities (Taxonomy-aligned)		**€ 5,057,626**	**0.23 %**	**0.14 %**	**0.08 %**	**0.01 %**	**0.00 %**	**0.00 %**	**0.00 %**	**S**	**S**	**S**	**S**	**S**	**S**	**S**	**0.10 %**		
Of which: facilitators		**€ 4,302,489**	**0.19 %**	**0.11 %**	**0.08 %**	**0.01 %**	**0.00 %**	**0.00 %**	**0.00 %**	**S**	**S**	**S**	**S**	**S**	**S**	**S**	**0.10 %**	**F**	
Of which: transitional		**€ 755,136**	**0.03 %**	**0.03 %**						**S**	**S**	**S**	**S**	**S**	**S**	**S**	**0.00 %**		**T**
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
4.1 Provision of water leak detection services	WTR	€ 26,480	0.00%	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
8.1 Data processing, hosting and related activities	CCM	€ 52,043,176	2.33%	EL	EL	N/EL	N/EL	N/EL	N/EL								**0.00 %**		
8.2 Data-driven solutions for reducing greenhouse gas emissions	CCM	€ —	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								**1.03 %**		
14.1 Emergency services	**CCA**	**€ 195,815**	**0.01 %**	**N/EL**	**EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**								**0.00 %**		
8.3 Radio and TV programming and broadcasting activities	**CCA**	**€ 4,606,618**	**0.21 %**	**N/EL**	**EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**								**0.00 %**		
(A.2) CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		**€ 56,872,088**	**2.55 %**	**2.33 %**	**0.22 %**	**0.00 %**	**0.00 %**	**0.00 %**	**0.00 %**								**0.02 %**		
Total (A.1 + A.2)		**€ 61,929,714**	**2.78 %**	**2.47 %**	**0.30 %**	**0.01 %**	**0.00 %**	**0.00 %**	**0.00 %**								**1.05 %**		
																	1.15 %		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES		
(B) Turnover of Taxonomy-non-eligible activities	**€2,168,015,286**	**97.22 %**
TOTAL A+B	**€2,229,945,000**	**100.00 %**

[54] S: yes, activity eligible under the taxonomy and which complies with the taxonomy in relation to the relevant environmental objective.

N: no, activity eligible under the taxonomy, but not compliant with the taxonomy in relation to the relevant environmental objective.

N/EL: not eligible, activity not eligible according to the taxonomy for the relevant environmental objective.

EL: eligible activity according to the taxonomy for the corresponding objective.

- Activity 7.3 includes investment in more efficient refrigeration equipment from Efficiency Capex (Energy).
- Activity 7.6 includes all the investment made in solar panels in the different countries in which the company operates.
- Activity 8.1 includes all investments related to Datacenters.
- Activity 8.2 includes investments linked to projects classified in the IoT Smart Services business.
- Within activity 8.3 of the alignment section, investments in Mission Critical projects that fit the definition of the activity are included in their entirety. Investments within the Broadcast and Internet Media activity 8.3 are included in eligible and non-aligned investments.
- Activity 4.1 includes all investments related to Adesal's IoT Utilities (Water).

The CapEx items considered in the calculation represent (i) those investments in eligible economic activities aligned on the basis of the Taxonomy - especially Datacenters, IoT Smart Services, Mission Critical - and (ii) activities mentioned in category (c) of section 1.1.2.2 of Annex I of the Delegated Disclosure Act, related to the purchase of products and individual measures of eligible economic activities or energy efficiency measures. The items incorporated in point (ii) are notably investments in renewable energy equipment and energy efficiency improvements. As with the revenue item, Cellnex is not able to account for investments associated with "adapted" economic activities. This is the case of investments linked to Broadcast and Internet Media. Similarly, investment items in activities linked to the operational and energy efficiency of telecommunications towers, such as TIS, could also not be accounted for as the activities are not considered eligible.

Cellnex has established a Sustainability-linked Financing Framework, which has obtained a second opinion from specialists, stating that it meets international financial sustainability criteria. The framework or plan aims to issue sustainable bonds or raise sustainable loans while meeting strict targets for decarbonisation, renewable energy use and gender equality. However, many of the sustainability investments cannot yet be counted as eligible since the company does not have a specific Investment Plan linked to the improvement of the Taxonomy KPIs

Operating Expenditures (OPEX)

Economic activities (1)	Codes (2)	OpEx (2)	Share of OpEx (4)	SUBSTANTIAL CONTRIBUTION CRITERIA (%)						DNSH CRITERIA ('Does Not Significantly Harm')									
				Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Circular economy (9)	Pollution (8)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Circular economy (15)	Pollution (14)	Biodiversity (16	Minimum guarantees (17)	Proportion of OpEx conforming to taxonomy (A.1) or eligible according to taxonomy (A.2), year N-1 (18)	Category facilitating activity (19)	Transition activity category (20)
A. TAXONOMY-ELEGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
(A.1) OpEx of environmentally sustainable activities (Taxonomy-aligned)		—	—	—	—					—	—	—	—	—	—	—	—	—	—
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
(A.2) OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		—	—																
Total (A.1 + A.2)		—	—																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
(B) Turnover of Taxonomy-non-eligible activities		**€(1,122,516,000)**	**100.00%**																
TOTAL A+B		**€(1,122,516,000)**	**100.00%**																

Cellnex has decided not to calculate the OpEx KPI as it is not considered material to the group's business. The company considers that the OPEX margin for the calculation of the Taxonomy is not material, mainly and in accordance with IFRS16 accounting standards, the most significant item (rental costs) is reflected in the financial interest and amortisation of the company's financial statements. Therefore, it results in the company having a very high operating leverage and margin.

Annex 8. Sustainable Finance

Indicator	Description	Base year (2020)	Status 2023	Performance vs Base Year	Target 2025	Target 2030
		Value (Unit)	Value (Unit)	(%)	Value (Unit)	Value (Unit)
KPI 1a[55]	Reduction in Scope 1, 2 and 3 from fuel and energy-related activities GHG emissions	525,037 t CO2e	91,207.29	(83)%	(45)%	(70)%
KPI 1b	Reduction of absolute Scope 3 GHG emissions from purchased goods and services, and from capital goods	80,957 t CO2e	69,718.11	(14)%	(21)%	_
KPI 2	Annual sourcing of renewable electricity	10%	77%	77%	100%	_
KPI 3[56,57]	Percentage of women in directors and senior management/manager roles	24%	30%	30%	30%	_

[55] KPI included in the Facilities Agreement
[56] KPI included in the Facilities Agreement
[57] According to FY20 perimeter. Intake due to M&A will be included after 3 years after the integration's year.

Annex 9. Independent Verification Report

Cellnex Telecom, S.A. and Subsidiaries

Independent Limited Assurance Report of the non-financial information included in the Consolidated Management Report for the year ended 31 December 2023

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

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Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT LIMITED ASSURANCE REPORT

To the Shareholders of Cellnex Telecom, S.A.,

In accordance with Article 49 of the Spanish Commercial Code, we have performed the verification, with a scope of limited assurance, of the non-financial information included in the accompanying Consolidated Management Report ("CMR") for the year ended 31 December 2023 of Cellnex Telecom, S.A. and subsidiaries ("Cellnex" or "the Group"), which forms part of the Group's Integrated Annual Report ("IAR").

The content of the CMR includes information, additional to that required by current Spanish corporate legislation relating to non-financial reporting, that was not the subject matter of our verification. In this regard, our work was limited solely to verification of the information identified in "Annex 8.3: Index of Contents required by Law 11/2018", "Annex 8.4: GRI Content Index ", "Annex 8.6: KPI Tables", "Annex 8.7: EU Taxonomy" and "Annex 8.8: Sustainable Finance" and the indicators established for that purpose by the Sustainability Accounting Standard Board ("SASB") for the "Telecommunication Services" sector in " Annex 8.5: SASB Topics", included in the accompanying CMR ("CMR Appendices").

We also verified, with a scope with a moderate level of assurance, the application of the principles of inclusivity, materiality, responsiveness and impact included in the section, "1.3. Our Commitment – Stakeholders", of the accompanying IAR in accordance with AccountAbility's AA1000AP Principles Standard (2018).

Responsibilities of the Directors

The preparation and content of the CMR of Cellnex are the responsibility of the Directors of Cellnex. The CMR was prepared in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards") and with the selected SASB standards of the "Telecommunication Services" sector, as indicated for each matter in the CMR Appendices to the aforementioned Consolidated Management Report.

These responsibilities of the Directors also include the design, implementation and maintenance of such internal control as is determined to be necessary to enable the CMR to be free from material misstatement, whether due to fraud or error.

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Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

The Directors of Cellnex are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the CMR is obtained.

In addition, the directors are responsible for implementing the processes and procedures required to comply with the principles established in AccountAbility's AA1000AP Standard (2018).

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory provisions.

Our engagement team consisted of professionals who are experts in reviews of non-financial information and, specifically, in reporting on economic, social and environmental performance, and a specialist in the AA1000AP Stakeholder Engagement Standard (2018) and in corporate economic, social and environmental performance.

Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. We conducted our work in accordance with the requirements established in International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised), currently in force, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines published by the Spanish Institute of Certified Public Accountants on attestation engagements regarding non-financial information statements. We also performed our engagement in accordance with AccountAbility's AA1000AS v3 Assurance Standard (2020) (Type 2).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, consequently, the level of assurance provided is also substantially lower.

Our work consisted of making inquiries of management and the various units of Cellnex that participated in the preparation of the CMR, reviewing the processes used to compile and validate the information presented in the CMR, and carrying out the following analytical procedures and sample-based review tests:

- Meetings held with Cellnex personnel to ascertain the business model, policies and management approaches applied, and the main risks relating to these matters, and to obtain the information required for the external review.

- Analysis of the scope, relevance and completeness of the contents included in the 2023 CMR based on the materiality analysis performed by Cellnex and described in the "Double Materiality" section, taking into account the contents required under current Spanish corporate legislation.

- Analysis of the processes used to compile and validate the data presented in the 2023 CMR.

- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters presented in the 2023 CMR.

- Review by means of meetings with the Group personnel responsible for implementing the stakeholder engagement model and review of the internal documentation on the roll-out of the model, the nature and scope of the processes defined to comply with the AA1000AP (2018) Standard and evaluation of the reliability of the information relating to the performance indicated in that scope.

- Verification, by means of sample-based tests, of the information relating to the contents included in the 2023 CMR and the appropriate compilation thereof based on the data furnished by the information sources.

- Review of the information on the taxonomy of activities as established in Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment.

- Obtainment of a representation letter from the directors and management.

Emphasis of Matter

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, based on the Delegated Acts adopted in accordance with the provisions of that Regulation, establishes the obligation to disclose information on how and to what extent an undertaking's activities are associated with eligible economic activities in relation to the environmental objectives of the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and the protection and restoration of biodiversity and ecosystems (the other environmental objectives), and in respect of certain new activities included in the climate change mitigation and climate change adaptation objectives, for the first time for 2023, in addition to the information referring to eligible and aligned activities required in 2022 in relation to the climate change mitigation and climate change adaptation objectives. Therefore, the accompanying CMR does not include comparative information on eligibility in relation to the other environmental objectives indicated above or to the new activities included in the climate change mitigation and climate change adaptation objectives. Also, since the information relating to 2022 was not required with the same level of detail as in 2023, the information disclosed in the accompanying CMR is not strictly comparable either. In addition, it should be noted that the directors of Cellnex have included information on the criteria which, in their opinion, best enables them to comply with the aforementioned obligations and which are defined in the "Annex 8.7: EU Taxonomy" of the accompanying CMR. Our conclusion is not modified in respect of this matter.

Conclusion

Based on the procedures performed in our verification and the evidence obtained, nothing has come to our attention that causes us to believe that:

a) The CMR of Cellnex Telecom, S.A. and Subsidiaries for the year ended 31 December 2023 was not prepared, in all material respects, in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected GRI standards and the selected SASB standards for the "Telecommunication Services" sector, as indicated for each matter in the CMR Appendices to the Consolidated Directors' Report.

b) The information included in the section, "1.3. Our Commitment – Stakeholders" of the CMR on the principles of inclusivity, materiality, responsiveness and impact was not prepared, in all material respects, in accordance with AccountAbility's AA1000AP Principles Standard (2018).

Other Matters

Pursuant to the provisions of AA1000AS v3 (2020), we presented to management of Cellnex our recommendations relating to the areas for improvement in management and non-financial information and, specifically, to the application of the principles of inclusivity, materiality, responsiveness and impact. Following is a summary of the most significant observations and recommendations, which do not modify the conclusions expressed in this report.

Inclusivity and materiality

In 2023, Cellnex has updated the materiality exercise carried out for the previous year, which includes a double materiality perspective, to ensure that the CMR includes, for the entire scope of consolidation of the Group, the particular features, concerns and expectations of all the stakeholders in the various locations where the Group operates.

In this respect, we recommend that Cellnex continue to perform an annual review of the materiality exercise to ensure that it is adapted to the changing global context and the context in each of the countries in which the Group operates.

Responsiveness

Based on the work performed and in view of the expansion of the Cellnex Group, we recommend that Cellnex continue to strengthen its mechanisms relating to internal control over non-financial reporting, encouraging greater standardisation and integration in the management of each of the areas making up non-financial reporting.

Impact

Cellnex monitors the information relating to risks and impacts of a social, economic and environmental nature and continues to improve in this area through the use of integrated management systems and its risk management system. In this regard, Cellnex should continue to work on monitoring all the business units on a recurring basis, with particular emphasis on the impacts it generates by carrying on its business.

Use and Distribution

This report has been prepared in response to the requirement established in corporate legislation in force in Spain and, therefore, it might not be appropriate for other purposes or jurisdictions.

DELOITTE, S.L.

Iván Rubio Borrallo

29 February 2024

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Annex 10. Annual Report on the Remuneration of Cellnex Telecom's Directors

The Annual Report on the Remuneration of Cellnex Telecom's Directors for the fiscal year 2023, which is part of the Company's Consolidated Management Report, is presented as a separate document and is available on the website of the National Securities Market Commission (CNMV) as well as on the **Cellnex Telecom website** from the date of publication of the Integrated Annual Report.

Annex 11. Annual Corporate Governance Report

The Annual Corporate Governance Report of Cellnex Telecom for the fiscal year 2023, which forms part of the company's Consolidated Management Report, is presented as a separate document and is available on the website of the National Securities Market Commission (CNMV) as well as on the **Cellnex Telecom website** from the date of publication of the Integrated Annual Report.

Additionally, the auditor's report referring to the "information relating to the Internal Control over Financial Reporting (ICFR) system of the Cellnex Group (Cellnex Telecom, S.A. and subsidiaries) for the reporting year it is endorsed to the Annual Corporate Governance Report.

cellnex

2023 Consolidated Financial Statements

Next chapter,
a strengthened commitment

Cellnex Telecom, S.A. and Subsidiaries

Consolidated Financial Statements
for the year ended
31 December 2023 and
Consolidated Directors' Report, together
with Independent Auditor's Report

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Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Cellnex Telecom, S.A.,

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Cellnex Telecom, S.A. (the Parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of the Group as at 31 December 2023, and its consolidated results and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

Basis for Opinion

We conducted our audit in accordance with the audit regulations in force in Spain. Our responsibilities under those regulations are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those pertaining to independence, that are relevant to our audit of the consolidated financial statements in Spain pursuant to the audit regulations in force. In this regard, we have not provided any services other than those relating to the audit of financial statements and there have not been any situations or circumstances that, in accordance with the aforementioned audit regulations, might have affected the requisite independence in such a way as to compromise our independence.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Evaluation of the impairment test on goodwill, other intangible assets and property, plant and equipment	
Description	**Procedures applied in the audit**
Notes 8 and 9 to the accompanying consolidated financial statements as at 31 December 2023 contain a description of the goodwill, other intangible assets and property, plant and equipment relating mainly to infrastructure for the provision of services to mobile telecommunications operators, and also of the cash-generating units (CGUs) identified by the Group. In relation to those assets, each year the Group tests each of the aforementioned CGUs for impairment using discounted cash flow-based valuation techniques, for which purpose it employs cash flow projections aligned with projected earnings and the necessary investments, as well as other assumptions obtained from the budget and from the business plan approved by the Parent's directors, irrespective of whether there are indications of impairment, given the sensitivity of the key assumptions used. Also, a discount rate is determined on the basis of the economic situation in general and of that of each CGU in particular.	Our audit procedures included, among others, obtaining an understanding of the Group's process for assessing the recoverable amount of the goodwill, other intangible assets and property, plant and equipment. In addition, we performed substantive tests based on the obtainment and analysis of the impairment tests conducted by the Group, verifying their clerical accuracy and also analysing the consistency of the future cash flow projections considered in those tests with the budget and most recent business plan approved by the Parent's directors. Also, we evaluated the reasonableness of the key assumptions considered (such as revenue growth, cost inflation and the discount rate), and performed a sensitivity analysis of those key assumptions and an analysis of their consistency with the actual data relating to the performance of each CGU.

Evaluation of the impairment test on goodwill, other intangible assets and property, plant and equipment

Description

The performance of these impairment tests requires the Parent's directors to make significant judgements and estimates. As a result of this circumstance, together with the significance of those assets at the reporting date, this matter was determined to be a key matter in our audit.

Procedures applied in the audit

In addition, we involved our internal valuation experts in order to evaluate, mainly, the methodology employed by the Group in the impairment tests conducted, the discount rates considered and the terminal value, expressed in perpetuity growth terms, of the projected future cash flows.

Lastly, we checked that the disclosures included in Notes 3.c, 8 and 9 to the accompanying consolidated financial statements in connection with this matter were in conformity with those required by the applicable regulatory financial reporting framework.

Business combinations

Description

In 2022 the Group effected certain business combinations, the most significant being the acquisition of the telecommunications infrastructure business of Hutchison in the United Kingdom, the purchase price of which was definitively allocated in 2023 as indicated in Notes 2.h and 6 to the accompanying consolidated financial statements as at 31 December 2023.

Procedures applied in the audit

Our audit procedures included, among others, obtaining an understanding of the Group's process for identifying and determining the acquisition-date fair value of the assets acquired, the liabilities and contingent liabilities assumed and the goodwill that arose.

Business combinations

Description

These combinations are complex transactions which include contractual agreements the recognition of which in the consolidated financial statements requires the Parent's directors to make significant judgements and estimates.

In addition, in the process of identifying and determining the acquisition-date fair value of the assets acquired, the liabilities and contingent liabilities assumed and the goodwill that arose, significant judgements and estimates also had to be made and, therefore, the Group, where appropriate, was assisted by experts engaged by it for this purpose.

The accompanying consolidated financial statements include the completed accounting for the fair value of the assets acquired and the liabilities assumed as a result of the business combination effected in 2022 (see Note 5), since the applicable legislation allows the allocation of fair value to be re-estimated during a period of one year from the acquisition date.

Consequently, the analysis of these transactions was a key audit matter in our audit.

Procedures applied in the audit

Also, we performed substantive tests based on the obtainment and analysis of the contractual documentation, placing particular emphasis on the transfer of the risks associated with the business in order to determine when the obtainment of control of the aforementioned business should be accounted for.

In addition, we obtained the final analysis carried out by the Group to determine the fair value of the assets acquired and the liabilities assumed, and verified the same aspects and that the comparative figures had been restated in accordance with the applicable regulations.

To this end, we analysed the consistency of the future cash flow forecasts considered in the analysis performed with the assumptions obtained from the business plan relating to the business acquired. In addition, we evaluated the reasonableness of the key assumptions considered (such as revenue growth, cost inflation and the discount rate), and performed a sensitivity analysis of those key assumptions.

With regard to the external experts engaged by the Group, we evaluated their competence, capability and objectivity, and obtained an understanding of their work as experts and of the appropriateness of that work for use as audit evidence.

Business combinations	
Description	**Procedures applied in the audit**
	Also, we involved our internal valuation experts in order to evaluate, mainly, the methodology employed by the Group in the analysis conducted, the discount rates considered and the terminal value, expressed in perpetuity growth terms, of the projected future cash flows. Lastly, we evaluated whether the disclosures included in Notes 2.h, 5 and 6 to the accompanying consolidated financial statements in connection with this matter were in conformity with those required by the applicable regulatory financial reporting framework.

Other Information: Consolidated Directors' Report

The other information comprises only the consolidated directors' report for 2023, the preparation of which is the responsibility of the Parent's directors and which does not form part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated directors' report. Our responsibility relating to the consolidated directors' report, in accordance with the audit regulations in force, consists of:

a) Solely checking that the consolidated non-financial information statement, certain information included in the Annual Corporate Governance Report and the Annual Director's Remuneration Report, to which the Spanish Audit Law refers, have been furnished as provided for in the applicable legislation and, if this is not the case, reporting this fact.

b) Evaluating and reporting on whether the other information included in the consolidated directors' report is consistent with the consolidated financial statements, based on the knowledge of the Group obtained in the audit of those consolidated financial statements, as well as evaluating and reporting on whether the content and presentation of this section of the consolidated directors' report are in conformity with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described above, we observed that the information described in section a) above had been furnished as provided for in the applicable legislation and that the other information in the consolidated directors' report was consistent with that contained in the consolidated financial statements for 2023 and its content and presentation were in conformity with the applicable regulations.

Responsibilities of the Directors and Audit and Risk Management Committee of the Parent for the Consolidated Financial Statements

The Parent's directors are responsible for preparing the accompanying consolidated financial statements so that they present fairly the Group's consolidated equity, consolidated financial position and consolidated results in accordance with EU-IFRSs and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent's audit and risk management committee is responsible for overseeing the process involved in the preparation and presentation of the consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the audit regulations in force in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is included in the Appendix to this auditor's report. This description, which is on pages 9 and 10 of this document, forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

European Single Electronic Format

We have examined the digital files in European Single Electronic Format (ESEF) of Cellnex Telecom, S.A. and subsidiaries for 2023, which comprise the XHTML file including the consolidated financial statements for 2023 and the XBRL files with the tagging performed by the entity, which will form part of the annual financial report.

The directors of Cellnex Telecom, S.A. are responsible for presenting the annual financial report for 2023 in accordance with the format and markup requirements established in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 ("ESEF Regulation"). In this regard, the Annual Corporate Governance Report and the Annual Directors' Remuneration Report were included by reference in the consolidated directors' report.

Our responsibility is to examine the digital files prepared by the Parent's directors, in accordance with the audit regulations in force in Spain. Those regulations require that we plan and perform our audit procedures in order to ascertain whether the content of the consolidated financial statements included in the aforementioned digital files corresponds in full to that of the consolidated financial statements that we have audited, and whether those consolidated financial statements and the aforementioned files were formatted and marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital files examined correspond in full to the audited consolidated financial statements, and these are presented and have been marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Additional Report to the Parent's Audit and Risk Management Committee

The opinion expressed in this report is consistent with the content of our additional report to the Parent's audit and risk management committee dated 29 February 2024.

Engagement Period

The Annual General Meeting held on 21 July 2020 appointed us as auditors for a period of three years from the year ended 31 December 2020.

Previously, we were designated by the sole shareholder for the period of three years and have been auditing the financial statements uninterruptedly since the year ended 31 December 2013 and, therefore, since the year ended 31 December 2015, the year in which the Parent became a Public Interest Entity.

DELOITTE, S.L.
Registered in ROAC under no. S0692

Iván Rubio Borrallo
Registered in ROAC under no. 21443

29 February 2024

Appendix to our auditor's report

Further to the information contained in our auditor's report, in this Appendix we include our responsibilities in relation to the audit of the consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with the audit regulations in force in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's directors.

- Conclude on the appropriateness of the use by the Parent's directors of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent's audit and risk management committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent's audit and risk management committee with a statement that we have complied with relevant ethical requirements, including those regarding independence, and we have communicated with it to report on all matters that may reasonably be thought to jeopardise our independence, and where applicable, on the related safeguards.

From the matters communicated with the Parent's audit and risk management committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Consolidated Financial Statements

Cellnex Telecom, S.A. and Subsidiaries

Consolidated Financial Statements for the year ended 31 December 2023

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Translation of Consolidated Financial Statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 27). In the event of a discrepancy the Spanish-language version prevails.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2023

(Thousands of Euros)

	Notes	31 December 2023	31 December 2022 (*)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	Note 8	11,666,875	10,697,761
Intangible assets	Note 9	24,699,687	26,649,209
Right-of-use assets	Note 16	3,100,817	3,347,737
Investments in associates	Note 10	42,321	33,232
Financial investments	Note 13.b	137,089	117,568
Derivative financial instruments	Note 11	78,944	161,523
Trade and other receivables	Note 12	294,914	75,259
Deferred tax assets	Note 18	601,909	641,090
Total non-current assets		**40,622,556**	**41,723,379**
CURRENT ASSETS			
Inventories		6,258	4,771
Trade and other receivables	Note 12	1,155,606	1,174,988
Receivables from associates	Note 24	—	25
Financial investments	Note 13.b	3,972	3,663
Derivative financial instruments	Note 11	22,221	—
Cash and cash equivalents	Note 13	1,292,439	1,038,179
Total current assets		**2,480,496**	**2,221,626**
Non-current assets held for sale	Note 7	**1,262,192**	**51,427**
TOTAL ASSETS		**44,365,244**	**43,996,432**

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the consolidated balance sheet at 31 December 2023.

(*) Restated figures. Certain amounts included in the consolidated balance sheet at 31 December 2022 do not relate to those included in the Consolidated Financial Statements for the year ended 31 December 2022, and reflect the adjustments described in Note 5.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2023

(Thousands of Euros)

	Notes	31 December 2023	31 December 2022 (*)
NET EQUITY			
Share capital and attributable reserves			
Share capital	Note 14.a	176,619	176,619
Treasury shares	Note 14.a	(40,456)	(47,619)
Share premium	Note 14.b	15,482,472	15,522,762
Reserves	Note 14.c	(1,384,657)	(1,131,997)
Loss for the period	Note 14.g	(297,220)	(297,058)
		13,936,758	**14,222,707**
Non-controlling interests	Note 14.f	1,210,035	966,693
Total net equity		**15,146,793**	**15,189,400**
NON-CURRENT LIABILITIES			
Bank borrowings and bond issues	Note 15	17,805,892	17,747,336
Lease liabilities	Note 16	2,118,162	2,409,704
Derivative financial instruments	Note 11	18,922	25,290
Provisions and other liabilities	Note 19.c	1,722,325	2,018,713
Employee benefit obligations	Note 19.b	56,303	51,727
Deferred tax liabilities	Note 18	3,965,554	4,268,135
Total non-current liabilities		**25,687,158**	**26,520,905**
CURRENT LIABILITIES			
Bank borrowings and bond issues	Note 15	906,394	143,352
Lease liabilities	Note 16	696,257	576,151
Derivative financial instruments	Note 11	986	—
Provisions and other liabilities	Note 19.c	400,973	147,255
Employee benefit obligations	Note 19.b	90,697	62,851
Payables to associates	Note 24	261	710
Trade and other payables	Note 17	1,141,687	1,333,994
Total current liabilities		**3,237,255**	**2,264,313**
Liabilities associated with non-current assets held for sale	Note 7	**294,038**	**21,814**
TOTAL NET EQUITY AND LIABILITIES		**44,365,244**	**43,996,432**

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the consolidated balance sheet at 31 December 2023.

(*) Restated figures. Certain amounts included in the consolidated balance sheet at 31 December 2022 do not relate to those included in the Consolidated Financial Statements for the year ended 31 December 2022, and reflect the adjustments described in Note 5.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

(Thousands of Euros)

	Notes	2023	2022 (*)
Services		3,804,076	3,247,713
Other operating income		245,147	247,467
Operating income	**Note 20.a**	**4,049,223**	**3,495,180**
Staff costs	Note 20.b	(333,984)	(270,383)
Other operating expenses	Note 20.c	(784,638)	(658,518)
Change in provisions		(3,894)	(15,269)
Depreciation, amortisation and results from disposals of fixed assets	Notes 7, 8, 9, 16 and 20.e	(2,552,635)	(2,320,694)
Operating profit		**374,072**	**230,316**
Financial income	Note 20.f	76,445	22,519
Financial costs	Note 20.f	(556,970)	(424,073)
Interest expense on lease liabilities	Note 20.f	(327,324)	(327,405)
Net financial loss		**(807,849)**	**(728,959)**
Profit of companies accounted for using the equity method	Note 10	(2,635)	(4,239)
Loss before tax		**(436,412)**	**(502,882)**
Income tax	Note 18	120,589	189,946
Consolidated net loss		**(315,823)**	**(312,936)**
Attributable to non-controlling interests	Note 14.f	(18,603)	(15,878)
Net loss attributable to the Parent Company		**(297,220)**	**(297,058)**
Earnings per share (in euros per share):			
Basic	Note 14.e	(0.44)	(0.44)
Diluted	Note 14.e	(0.29)	(0.29)

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the consolidated income statement corresponding to the year ended 31 December 2023.

(*) December 2022 figures have not been restated, as described in Note 5.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

(Thousands of Euros)

	Notes	2023	2022 (*)
LOSS FOR THE PERIOD		**(315,823)**	**(312,936)**
Income and expenses recognised directly in net equity, transferable to the consolidated income statement:			
Changes in cash flow hedges of the Parent Company and fully consolidated companies	Note 11	(47,689)	81,984
Hedges of net investments in foreign operations of the Parent Company and fully consolidated companies	Note 11	1,975	(1,554)
Foreign exchange differences	Note 14	392,204	(212,715)
Tax effect		13,160	(20,842)
Income and expenses recognised directly in net equity, not transferable to the consolidated income statement:			
Changes in the fair value of financial liabilities at fair value through equity	Notes 14 and 19.c	(31,726)	(9,703)
Total income and expenses recognised directly in net equity		**327,924**	**(162,830)**
Income transferred to the consolidated income statement:			
Changes in cash flow hedges of the Parent Company and fully consolidated companies	Note 11	(105)	(929)
Tax effect		26	232
Total income transferred to the consolidated income statement		**(79)**	**(697)**
Total consolidated comprehensive profit / (loss)		**12,022**	**(476,463)**
Attributable to:			
- Company shareholders		(13,962)	(464,261)
- Non-controlling interests		25,984	(12,202)
Total consolidated comprehensive profit / (loss)		**12,022**	**(476,463)**

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the consolidated statement of comprehensive income for the year ended 31 December 2023.

(*) December 2022 figures have not been restated as described in Note 5.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN NET EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

(Thousands of Euros)

	Notes	Share capital	Treasury shares	Share premium	Reserves	Profit for the period	Non-controlling interests	Net equity
At 1 January 2022		**169,832**	**(60,802)**	**14,580,762**	**(133,427)**	**(362,539)**	**1,633,652**	**15,827,478**
Comprehensive income for the year		—	—	—	(167,203)	(297,058)	(12,202)	**(476,463)**
Distribution of 2021 profit		—	—	—	(362,539)	362,539	—	**—**
Treasury shares	Note 14.a	—	13,183	—	(52,391)	—	—	**(39,208)**
Changes in the consolidation scope	Note 2.i	—	—	—	(418,139)	—	(672,844)	**(1,090,983)**
Final dividend	Note 14.d	—	—	(36,635)	—	—	—	**(36,635)**
Capital increase and other equity contributions	Note 14.a	6,787	—	978,635	—	—	15,929	**1,001,351**
Employee remuneration payable in shares	Note 19.b	—	—	—	(5,759)	—	—	**(5,759)**
Other		—	—	—	7,461	—	2,158	**9,619**
At 31 December 2022 (*)		**176,619**	**(47,619)**	**15,522,762**	**(1,131,997)**	**(297,058)**	**966,693**	**15,189,400**
At 1 January 2023 (*)		**176,619**	**(47,619)**	**15,522,762**	**(1,131,997)**	**(297,058)**	**966,693**	**15,189,400**
Comprehensive income for the year		—	—	—	283,258	(297,220)	25,984	**12,022**
Distribution of 2022 profit		—	—	—	(297,058)	297,058	—	**—**
Treasury shares	Note 14.a	—	7,163	—	(1,946)	—	—	**5,217**
Changes in the consolidation scope	Note 2.i	—	—	—	15,539	—	168,612	**184,151**
Final dividend	Note 14.d	—	—	(40,290)	—	—	(1,937)	**(42,227)**
Issuance and repurchase of bonds	Note 15	—	—	—	(259,259)	—	—	**(259,259)**
Capital increase and other equity contributions	Note 14.a	—	—	—	—	—	56,350	**56,350**
Employee remuneration payable in shares	Note 19.b	—	—	—	7,705	—	—	**7,705**
Other		—	—	—	(899)	—	(5,667)	**(6,566)**
At 31 December 2023		**176,619**	**(40,456)**	**15,482,472**	**(1,384,657)**	**(297,220)**	**1,210,035**	**15,146,793**

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the statement of changes in the consolidated equity corresponding to the year ended 31 December 2023.

(*) Restated figures. Certain amounts included in this consolidated statement of changes in net equity for the year ended on 31 December 2022 do not relate to those included in the Consolidated Financial Statements for the year ended on 31 December 2022, and reflect the adjustments described in Note 5.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

(Thousands of Euros)

	Notes	2023	2022 (*)
Profit/(loss) for the year before tax		**(436,412)**	**(502,882)**
Adjustments to profit			
Depreciation, amortisation and results from disposals of fixed assets	Note 20.e	2,552,635	2,320,694
Changes in provisions		3,894	15,269
Interest and other income		(76,445)	(22,519)
Interest and other expenses		884,294	751,478
Share of results of companies accounted for using the equity method	Note 10	2,635	4,239
Other income and expenses		56,228	3,442
Changes in current assets/current liabilities			
Inventories		(1,817)	(1,291)
Trade and other receivables		3,146	34,169
Other current assets and liabilities		17,027	(49,681)
Cash flows generated by operations			
Interest paid		(751,956)	(626,125)
Interest received		42,408	20,702
Income tax received/(paid)	Note 18	(180,594)	(88,586)
Non-recurring Income tax paid	Note 18	—	(7,342)
Current provisions, employee benefit obligations and others		(47,268)	(22,425)
Total net cash flow from operating activities (I)		**2,067,775**	**1,829,142**

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the consolidated statement of cash flows corresponding to the year ended 31 December 2023.

(*) December 2022 figures have not been restated as described in Note 5.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

(Thousands of Euros)

	Notes	2023	2022 (*)
Business combinations and changes in the scope of consolidation	Notes 2.h and 6	14,933	(3,390,169)
Purchases of property, plant and equipment and intangible assets	Notes 8 and 9	(2,193,778)	(2,568,516)
Payments for financial investments and associates	Note 10	(55,705)	(157,827)
Collections for financial investments and associates	Note 10	11,507	56,388
Proceeds from Non-current assets held for sale	Note 7	630,749	110,448
Total net cash flow from investing activities (II)		**(1,592,294)**	**(5,949,676)**
Issue of equity instruments, Acquisition of Treasury Shares and Dividends paid	Note 14	(239,999)	(322,917)
Proceeds from issue of bank borrowings	Note 15	2,974,773	2,047,334
Bond issue	Note 15	923,902	982,525
Repayment and redemption of bond issues and other loans	Note 15	(747,146)	(600,000)
Repayment and redemption of bank borrowings	Note 15	(2,473,622)	(288,137)
Net repayment of other borrowings	Note 15	9,416	1,957
Net payment of lease liabilities	Note 16	(650,972)	(597,046)
Dividends to non-controlling interests		(1,937)	—
Total net cash flow from financing activities (III)		**(205,585)**	**1,223,716**
Foreign exchange differences (IV)		**(15,636)**	**8,419**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS (I)+(II)+(III)+(IV)		**254,260**	**(2,888,399)**
Cash and cash equivalents at beginning of year	Note 13	1,038,179	3,926,578
Cash and cash equivalents at end of year	**Note 13**	**1,292,439**	**1,038,179**

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the consolidated statement of cash flows corresponding to the year ended 31 December 2023.

(*) December 2022 figures have not been restated as described in Note 5.

Cellnex Telecom, S.A. and Subsidiaries

Notes to the Consolidated Financial Statements for the year ended on 31 December 2023

1. General information

Cellnex Telecom, S.A., (hereinafter, the "Parent Company" or "Cellnex") was incorporated in Barcelona, Spain, on 25 June 2008. Its registered office is at Calle Juan Esplandiú nº 11 in Madrid, Spain. On 1 April 2015, it changed its name to Cellnex Telecom, S.A. The name of the Parent Company has not changed in this financial year or in the previous one.

The Parent Company's corporate purpose, as set out in its bylaws, includes:

- The establishment and operation of all kinds of telecommunication infrastructures and/or networks, as well as the provision, management, marketing and distribution, for its own benefit or for the benefit of third parties, of all types of services based on or through such infrastructures and/or networks.

- The planning, technical assistance, management, organisation, coordination, supervision, maintenance and conservation of such installations and services under any type of contractual arrangement allowed by law, especially administrative concessions.

The Parent Company may undertake these activities directly or indirectly through the ownership of shares or equity investments in companies with a similar corporate purpose or in any other manner allowed by law.

The main location in which the group operates is Europe.

Cellnex Telecom, S.A. is the parent of a group of companies engaged in the management of terrestrial telecommunications infrastructures (hereinafter, the "Group" or "Cellnex Group").

2. Basis of presentation

a) Basis of presentation

The Consolidated Financial Statements of Cellnex Telecom, S.A. and Subsidiaries for the year ended on 31 December 2023, which have been based on the accounting records kept by the Parent Company and by the other companies that make up the Group, were authorised for issue by the Directors of the Parent Company at the meeting of the Board of Directors held on 29 February 2024.

These Consolidated Financial Statements have been prepared in accordance with the regulatory financial reporting framework applicable to the Group which is established by the International Financial Reporting Standards (hereinafter "IFRS") adopted by the European Union (hereinafter, "EU-IFRS") and taking into consideration all of the accounting principles and standards and the valuation criteria that must be applied, as well as the Commercial Code, the Spanish Limited Liability Companies Act and other applicable commercial legislation, so that they show a true image of the equity and financial condition of the Cellnex Group at 31 December 2023 and the results of its operations, the changes in net equity and the consolidated cash flows that have occurred within the Group during the financial year ended on that date.

Given that the accounting principles and valuation criteria applied when preparing the Group's Consolidated Financial Statements at 31 December 2023 may differ from those used by some of the companies within the Group, the adjustments and reclassifications needed to standardise the principles and criteria, and adapt them to the EU-IFRS, have been carried out as part of the consolidation process.

The Consolidated Financial Statements of Cellnex Telecom, S.A., as well as its stand-alone financial statements and the financial statements of the companies forming part of the Group will be submitted for its approval to their respective General Meetings of Shareholders/Partners or Sole Shareholder/Sole Partner within the legally established deadlines. The Directors of the Parent Company consider that these financial statements will be approved without any significant changes.

Moreover, the Group's Consolidated Financial Statements corresponding to the financial year ended on 31 December 2022 were approved by the shareholders of the Parent Company on 1 June 2023.

b) Adoption of IFRSs

The Cellnex Group's Consolidated Financial Statements are presented in accordance with EU-IFRSs, in conformity with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002. In Spain, the requirement to prepare Consolidated Financial Statements in accordance with EU-IFRSs is also regulated by Final Provision Eleven of Law 62/2003, of 30 December, on tax, administrative, labour and social security measures.

The principal accounting policies and measurement bases adopted by the Group are presented in Note 3.

(I) Standards and interpretations effective during the present year

The following new accounting standards, amendments and interpretations came into force in 2023:

New standards, amendments and interpretations		Obligatory application in annual reporting periods beginning on or after:
Approved for use in the European Union		
IFRS 17 - Insurance contracts and their modifications (published in May 2017 and June 2020, respectively)	It replaces IFRS 4 and includes the principles of registration, valuation, presentation, and breakdown of insurance contracts in order for the entity to provide relevant and reliable information that allows users of financial information to determine the effect that the contracts of insurance they have in the financial statements.	1 January 2023
Amendments to IAS 1 - Disclosure of Accounting Policies (issued in February 2021)	Amendments that enable entities to appropriately identify the information on material accounting policies that should be disclosed in the financial statements.	1 January 2023
Amendments to IAS 8 - Definition of Accounting Estimates (issued in February 2021)	Amendments and clarifications of the definition of a change in accounting estimate.	1 January 2023
Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued in May 2021)	Clarifications on how entities should recognise deferred taxes arising in transactions such as leases and obligations in relation to the dismantling assets.	1 January 2023
Amendments to IFRS 17 - Insurance contracts - Initial application of IFRS 17 and IFRS 9. Comparative information (issued in December 2021)	Amendments of the requirements for transition of IFRS 17 for the insurance companies compliant with IFRS 17 and IFRS 9 for the first time at the same time.	1 January 2023
IAS 12 - International Tax Reform - Pillar Two Model Rules (published in May 2023)	Introduces a mandatory exception from accounting for deferred taxes arising from the application of Pillar Two as well as certain disclosures on Pillar Two potential impacts for the reporting entity.	1 January 2023

The Group has applied the aforementioned standards and interpretations since their entry into force, which has not given rise to any significant change in its accounting policies.

As a large multinational group, Cellnex Group is subject to the Pillar Two base erosion model rules (also known as the GloBE Rules) approved by the Organization for Cooperation and Development’s Inclusive Framework. Economic (OECD)/G20 on BEPS (Base Erosion and Profit Shifting) on December 14, 2021 to which, among many others, the Member States of the European Union joined. In this regards and respect to the amendments to IAS 12 in connection with the potential impacts of Pillar Two, which have been applied by the Group, given the jurisdictions and current effective tax rates at which the Group is taxed, calculated on a simplified manner, this is, without taking into consideration all the specific requirements of the Pillar Two legislation, Group management does not expect a significant impact. The Group is currently working on assessing Pillar Two impacts considering all its requirements as well as on the design and implementation of the corresponding policies and procedures that might result necessary (see Note 18).

(II) Standards and interpretations issued but not yet in force

At the date of formal preparation of these Consolidated Financial Statements, the following standards, amendments and interpretations had been published by the International Accounting Standards Board (IASB) but had not come into force, either because their effective date is subsequent to the date of the Consolidated Financial Statements or because they had not yet been adopted by the European Union.

New standards, amendments and interpretations		Obligatory application in annual reporting periods beginning on or after:
Approved for use in the European Union		
Amendments to IFRS 16 - Lease liability in a sale and leaseback (published in September 2022)	These amendments define how to present the lease liabilities that arise in the sale transactions and subsequent leasehold.	1 January 2024
Not yet approved for use in the European Union		
Amendment to IAS 1 - Classification of liabilities as current or non-current (published in January 2020)	Clarifications regarding the presentation of liabilities as current or non-current.	1 January 2024
Amendment to IAS 1 – Non-current liabilities with covenants (published in October 2022)	Its objective is to improve the information provided when the right to defer payment of a liability is subject to compliance with conditions ("covenants") within twelve months following the reporting year.	1 January 2024
Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements (published in May 2023)	Introduces disclosures on supplier financing arrangements and their effects on a company's liabilities, cash flows and liquidity risk exposure.	1 January 2024
Amendments to IAS 21 - Lack of exchangeability (published in August 2023)	Provides guidance on the determination of whether a currency is interchangeable with another currency and the spot exchange rate to use when it is not.	1 January 2025

The application of new standards, amendments and interpretations will be considered by the Group once they have been ratified and adopted, as the case may be, by the European Union. In any case, the Parent Company's Directors have assessed the potential impact of applying these standards in the future and consider that their entry into force will not have a material effect on the Group's Consolidated Financial Statements.

c) Presentation currency of the Group

These Consolidated Financial Statements are presented in euros, as this is the currency of the main economic area in which the Group operates. In relation to financial information of foreign companies whose functional currency is different from the presentation currency of the Consolidated Financial Statements are translated to euros using the method described in Note 2.g VII.

d) Responsibility for the information provided and accounting estimates and judgements made

The preparation of the Consolidated Financial Statements under IFRS requires certain accounting estimates to be made and certain elements of judgement to be considered by the Board of Directors of the Parent Company. These are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events, which are considered reasonable under the circumstances. Although the estimates considered have been made with the best information available as of the date of preparing these Consolidated Financial Statements, in accordance with IAS 8, any future amendment to these estimates would be applied prospectively as of that moment, acknowledging the effect of the change on the estimate made in the consolidated income statement for the financial year in question.

The main estimates and judgements considered in preparing the Consolidated Financial Statements are as follows:

a) Useful lives of property, plant and equipment (see Note 3.a).

The determination of useful lives of property, plant and equipment requires estimates of the assets' level of use and of expected technological changes. Assumptions regarding the level of use, technological framework and their future development, based on which the useful lives are determined, entail a significant degree of judgment, since the time and nature of future events are difficult to foresee.

b) Useful lives of intangible assets (see Note 3.b).

The intangible assets associated with the telecom infrastructures are amortised over the shorter of the term of the corresponding ground lease (taking into consideration renewals) or up to 20 years, as the Group considers these intangibles to be directly related to the infrastructure assets.

c) Lease term and useful lives of right-of-use assets (see Note 3.k).

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

d) The measurement of non-financial assets and goodwill in order to determine the existence of impairment losses on these assets (see Notes 3.b and 3.c).

The determination of impairment losses requires the use of estimates on the recoverable amount based on impairment tests. The estimated recoverable amount for non-financial assets and goodwill is based mainly on impairment tests performed using discounted cash flows.

e) Derivatives or other financial instruments (see Notes 3.d, 3.e, 11 and 15).

The fair value of financial instruments traded on official markets is based on the market prices at the consolidated balance sheet date. The quoted market price used for financial assets is the current bid price.

The fair value of the financial instruments not quoted on active markets is determined using valuation techniques. The Group uses various methods and makes assumptions based on the existing market conditions at each consolidated balance sheet date. To determine the fair value of the remaining financial instruments, other techniques, such as estimated discounted cash flows, are used. The fair value of the interest rate swaps is calculated as the present value of the estimated cash flows.

The carrying amount, less the provision for impairment losses on accounts receivable and payable, is similar to their fair value.

The fair value of financial liabilities, for the purposes of presenting financial information, is estimated by discounting future contractual cash flows at the current market interest rate the Group would have access to for similar financial instruments.

When financial assets not measured at fair value through profit or loss are initially recognised, the Group measures them at their fair value plus transaction costs directly attributable to the acquisition or issue of the financial asset. In this sense, the Group determines the classification of its financial assets at initial recognition.

f) Business combinations and fair value of the acquired assets and liabilities (see Note 6).

As a first step, Cellnex carries out a review of the acquisitions made to determine if they correspond to a business combination in accordance with IFRS 3 and the ESMA guidelines or if they correspond to a purchase of assets. In the case of a business combinations, the identifiable assets acquired and the identifiable liabilities and contingencies assumed in a business combination are initially measured at their acquisition-date fair value, regardless of the scope of non-controlling interests. The excess of the acquisition cost over the fair value of the Group's share in the identifiable net assets acquired is recognised as goodwill. If the acquisition cost is lower than the fair value of the acquired subsidiary's net assets, the difference is recognised directly in the consolidated income statement for the financial year.

g) Provisions for staff obligations (see Notes 3.g and 19.b).

The calculation of pension expenses, other post-retirement expenses or other post-retirement liabilities requires the application of several assumptions. At the end of each financial year, the Group estimates the provision needed to meet the commitments for pensions and similar obligations, in accordance with the advice of independent actuaries. Changes affecting these assumptions may result in different amounts for the expenses and liabilities recorded. The most significant assumptions for measuring pension and post-retirement benefits liabilities are retirement age, inflation and the discount rate used. The assumptions about social security coverage are also essential for determining other post-retirement benefits. Any future changes to these assumptions would have an impact on the future pension expenses and liabilities.

h) Deferred tax assets and income tax (see Note 18).

The calculation of the income tax expense requires the interpretation of tax legislation in the jurisdictions where the Group operates. The determination of expected outcomes with regards to outstanding disputes and litigation requires significant estimates and judgements to be made. The Group assesses the recoverability of deferred tax assets based on the estimates of future taxable income and the ability to generate sufficient income during the periods in which these deferred taxes are deductible.

i) Provisions: the probability of occurrence and the amount of the undetermined contingent liabilities (see Notes 3.h and 19).

The Group makes an estimate of the amounts to be settled in the future, including those corresponding to contractual obligations and outstanding litigation. These estimations are subject to interpretations of the current facts and circumstances, forecasts of future events and estimates of the financial effects of these events.

The Consolidated Financial Statements have been prepared on the historical cost basis, except in the cases specifically mentioned in these Notes, such as the items measured at fair value, as described in Notes 3.d and 3.e.

Brexit

In general terms, the long term effects of the United Kingdom's decision to leave the EU, which became effective on 31 January 2020, ("Brexit") on the financial statements as a whole are still uncertain. In this regard, the increase in public debt, the fall in growth rates and any monetary policy measure that might be adopted in the future in the credit markets could affect the Group's businesses. One change in any of these factors could affect the Group's ability to access the capital markets and the terms and conditions under which it might access them.

In this context, it should also be noted that the nature of the Group's business means that in each territory it acts, to all extents and purposes, autonomously of other subsidiaries or the parent, in the sense that interterritorial commercial operations are not a key aspect of the business. In this connection, any risk associated with competition restrictions or disadvantages arising from potential transactions between the United Kingdom and other geographies is limited.

Geopolitical environment and macroeconomic conditions

Adverse economic conditions may be further accentuated in the markets where the Group operates and in others due to the large-scale events, mainly result from the remaining impact of the COVID-19 pandemic, the heightened geopolitical tensions following Russia's invasion of Ukraine or the ongoing military conflict in the Middle East which have exacerbated inflationary pressures, slowed overall economic growth, created supply chain bottlenecks and increased volatility in commodity and financial markets.

Following Russian invasion of Ukraine that started on 24 February 2022, economies around the world, including the United States, the European Union and the United Kingdom, announced the imposition of comprehensive trade sanctions targeting Russian individuals, companies and institutions. Such sanctions, as well as the countersanctions imposed by Russia, have resulted in a significant reduction in trading volumes between these economies and Russia, which has led to increased commodity prices on global markets.

Events such as the above could severely affect macroeconomic conditions and financial markets and exacerbate the risk of regional or global recessions or "stagflation" (i.e. recession or reduced rates of economic growth coupled with high inflation rates). Large-scale events have not had a significant effect on the Group's results for the period ended as of 31 December 2023 and, additionally, the Group has considered the uncertainty caused by the current situation and, as a conclusion, to date they have not affected the estimates that were being made and, consequently, they have not affected the book value of the assets (especially considering 2023 impairment test headroom as described in Notes 8 and 9) and liabilities as well as certain financial risks (see Note 15). The evolution of the large-scale events will depend on future developments, which are highly uncertain and cannot be predicted, including the economic conditions, among others.

Despite a long period of historically low inflation, above mentioned events make inflation increase worldwide during 2022 and 2023, with food, energy and petrol prices hitting record highs. A significant portion of the Group's operating costs could rise as a result of higher inflation and monetary policies of the European Central Bank that has raised interest rates, with a cumulative rise of 4.5 percentage points from July 2022 until September 2023. On the date of the accompanying Consolidated Financial Statements, there is no additional interest rates increase expected, because inflation has moderated its increase in the last months of 2023.

Further, most of the Group's infrastructure services contracts are indexed to inflation. As a consequence, its results of operations could be affected by inflation and/or deflation, specially if Cellnex is not successful in passing through the inflation to the customers. In this regard, those contracts with customers that are not inflationary capped may not be sustainable over time for our customers, which could result in renegotiation requests, bad debt increase, legal disputes and a worsened relationship between the Group and its customers, causing potential future opportunities loses.

Additionally, in the current inflationary environment the Group may be not able to benefit from the operating leverage nature of its business in normalized conditions as a result of a mismatch between Operating Income and Operating Expenses (Opex) and Net payment of lease liabilities (leases) in terms of exposure to inflation. This mismatch arises due to the relationship of the Group's Operating Income to inflation which is capped in certain of its contracts with anchor customers or has fixed terms escalators, whereas Opex and leases are generally uncapped, this requires strong Opex and lease control that is not always under the control of the Group, and could result in a potential margin erosion and a worsened liquidity position.

On the other hand, the Group is exposed to interest rate risk through its current and non-current borrowings. Borrowings issued at floating rates expose the Group to cash flow interest rate risk, while fixed-rate borrowings expose the Group to fair value interest rate risk. Additionally any increase in interest rates would increase Group finance costs relating to variable-rate indebtedness and increase the costs of refinancing existing indebtedness and issuing new debt. As of 31 December 2023, 24% of the group's debt is not fixed which means can suffer the increase of the interest rates.

Others

The Consolidated Financial Statements have been prepared on the basis of uniformity in recognition and measurement. When a new standard amending existing measurement bases becomes applicable, it is applied in accordance with the transition criterion provided in the standard.

Certain amounts in the consolidated income statement and the consolidated balance sheet were grouped together for the sake of clarity. These items are disclosed in the Notes to the Consolidated Financial Statements.

The distinction presented in the consolidated balance sheet between current and non-current items was made based on whether they fall due within one year or more, respectively.

In addition, the Consolidated Financial Statements include all additional information considered necessary for their correct presentation under the company law in force in Spain.

Finally, the figures contained in all the financial statements forming part of the Consolidated Financial Statements (consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes to net equity, consolidated statement of cash flows) and the Notes to the Consolidated Financial Statements are expressed in thousands of euros (or otherwise expressed).

e) Comparative information

As required by the IFRS, the information relating to the financial year ended on 31 December 2022 contained in these Consolidated Financial Statements for 2023 is submitted solely and exclusively for the purpose of comparison.

The consolidated balance sheet (and its respective disclosures) and the consolidated statement of changes in net equity for the year ended 31 December 2022 (included in these Consolidated Financial Statements) were restated (with regard to the information contained in the Group's Consolidated Financial Statements at 31 December 2022) as a result of the final purchase price allocation for the CK Hutchison Transaction in respect of the United Kingdom (see Notes 5 and 6).

f) Materiality

In deciding what information to disclose in the Notes on the various items of the Consolidated Financial Statements or other matters, the Group assessed materiality in relation to these Consolidated Financial Statements for 2023.

g) Consolidation principles

(I) Methods of Consolidation

Subsidiaries

Subsidiaries are all companies in which the Group directly or indirectly controls the financial and operational policies, so that it exercises control over the investee company while maintaining the exposure or right to the variable results from the investment and the ability to use this control in order to influence the amount of these returns. This is generally accompanied by an ownership interest of more than the half of the voting rights.

Additionally, to assess if the Group controls another company, the following are considered: the power over the investee; exposure or rights to variable returns of the investment; and the ability to use this power over the investee to affect the amount of the investor's returns. The subsidiary companies are consolidated as from the date on which control is transferred to the Group and they are excluded from consolidation on the date in which the control ceases.

The Group consolidates subsidiaries using the full consolidation method. In this regard, Cellnex exercises effective control over the consolidated companies Nexloop France, S.A.S. ("Nexloop"), Cellnex Netherlands subgroup, Cellnex Switzerland subgroup, Adesal, S.A., Metrocall, S.A. ("Metrocall"), Cellnex France Infrastructure, S.A.S. ("Cellnex France Infrastructure") and Cellnex Nordics, S.L. ("Cellnex Nordics") since Cellnex exercises effective control, without considering, when applicable, any potential additional voting rights, over the consolidated companies as: i) Cellnex holds more than 50% ownership interest of the companies, ii) Cellnex, as majority shareholder, has the capacity to appoint a majority of the members of the Board of Directors of the companies, and iii) by virtue of the respective shareholders agreement entered into with respective minority shareholder/s of the companies, giving Cellnex the decision-making capacity over relevant activities of the companies and also the control over the returns of the investments. The rights granted to minority shareholder/s according to the respective agreements are protective rights and, consequently, does not allow the minority shareholder/s to have power over abovementioned companies since the rights granted are related to fundamental changes to the activities or only applicable in exceptional circumstances.

Finally, in accordance with the disclosure requirements set forth in IFRS 12, there are no significant restrictions on the use of assets and settlement of liabilities of the Group companies.

Appendix I to these Notes provides details on all the subsidiaries included in the scope of consolidation at 31 December 2023.

Associates

Associates are companies over which the Group exercises significant influence and with which it has a long-term relationship that fosters and influences its business even though it has a small representation in the management and control bodies. Along with this representation, the Group generally holds between 20% and 50% of the company's voting rights, unless it can be clearly demonstrated that such influence does not exist or unless the Group holds less than 20% of those rights and it can be clearly demonstrated that said influence does exist.

The investments in associates are recorded using the equity method and are initially recognised at cost. The investments of the Parent Company in associates include, as per IAS 28, goodwill (net of any accumulated impairment losses) identified in the acquisition, and are recognised under "Investments in associates" in the consolidated balance sheet. In this regard, in relation with investment in the associate company DIV (fully related to T-Mobile Infra Acquisition and, consequently, to the participation in Cellnex Netherlands subgroup) the Group is applying IFRS 10:B94 "Equity Method as One-line Consolidation" to all investments made by this associate company and, when applicable, the investment consolidated within the Cellnex Group through the equity method.

In the case of associates acquired in stages, IAS 28 does not specifically define how to determine the cost of the acquisition. Therefore, the Group interprets the cost of an investment in an associate acquired in stages to be the sum of the amounts paid at each acquisition plus the share of the profits and other changes in shareholders' equity less any impairment that may have arisen.

Thereafter, the Group's share of the profit (loss) and reserves of associates is recognised in the consolidated income statement and as consolidation reserves (other comprehensive income), respectively, with the value of the shareholding as the balancing entry in both cases. Dividends received and/or accrued after acquisitions are adjusted against the amount of the investment.

If the Group's share of the losses of an associate is equal to or greater than the value of its financial investment, including any other outstanding account receivable not guaranteed, further losses will not be recognised unless obligations have been incurred, guarantees have been furnished or payments have been made on behalf of the associate, which would entail the recognition of a financial liability.

If there are any indications of impairment, the investment will be tested for impairment, pursuant to IAS 36, as if it were an individual asset, by comparing its recoverable amount (the higher of value in use and fair value less costs of disposal) with its carrying amount. In order to determine the value in use of the net investment, an estimate will be made of: i) its share of the present value, discounted at a rate of the weighted average cost of capital, of the estimated future cash flows expected to be generated by the associate or joint venture, including those from the operations of the associate or joint venture, and the amounts arising from the ultimate disposal of the investment; or ii) the present value, discounted at a rate corresponding to the cost of equity, of the estimated future cash flows expected to arise as dividends to be received from the investment and from its ultimate disposal. The application of either method should produce the same result.

The recoverable amount of an investment in an associate or joint venture will be assessed for each associate or joint venture unless the associate or joint venture does not generate cash inflows as a result of its continuing use that are largely independent of the inflows from the Group's other assets.

Appendix II to these Notes provides details on the associates included in the scope of consolidation using the equity method at 31 December 2023.

(II) Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly
- Its liabilities, including its share of any liabilities incurred jointly
- Its revenue from the sale of its share of the output arising from the joint operation
- Its share of the revenue from the sale of the output by the joint operation
- Its expenses, including its share of any expenses incurred jointly

The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRS Standards applicable to the particular assets, liabilities, revenue and expenses.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's Consolidated Financial Statements only to the extent of other parties' interests in the joint operation.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

In the context of Hutchison United Kingdom Acquisition (see Note 6), Cellnex entered into certain agreements (including, among others, the CK Hutchison EEBA, services agreement and advisory agreement) (the "CK Hutchison New Agreements") pursuant with, Hutchison irrevocably has transferred to On Tower UK the rights and obligations in relation to 7,324 sites (in relation to the passive infrastructure) currently managed by a joint operation, Mobile Broadband Network Limited (MBNL) between Hutchison and a third party (this joint operation currently manages both active and passive infrastructure), as well as up to 342 sites that Hutchison may acquire from that third party, in return for On Tower UK having undertaken Hutchison's obligations in relation to those sites. As a result of all the agreements taken as a whole, Cellnex occupies the same position as Hutchison had in MBNL in relation to the passive infrastructure and, consequently, the business combination recognises Cellnex's interest in MBNL as a joint operator. Finally, following the termination of this joint operation, which is expected to occur in 2031, the legal title to a minimum of 3,000 but up to a maximum of 3,833 sites that are subject to the CK Hutchison New Agreements will be transferred to the Group without any additional consideration. The specific sites, for which legal title will be transferred, will be determined at the termination of the joint operation.

(III) Standardisation of accounting reference periods and valuation

The reporting periods for all companies included in the scope of consolidation end on 31 December. For the purposes of the consolidation process, the respective financial statements prepared under IFRS principles were used. In accordance with current legislation, these companies present individual financial statements as set forth in the applicable standards.

The measurement bases applied by the Group companies are largely consistent. However, where necessary, adjustments were made to standardise the measurement bases and ensure that the accounting policies of the companies included in the scope of consolidation were uniform with the policies adopted by the Group.

(IV) Business combinations

The subsidiaries acquired by the Group are accounted for using the acquisition method in accordance with the revised IFRS 3, considering that they meet the "business" definition. Acquisition cost is the fair value of the assets acquired and the equity instruments issued, and of the liabilities incurred or assumed at the acquisition date, plus any asset or liability resulting from a contingent consideration arrangement. Costs that are directly attributable to the transaction are recognised directly in the consolidated income statement for the year in which the transaction takes place.

Cellnex only recognises as part of the application of the acquisition method the consideration transferred for the assets acquired and the liabilities assumed at the date on which the business combination becomes effective. The calculation of the consideration to be transferred to the seller and the valuation of the net assets acquired is based on fair values that only envisage the net assets in existence at the date of obtainment of control of the underlying business, and, when applicable, the service agreements entered into with the seller do not affect these values.

The consideration transferred is generally a fixed amount and it is not subject to variability or have any relationship with the service agreements, i.e., the agreements are on an arm's-length basis and, accordingly, Cellnex considers, when applicable, that there is no interaction between the amount of the consideration transferred in the business combinations and the future amounts agreed upon in the service agreements. In this sense, in general terms, the service agreements entered into with the seller are negotiated at terms and conditions that would be agreed upon with a third party with which no purchase and sale agreement for the related business has been entered into. Any possible breach of the obligations assumed in these agreements would not affect the consideration transferred in the business combination. Such agreements envisage, as part of the terms and conditions agreed upon, certain penalties in the event of breach by the parties. These penalties are in line with those that would be negotiated in an agreement in which the party providing the services were not the seller of the related business; i.e., the penalties attempt to compensate, in market terms, the damage that would arise in the event of a breach of the agreement.

The Group measures non-controlling interests at fair value, pursuant to IFRS 3.19. This fair value is calculated based on the proportion represented by the non-controlling interest of the fair value of the business acquired.

The excess over the fair value of the net assets identified in the transaction is recognised as goodwill arising on consolidation, which is allocated to the corresponding Cash-Generating Units (hereinafter, CGUs). The resulting goodwill is allocated to the various CGUs expected to benefit from the business combination's synergies, regardless of any other acquired assets and liabilities allocated to these CGUs or groups of CGUs.

As indicated in Note 2.g.I. goodwill relating to acquisitions of associates and multi-group companies is included as an increase in the value of the respective investment and is recognised in accordance with Note 3.b.ii.

The Group makes a provisional allocation of the purchase price for the business combination at the acquisition date; this initial assessment is reviewed, as appropriate, within 12 months from the date control is obtained.

Goodwill arising on consolidation is not systematically amortised and is subject to an annual impairment test, as indicated in Note 3.b.ii.

(V) Elimination of inter-company transactions

Inter-company transactions and balances are eliminated, as are unrealised gains vis-a-vis third parties on transactions between or among Group companies. Unrealised losses are also eliminated, unless there is evidence of an impairment loss on the transferred asset.

Gains and losses from transactions between the Group and its associates and multi-group companies are recognised in the Group's financial statements only to the extent that they arise from the interests of other investors in associates and multi-group companies not related to the investor.

(VI) Transactions with non-controlling interests

Transactions with non-controlling interests are recognised as transactions with the owners of the Group's equity. Therefore, in purchases of non-controlling interests, the difference between the consideration paid and the corresponding proportion of the carrying amount of the subsidiary's net assets is recognised with an impact on net equity. Likewise, gains or losses through the disposal of non-controlling interests are also recognised in the Group's net equity.

In the event that it ceases to have control or significant influence, the remaining investment is remeasured at its fair value, and any gain or loss relative to the previously recognised investment is recognised with an impact in the year's consolidated income statement. Additionally, any amount previously recognised in other comprehensive income with regards to this company is recorded as if the Group had directly sold all the related assets and liabilities. Should this occur, the amounts previously recognised under other comprehensive income would be reclassified to the consolidated income statement for the year. If the decrease in the investment in an associate does not imply a loss of significant influence, the proportional share previously recognised under other comprehensive income is reclassified to the consolidated income statement.

Finally, in relation with the right to sell granted to some minority shareholders that the Group has recorded a liability as a consequence of the terms set forth in paragraph 23 of IAS 32, the Groups criteria is recording the adjustments to the redemption liability directly in equity. This accounting treatment is supported by the guidance in paragraph 23 of IFRS 10 to recognise any adjustments related to changes in the parent's ownership interest that do not result in the parent losing or gaining control over a subsidiary as ownership transactions. Upon initial recognition of the redemption liability, the risks and rewards not transferred to the parent were recognised as non-controlling interests.

(VII) Translation of financial statements denominated in foreign currencies

The financial statements of the foreign companies, none of which operate in a hyperinflationary economy, presented in a functional currency (that of the main economic area in which the entity operates) other than the presentation currency of the Consolidated Financial Statements (the euro), are translated to euros using the year-end exchange rate method, according to which:

- Equity is translated at the historical exchange rate.
- Items in the income statement are translated using the average exchange rate for the period as an approximation of the exchange rate at the transaction date.
- The other balance sheet items are translated at the year-end exchange rate.

As a result, exchange differences are included under "Reserves – Translation differences" in equity in the consolidated balance sheet.

(VIII) Other

Currency translation differences arising from the translation of a net investment in a foreign operation and from loans and other instruments in a currency other than euro designated as hedges of those investments are recognised in equity. When the investment is sold, any exchange differences are recognised in the consolidated income statement as part of the gain or loss on the sale.

Adjustments to goodwill and to fair value arising from the acquisition of a foreign operation are considered assets and liabilities of the foreign operation and are translated using the year-end exchange rate.

h) Changes in the scope of consolidation

Movements in 2023

Acquisitions, incorporations and divestments

The most significant changes in the scope of consolidation and in the companies included in it during the 2023 financial year were as follows:

Name of the company	Date	Company with direct shareholding and % acquired/diluted/divested		Consolidation method
Acquisitions/incorporations:				
On Tower Poland sp z.o.o.	30/06/2023	Cellnex Poland sp z.o.o	30%	Full
Cellnex Nordics, S.L.	03/11/2023	Cellnex Telecom, S.A.	100%	Full
Divestments:				
Cellnex Nordics, S.L.	30/11/2023	Cellnex Telecom, S.A.	49%	Full
Cellnex Sweden AB	30/11/2023	Cellnex Nordics, S.L.	49%	Full
On Tower Sweden, AB	30/11/2023	Cellnex Sweden	49%	Full
Cellnex Denmark ApS	30/11/2023	Cellnex Nordics, S.L.	49%	Full
On Tower Denmark ApS	30/11/2023	Cellnex Denmark	49%	Full
Cellnex Netherlands BV	23/06/2023 and 28/09/2023	Cellnex Telecom, S.A.	0.57%	Full
Towerlink Netherlands BV	23/06/2023 and 28/09/2023	Cellnex Netherlands BV	0.57%	Full
Breedlink BV	23/06/2023 and 28/09/2023	Cellnex Netherlands BV	0.57%	Full
Shere Masten BV	23/06/2023 and 28/09/2023	Cellnex Netherlands BV	0.57%	Full
Alticom BV	23/06/2023 and 28/09/2023	Cellnex Netherlands BV	0.57%	Full
On Tower Netherlands subgroup	23/06/2023 and 28/09/2023	Cellnex Netherlands BV	0.57%	Full
Cignal Infrastructure Netherlands BV	23/06/2023 and 28/09/2023	Cellnex Netherlands BV	0.57%	Full
The Broadcast Group	23/06/2023 and 28/09/2023	Cellnex Netherlands BV	0.57%	Full

I) Acquisition of an additional stake in On Tower Poland

In the first half of 2023, Cellnex and Iliad Purple entered into an agreement pursuant to which Cellnex (through Cellnex Poland, of which Cellnex owns 100%) acquired an additional 30% interest in the share capital of On Tower Poland sp. z o.o. ("On Tower Poland") from Iliad Purple, for an amount of approximately PLN 2,273 million (with a Euro value of EUR 512 million as of 30 June 2023, the date of completion), exclusive of taxes. Following this acquisition, Cellnex Poland held 100% of On Tower Poland as of 31 December 2023. Thus, the indirect stake that Cellnex held in On Tower Poland increased from 70% to 100% at 31 December 2023.

Since the aforementioned transaction did not modify the controlling position in On Tower Poland, it has been treated as an equity transaction carried out with a non-controlling interest (see Note 14.f). This accounting treatment is supported by the guidance in paragraph 23 of IFRS 10 to recognise any adjustments related to changes in the parent's ownership interest that do not result in the parent losing or gaining control over a subsidiary as ownership transactions.

II) Incorporation of Cellnex Nordics

In the context of Stonepeak acquisition of the 49% interest in Cellnex's businesses in Sweden and Denmark, on 3 November 2023 Cellnex Nordics, S.L. ("Cellnex Nordics") has been incorporated through the non-monetary contribution made by Cellnex Telecom, S.A. consisting in the 100% of the shares of Cellnex Sweden AB and Cellnex Denmark ApS.

III) Dilution of the stake in Cellnex Netherlands subgroup

As detailed in Note 10, during 2023, after the entry of new partners into the share capital of Digital Infrastructure Vehicle I SCSp ("DIV"), Cellnex received contributions returns of its initial investment in DIV (therefore fully related to T-Mobile Infra Acquisition and, consequently, to the participation in Cellnex Netherlands subgroup) for a total amount of EUR 12 million. Thus, Cellnex's initial investment in DIV was diluted by 1.52%, from 20.62% to 19.10%.

As a result of the above, at 31 December 2023, Cellnex's stake in the Cellnex Netherlands subgroup decreased by 0.57%, from 70.11% to 69.54% (see Note 14.f. of the accompanying Consolidated Financial Statements).

IV) Disposal of 49% stake in Sweden and Denmark to Stonepeak

On 29 September 2023, Cellnex Telecom SA agreed to sell to Stonepeak a 49% interest in its businesses in Sweden and Denmark through the sale of the 49% of the new incorporated company Cellnex Nordics, which in turn owns the 100% of Cellnex Sweden AB ("Cellnex Sweden") and Cellnex Denmark ApS ("Cellnex Denmark"), comprising around 4,600 towers, for a total consideration of approximately EUR 730 million. Of the total consideration, EUR 551 million have been already received in cash at completion, 30 November 2023, EUR 130 million are due in three years (EUR 100 million at its net present value), and an earn-out of up to approximately EUR 45 million is expected in 2026.

As a result of this transaction, Cellnex retains the 51% of the share capital of Cellnex Nordics and maintain the effective control over Cellnex Nordics and its subsidiaries, as it holds ownership interests of over 50% and by virtue of the shareholders' agreement entered into with Stonepeak, which gives Cellnex decision-making capacity over the investees' relevant activities and also the control over the returns of the investment, whereas Stonepeak has certain protective rights.

Since the Group has not ceded control over the investee company the impact of the sale has been recognised as an equity transaction, recording a positive impact in reserves an amount of EUR 122 million as the difference between the selling price and the carrying amount of the interest sold (see Notes 14.c.ii and 14.c.iii), which is recognised in the caption "Reserves of consolidated companies" of the accompanying Consolidated Financial Statements.

As stated above, the sale purchase agreement includes a contingent price, earn-out, that could give rise to an additional collection by Cellnex amounting to up to EUR 45 million. This earn-out would be payable upon Cellnex execution of 3GIS call option in Sweden agreed with Hutchison (see Integrated Annual Report for the year ended on 31 December 2021). Given the fact that the exercise of the call option by Cellnex is assessed as highly probable given that it mainly depends on Cellnex decision, the contingent price has been recognised at completion and, consequently, an amount of EUR 43 million has been registered (EUR 35.8 million at its net present value) for the aforementioned asset in the Consolidated Financial Statements at 31 December 2023.

Finally, the signed shareholders' agreement includes a dividends policy and certain exit provisions upon the expiry of a given period of time, that are structured following customary characteristics (see Note 14.d).

Transactions between companies in the scope of consolidation

Furthermore, in 2023, the following transactions were performed between companies in the scope of consolidation, which, accordingly, did not have an impact on these Consolidated Financial Statements:

Selling/ Spun-off company	Buying/ Resulting company	Comments	Date
Liquidations:			
Cignal Infrastructure Portugal, SA		Liquidation of the company	21/12/2023
Contributions:			
Cellnex Telecom, S.A.	Cellnex Nordics, S.L.	Contribution in kind of Cellnex Sweden AB and Cellnex Denmark Aps shares and intercompany loans	03/11/2023
Mergers:			
Nextcell S.r.L.	Cellnex Italia, S.p.A.	Merger by absorption of Cellnex Italia, S.p.A. (absorbing company), with Nextcell S.r.L. (absorbed company).	01/11/2023
Retower S.r.L.	Cellnex Italia, S.p.A.	Merger by absorption of Cellnex Italia, S.p.A. (absorbing company), with Retower S.r.L. (absorbed company).	01/11/2023
Infratower Portugal, S.A.	OMTEL, Estructuras de Comunicaçoes, S.A.	Merger by absorption of OMTEL, Estructuras de Comunicaçoes, S.A. (absorbing company), with Infratower Portugal, S.A. (absorbed company).	04/12/2023
Hivory Portugal, S.A.	OMTEL, Estructuras de Comunicaçoes, S.A.	Merger by absorption of OMTEL, Estructuras de Comunicaçoes, S.A. (absorbing company), with Hivory Portugal, S.A. (absorbed company).	04/12/2023

Movements in 2022

Acquisitions, incorporations and divestments

The most significant changes in the scope of consolidation and in the companies included in it during the 2022 financial year were as follows:

Name of the company	Date	Company with direct shareholding and % acquired/diluted		Consolidation method
Acquisitions/incorporations:				
On Tower Poland sp z.o.o.	02/03/2022	Cellnex Poland sp z.o.o	10%	Full
On Tower France, S.A.S.	02/03/2022	Cellnex France Groupe, S.A.S.	30%	Full
Hivory Portugal, S.A.	31/03/2022	CLNX Portugal, S.A.	100%	Full
CK Hutchison Networks (UK) Limited	10/11/2022	Cellnex UK Limited	100%	Full
Divestments:				
Cellnex Netherlands BV	30/09/2022 and 26/08/2022	Cellnex Telecom, S.A.	5%	Full
Towerlink Netherlands BV	30/09/2022 and 26/08/2022	Cellnex Netherlands BV	5%	Full
Breedlink BV	30/09/2022 and 26/08/2022	Cellnex Netherlands BV	5%	Full
Shere Masten BV	30/09/2022 and 26/08/2022	Cellnex Netherlands BV	5%	Full
Alticom BV	30/09/2022 and 26/08/2022	Cellnex Netherlands BV	5%	Full
On Tower Netherlands subgroup	30/09/2022 and 26/08/2022	Cellnex Netherlands BV	5%	Full
Cignal Infrastructure Netherlands BV	30/09/2022 and 26/08/2022	Cellnex Netherlands BV	5%	Full

I) Acquisition of an additional stake in On Tower Poland

In the first quarter of 2022, Cellnex Poland and Iliad Purple entered into an agreement pursuant to which, Cellnex (through Cellnex Poland, of which Cellnex owns 100%) acquired an additional 10% interest in the share capital of On Tower Poland, for an amount of approximately PLN 615 million (with a Euro value of EUR 131 million as of the date of completion), exclusive of taxes. This price implied the same valuation of On Tower Poland applied at the closing of the Iliad Poland Acquisition. Pursuant to this acquisition, Cellnex Poland held 70% of On Tower Poland as of 31 December 2022. Thus, the indirect stake that Cellnex held in On Tower Poland increased from 60% to 70% as at 31 December 2022.

Since the aforementioned transaction did not modify the controlling position in On Tower Poland, it was treated as an equity transaction carried out with a non-controlling interest (see Note 14.f). This accounting treatment was supported by the guidance in paragraph 23 of IFRS 10 to recognise any adjustments related to changes in the parent's ownership interest that do not result in the parent losing or gaining control over a subsidiary as ownership transactions.

II) Acquisition of an additional stake in On Tower France, S.A.S.

In the first quarter of 2022, Cellnex France Groupe, Iliad, On Tower France and Free Mobile entered into an agreement pursuant to which Cellnex (through Cellnex France Groupe, of which Cellnex owns 100%) acquired an additional 30% interest in the share capital of On Tower France, S.A.S ("On Tower France") from Iliad, S.A. ("Iliad"), for an amount of EUR 950 million, exclusive of taxes (the price of this acquisition was very inflationary, affected by the performance of the underlying assets). Following this acquisition, Cellnex France Groupe held 100% of On Tower France as of 31 December 2022. Thus, the indirect stake that Cellnex held in On Tower France increased from 70% to 100% as at 31 December 2022. Additionally, at the same date, Cellnex France Groupe, Iliad, On Tower France and Free Mobile entered into another agreement pursuant to which Cellnex enhanced the build-to-suit programmes with 2,000 new sites (additional to the minimum 2,500 sites already committed) (see Note 5 of the Consolidated Financial Statements ended as of 31 December 2019) until 2027, with an Enterprise Value of EUR 639 million.

Since the aforementioned transaction did not modify the controlling position in On Tower France, it was treated as an equity transaction carried out with a non-controlling interest (see Note 14.f). This accounting treatment was supported by the guidance in paragraph 23 of IFRS 10 to recognise any adjustments related to changes in the parent’s ownership interest that do not result in the parent losing or gaining control over a subsidiary as ownership transactions.

III) Acquisition of Hivory Portugal

In addition to the transaction closed with MEO in the second half of 2021 (see Notes 2.h and 6 of the 2021 Consolidated Financial Statements), in the second quarter of 2022, Cellnex acquired, (through its fully owned subsidiary CLNX Portugal) 100% of the share capital of Hivory Portugal S.A. ("Hivory Portugal"), another portfolio of 102 sites in Portugal. The transaction involved an estimated total consideration (Enterprise Value) of approximately EUR 70 million.

The transaction was completed in 2022 following the receipt of customary regulatory authorizations. Thus, Hivory Portugal was fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2022 the value of all of its assets and liabilities has been included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year ended on 31 December 2022. The transaction was accounted for as an asset acquisition rather than as a business combination, as these assets and liabilities acquired are a residual vestige from a previous transaction accounted for as a Business Combination under IFRS 3 (see Note 6), where inputs and processes were identified, and a purchase price allocation exercised was performed.

IV) The Hutchison United Kingdom Acquisition

The CK Hutchison Holdings Transactions in respect of United Kingdom was completed in the last quarter of 2022, following satisfaction or waiver of all applicable conditions precedent, including in connection with customary anti-trust and foreign investment clearances (the “Hutchison United Kingdom Acquisition”). This business combination was structured through the contracts described in Note 6 and, as a result of the operation, as of 31 December 2022, the Group fully owned the CK Hutchison UK tower business unit comprising: i) 100% of the share capital of CK Hutchison Networks (UK) Limited (“Networks Co UK”), which owned 1,550 sites as well as the commitment of 1,225 additional sites that will be built and transferred to Cellnex and ii) the rights and obligations in relation to 7,324 of the sites (including any accompanying passive infrastructure) currently managed by a joint operation between Hutchison and a third party (such joint operation currently manages both active and passive infrastructure), as well as up to 342 sites that Hutchison may acquire from that third party (following the termination of this joint operation, which is expected to occur in 2031, and the transfer of legal title in certain of those sites to Hutchison, the legal title to a minimum of 3,000 sites but up to a maximum of 3,833 sites will be transferred to a member of the Group without cost for the Cellnex Group).

The total consideration upon closing by the Group under the CK Hutchison Agreements was partially paid in cash, EUR 2,312 millions, and the remaining consideration was satisfied by the issuance of 27,147,651 new Cellnex shares (see Note 14) and the transfer of 6,964,144 treasury shares (see Note 14) whose fair value amounted to an aggregate of EUR 1,237 million at the competition date. The Cellnex shares subscribed by Hutchison are subject to a 12-month lock-up on customary terms.

As a result of the aforementioned, the CK Hutchison UK tower business was fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2022 the value of all of its assets and liabilities has been included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year ended on 31 December 2022.

V) Dilution of the stake in Cellnex Netherlands subgroup

As detailed in Note 10, during 2022, after the entry of new shareholders into the share capital of Digital Infrastructure Vehicle I SCSp (“DIV”), Cellnex received contributions returns of its initial investment in DIV (therefore fully related to T-Mobile Infra Acquisition and, consequently, to the participation in Cellnex Netherlands subgroup) for a total amount of EUR 52 million. Thus, Cellnex's initial investment in DIV was diluted by 12.71%, from 33.33% to 20.62%.

As a result of the above, at 31 December 2022, Cellnex's stake in the Cellnex Netherlands subgroup decreased by 5%, from 75% to 70% (see Note 14.f of the accompanying Consolidated Financial Statements).

Transactions between companies in the scope of consolidation

Furthermore, in 2022, the following transactions were performed between companies in the scope of consolidation, which, accordingly, did not have an impact on these Consolidated Financial Statements:

Selling/ Spun-off company	Buying/ Resulting company	Comments	Date
Liquidations:			
Gestora del Espectro, S.L.		Liquidation of the company	08/03/2022
Mergers:			
CK Hutchison Italia, S.r.L.	Cellnex Italia, S.p.A.	Merger by absorption of Cellnex Italia, S.p.A. (absorbing company), with CK Hutchison Italia S.r.L. (absorbed company).	01/04/2022
Hivory II, S.A.S.	Cellnex France Groupe, S.A.S.	Merger by absorption of Cellnex France Groupe, S.A.S.. (absorbing company), with Hivory II, S.A.S. (absorbed company).	21/10/2022
Towerco, S.p.A.	Cellnex Italia, S.p.A.	Merger by absorption of Cellnex Italia, S.p.A. (absorbing company), with Towerco, S.p.A. (absorbed company).	01/07/2022

Furthermore, in 2022, the subsidiary formerly called Herbert in Building Wireless Limited changed its name to Cellnex UK In-Bulding Solutions Limited and the subsidiary formerly called Network Co UK changed its name to Cignal Infrastructure UK Limited.

3. Accounting policies and measurement bases

The main accounting policies used when preparing the Consolidated Financial Statements, in accordance with those established by the International Financial Reporting Standards adopted by the European Union (EU-IFRS), as well as the interpretations in force when drawing up these Consolidated Financial Statements, that include an option permitted by IFRS or, as the case may be, on the basis of the specific nature of the industry in which the Group operates or of materiality, were as follows:

a) Property, plant and equipment

Property, plant and equipment is stated at cost less depreciation and any accumulated impairment losses. Any grants related to assets reduce the cost of acquisition and are recognised when the entity complies with the conditions attaching to collection. Grants are credited to profit and loss on a straight-line basis over the useful life of the asset financed, with a reduction in the amortisation charge for the year.

The depreciation of property, plant and equipment is calculated systematically, using the straight-line method, over the useful life of the assets, based on the actual decline in value caused by their use and by wear and tear.

The depreciation is calculated systematically using the straight-line method over the useful life of the asset, according to the following useful lifes:

Asset	Useful life
Buildings and other constructions	7-50 years
Plant and machinery	3-17 years
Tooling	3-14 years
Other facilities	3-14 years
Furniture	5-10 years
Computer equipment	3-5 years
Other property, plant and equipment	4-13 years

The “Property, Plant and Equipment” also includes, when applicable, the net present value of cost for asset retirement obligation. This relates to the Group’s best estimate of the legal obligation in relation to the retirement of tangible assets with long useful lives, such as, for example, infrastructures for mobile telecommunications operators. It is calculated using estimates of the present value of the cash payments required to dismantle the assets, taking into consideration all the information available at the balance sheet date.

b) Intangible assets

The intangible assets indicated below are stated at acquisition cost less accumulated amortisation and any impairment losses, useful life being evaluated on the basis of prudent estimates. Any grants related to assets reduce the cost of acquisition of the asset and are recognised when the entity complies with the conditions attaching to collection. Grants are credited to profit and loss on a straight-line basis over the useful life of the asset financed, with a reduction in the amortisation charge for the year.

The depreciation is calculated systematically using the straight-line method over the useful life of the asset, according to the following useful lifes:

Asset	Useful life
Computer software	3-5 years
Concession intangible assets	Duration of the concession agreement
Customer network services contracts	Up to 20 years
Network location	Up to 20 years
Other intangible assets	10-40 years

I) Intangible assets for telecom infrastructure services

With reference to the acquisition of telecom infrastructures in a business combination, the price agreed upon in the commercial sale and purchase agreement refers to the acquisition of an asset with two components: the physical asset (tower and other equipment and fixtures) and an intangible asset 'customer network service contracts and network location' in order to be able to provide the service to mobile operators. In this context, this heading records the amounts paid in the business combinations that correspond to the fair value of the net assets acquired, mainly consisting of:

- Concession intangible assets

  Includes the contracts signed with mobile operators as well as the locations of the telecom infrastructures used, which are subject to administrative concession.

  The amount recognised represents the discounted cash flow that the site where the infrastructure is located will generate from the various operators. This asset is depreciated in the period over which the Group is able to obtain income from the network coverage area. In this case, the only intangible asset recorded by the Group corresponds to the business combination of the company TowerCo S.p.A. and it is amortised on a straight-line basis until 2038.

- Customer network services contracts and Network location

  "Customer network services contracts" relates to the customer base existing at the acquisition date due to the Group's infrastructure service contracts with the anchor carrier and to the future returns expected to be generated because of the relationships with customers beyond the periods covered by the contracts.

  Additionally, "Network location", represents the incremental revenues and cashflows from additional infrastructure service agreements with carriers, not yet present at the date of acquisition and it is valued independently from the remaining intangible assets.

  Both intangible assets meets the recognition criteria: i) arise from contractual or other legal rights; regardless of whether those rights are transferable or separable from the entity or from other rights and obligations; or ii) be separable, that is, be capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability. Regarding "Network location", the intangible assets met the separability criteria, given that the excess available capacity can be used to offer network access services to third parties and, additionally, under IFRS 3 (B33), an intangible asset that the acquirer would be able to sell, license or otherwise exchange for something else of value meets the separability criterion even if the acquirer does not intend to sell, license or otherwise exchange it.

  Finally, for the valuation of "Customer network services contracts" and "Network location" intangible assets, the Parent Company has used the Multi-Period Earnings methodology, according to the financial projections of the different businesses affected. This method considers the use of other assets in the generation of the projected cashflows of a specific asset in order to isolate the economic benefit generated by the intangible asset. The contribution of the other assets such as fixed assets, working capital, labour and other intangible assets to the total cash flows is estimated through charges for contributing assets. This adjustment is made to separate the value of the specific assets from the portion of the purchase price that has already been allocated to net tangible assets and other intangible assets used. Therefore, the value of intangible assets is the present value of cash flows after potentially attributable taxes, net of the return on the fair value attributable to the tangible and intangible assets.

Acquired "Customer network services contracts" and "Network location" intangibles are amortised over the shorter of the term of the corresponding ground lease taking into consideration lease renewals or up to 20 years, as the Parent Company considers these intangibles to be directly related to the infrastructure assets.

II) Goodwill

Goodwill generated in various business combinations represents the excess of the acquisition cost over the fair or market value of all the Group's or the company's identifiable net assets acquired at the acquisition date.

Given that goodwill is considered as an asset of the acquired company/group (except that generated prior to 1 January 2004), in the application of the IFRS 1 they were considered as assets of the acquiree and in the case of a subsidiary with a functional currency other than the euro, goodwill is stated in the subsidiary's functional currency and is translated to euros using the exchange rate prevailing at the reporting date, as indicated in Note 2.g.VIII.

Any impairment of goodwill recognised separately (that of subsidiaries and joint ventures) is reviewed annually through an impairment test (or in intermediate periods if there are signs of impairment), to determine whether its value has declined to a level below the carrying amount, and any impairment loss is recognised in consolidated profit or loss for the year, as applicable (see Note 3.c). Any impairment loss recognised for goodwill is not reversed in a subsequent period.

Goodwill included in the carrying amount of the investment in associates is not tested separately. Rather, under IAS 36, whenever there is an indication that the investment may be impaired, the total carrying amount of the investment is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with the carrying amount.

The loss or gain on the sale of an entity includes the carrying amount of its goodwill.

c) Impairment losses on non-financial assets

The Group assesses, at each reporting date, whether there is an indication than an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required (in the case of goodwill), the Group estimates the asset's recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows that the asset is expected to generate are discounted to their present value using an interest rate that reflects the current time value of money and the risks specific to the assets.

In the event that the asset analysed does not generate cash flows that are independent of those from other assets (as is the case for goodwill), the fair value or value in use of the cash-generating unit that includes the asset (smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets) is estimated. In the event of an impairment loss for a cash-generating unit, the loss is first allocated to reduce the carrying amount of any goodwill allocated and then to the other assets pro rata on the basis of the carrying amount of each asset.

In relation with right-of-use, from a purely conceptual perspective, since in general, right-of-use assets do not generate cash inflows that are largely independent of other assets, it is not possible to estimate the recoverable value of the asset at the individual level and therefore, they would be included in the book values of the cash generating units (CGUs) to which they belong in order to analyze their recoverability. Thus, the right-of-use asset would be included in the calculation of the value of the CGU, while the corresponding lease liability would not reduce the previous amount. It should be noted in this connection that the mentioned methodology must be approximately equivalent (in terms of calculating any possible impairment losses) to the methodology applied prior to the effective date of IFRS 16.

Impairment losses (excess of an asset's carrying amount over the recoverable amount) are recognised in the consolidated income statement for the year.

With the exception of goodwill, where impairment losses are irreversible, the Group assesses at the end of each reporting period whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated.

An impairment loss recognised in prior periods is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. In such a case, the carrying amount of the asset is increased to its recoverable amount. The increased carrying amount shall not exceed the carrying amount that would have been determined, net of amortisation or depreciation, had no impairment loss been recognised for the asset in prior years. This reversal would be recognised in the consolidated income statement for the year.

d) Investments and other financial assets (excluding derivative financial instruments)

Financial assets and financial liabilities (see Notes 11, 12 and 15) are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group determines the classification of its financial assets at initial recognition. At 31 December 2023 and 2022, financial assets were classified mainly, as financial assets at amortized cost and correspond, mainly, to "Trade and other receivables".

Above mentioned financial assets, are measured subsequently in their entirety at amortised cost applying the effective interest method.

The Group derecognises financial assets when they expire or the rights over the cash flows of the corresponding financial asset have been assigned and the risks and benefits inherent to their ownership have been substantially transferred, such as in the case of firm asset sales, non-recourse factoring of trade receivables in which the Group does not retain any credit or interest rate risk, sales of financial assets under an agreement to repurchase them at fair value and the securitisation of financial assets in which the transferor does not retain any subordinated debt, provide any kind of guarantee or assume any other kind of risk.

However, the Group does not derecognise financial assets, and it recognises a financial liability for an amount equal to the consideration received in transfers of financial assets in which substantially all the risks and rewards of ownership are retained, such as in the case of note and bill discounting, with-recourse factoring, sales of financial assets subject to an agreement to buy them back at a fixed price or at the selling price plus a lender's return and the securitisation of financial assets in which the transferring group retains a subordinated interest or any other kind of guarantee that absorbs substantially all the expected losses.

At least at each reporting date, the Group determines whether there is any indication that an asset or group of assets is impaired, so that any impairment loss can be recognised or reversed in order to adjust the carrying amount of the assets to their fair value. The Group estimates a provision for impairment in accordance with an expected loss model in financial assets valued at amortized cost, mainly trade receivables. The measurement of the expected credit losses is a function of: the probability of default, the loss given the default (i.e., the magnitude of the loss if there is a predetermined value) and the exposure at the predetermined value. The Group has made this estimate taking into consideration, among other aspects, the diversity of clients according to their type or segment, grouped by country or geography, as well as differentiating their sector or industry, choosing an appropriate credit spreads curve for each of them. financial assets, as well as an analysis of historical defaults of the Group.

The Group always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables. Expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, when available, adjusted where necessary by factors that are specific to the borrower, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including the time value of money where appropriate.

For all other financial instruments, the Group recognises the expected credit losses that result from all possible default events over the expected life of the financial instrument when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument using the general criterion, i.e., recognition of the expected credit losses that result from default events that are possible within the 12 months after the reporting date.

e) Derivative financial instruments

The Group uses derivative financial instruments to manage its financial risk, arising mainly from changes in interest rates and exchange rates (see Note 4). These derivative financial instruments, whether or not classified as hedges, were classified either at fair value (both initially and subsequently), using valuations based on the analysis of discounted cash flows using assumptions that are mainly based on the market conditions at the reporting date and adjusting for the bilateral credit risk in order to reflect both the Group's risk and the counterparty's risk.

All derivative financial instruments are recognised as assets or liabilities on the consolidated balance sheet at their fair value, with changes in fair value recognised in consolidated income statement for the year. However, with hedge accounting, the effective portion of the hedge (fair value hedges, cash flow hedges and hedges of a net investment in a foreign currency) is recognised in equity.

The fair value of the derivative financial instruments used for hedging purposes is set out in Note 11, and the change in the hedging reserve recognised in consolidated equity is set out in Note 14.

Hedge accounting, when considered to be such, is discontinued when the hedging instrument expires or is sold, terminated or exercised or when it no longer qualifies for hedge accounting. Any accumulated gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net accumulated gain or loss recognised in equity is transferred to net profit or loss for the year.

I) Fair value and valuation techniques

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, irrespective of whether that price is directly observable or estimated using another valuation technique.

For financial reporting purposes, fair value measurements are classified into level 1, 2 or 3 depending on the extent to which inputs used are observable and the importance of those inputs for measuring fair value in its entirety, as described below:

- Level 1 - Inputs are based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs are based on quoted prices for similar assets or liabilities in active markets (not included in level 1), prices quoted for identical or similar assets or liabilities in markets that are not active, techniques based on valuation models for which all relevant inputs are observable in the market or can be corroborated by observable market data.
- Level 3 - In general, inputs are unobservable and reflect estimates based on market assumptions to determine the price of the asset or liability. Unobservable data used in the valuation models are significant in the fair values of the assets and liabilities.

In order to adopt IFRS 13, the Group must adjust the valuation techniques it uses for obtaining the fair value of its derivatives. The Group includes an adjustment for bilateral credit risk in order to reflect both its own risk, as well as counterparty risk in the fair value of its derivatives.

To determine the fair value of its derivatives, the Group uses valuation techniques based on expected total exposure (which includes both current exposure as well as potential exposure) adjusted for the probability of default and loss given default of each counterparty.

The expected total exposure of the derivatives is obtained using observable market inputs such as interest rate, exchange rate and volatility curves in accordance with the market conditions at the measurement date. The inputs used for the probability of default by the Group and by the counterparties are estimated on the basis of the credit default swap (CDS) prices observed in the market, when these exists.

In addition, in order to reflect the credit risk in the fair value the market standard of 40% is applied as a recovery rate, which relates to the CDS in relation to senior corporate debt.

As at 31 December 2023 and 2022 the Group had derivative financial instruments (see Note 11).

f) Financial liabilities and Equity

I) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

II) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Parents Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

III) Compound instruments

The component parts of convertible loan notes issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option by the issuer that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Parent Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case the balance recognised in equity will be transferred to "Other equity". Where the conversion option remains unexercised at the maturity date of the convertible loan or bond, the balance recognised in equity will be transferred to "Other equity". No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible loan or bond are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible loan notes using the effective interest method.

IV) Financial liabilities

Borrowings, debentures and similar liabilities are initially recognised at fair value, including the costs incurred in raising the debt. In subsequent periods, they are measured at amortised cost. Any difference between the funds obtained (net of the costs required to obtain them) and the repayment value, if any and if significant, is recognised in the consolidated income statement over the term of the debt at the effective interest rate.

Borrowings with floating interest rates hedged with derivatives that change the interest rate from floating to fixed are measured at fair value of the hedged item. Changes in the borrowings are taken to income, thus offsetting the impact on profit and loss of the change in the derivative instrument's fair value. The borrowings with floating interest rates hedged with derivatives are not significant.

When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (i) the carrying amount of the liability before the modification; and (ii) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

Financial liabilities are derecognised when the obligations giving rise to them cease to exist. In the case of an exchange of debt instruments between the Group and a third party with substantially different terms, the Group derecognises the original financial liability and recognises the new financial liability. The difference between the carrying amount of the original liability and the consideration paid, including attributable transactions costs, is recognised in the consolidated income statement for the year.

g) Employee benefits

Under the respective collective bargaining agreements, different Group companies have the following obligations with their employees:

I) Post-employment obligations:

Defined contribution obligations

In relation to defined contribution employee welfare instruments (which basically include employee pension plans and Group insurance policies), the Group makes fixed contributions to a separate entity and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. Consequently, the obligations under this type of plan are limited to the payment of contributions, the annual expense of which is recognised in the consolidated income statement for the year as the obligations arise.

Defined benefit obligations

Defined benefit obligations relate mainly to bonuses or payments for retirement from the company and temporary and/or life-time annuities.

With regard to these obligations, where the company assumes certain actuarial and investment risks, the liability recognised on the balance sheet is the present value of the obligations at the reporting date less the fair value of any plan assets at that date not arranged with related parties.

The actuarial valuation of the defined benefits is made annually by independent actuaries using the projected unit credit method to determine both the present value of the obligations and the related current and past service costs. The actuarial gains and losses arising from changes in the actuarial assumptions are recognised in the year in which they occur. They are not included in the consolidated income statement, but presented in the consolidated statement of comprehensive income.

II) Other long-term benefits

Regarding other long-term employee benefits, relating mainly to length of service at the company, the liability recognised on the balance sheet coincides with the present value of the obligations at the reporting date as they do not include any plan assets.

The projected unit credit method is used to determine both the current value of the liabilities at the balance sheet date and the cost of the services provided in the current and prior years. The actuarial gains and losses that arise from changes in the actuarial assumptions are recognised, unlike the post-employment liabilities, in the year in which they occur on the consolidated income statement for the year.

III) Severance pay

Severance pay is given to employees as a result of the decision to terminate their work contract before the normal retirement age or when the employee voluntarily accepts to resign in exchange for such compensations. The Group recognises these benefits when it is demonstrably committed to terminate the employment of the employees in accordance with a formal detailed plan without the possibility of withdrawal or to provide severance pay. If a mutual agreement is required, a provision is only recorded in situations in which the Group has decided to give its consent to the resignation of the employees when this has been requested by them.

IV) Obligations arising from plans for termination of employment

Provisions for obligations relating to plans for termination of employment of certain employees (such as early retirement or other forms of employment termination) are calculated individually based on the terms agreed with the employees. In some cases, this may require actuarial valuations based on both demographic and financial assumptions.

V) Long Term Incentive Plan

Liabilities recognised in respect of Long Term Incentive Plan are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 19. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight- line basis over the vesting period, based on the Group’s estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

The amounts considered by the Group in relation to the Long-term Incentive Plans ("LTIP") which were formalised in 2020, 2021, 2022 and 2023 with the objective to retain key personnel and incentivise the sustainable creation of value for the shareholders, is based on the variables described below. These LTIPs are rolling which means that every year a new plan is set up for the next three years. Therefore, those LTIPs formalised in 2020, 2021, 2022 and 2023 will remunerate management in 2022, 2023, 2024 and 2025, respectively, after the approval of annual accounts by the Annual General Shareholders' Meeting which will take place in the first half of the corresponding year.

h) Provisions and contingencies

The main provisions of the Group as of 31 December 2023 and 2022 are as follows:

- Provision for asset retirement obligation: this relates to the Group's best estimate of the legal obligation in relation to the retirement of tangible assets with long useful lives, such as, for example, infrastructures for mobile telecommunications operators. It is calculated using estimates of the present value of the cash payments required to dismantle the assets, taking into consideration all the information available at the balance sheet date. Due to the uncertainties inherent to the estimations necessary for determining the amount of the provision, the actual expenses may differ from the amounts originally recognised on the basis of the estimates made.

- Provision in relation to completed business combinations: In accordance with IFRS 3, Cellnex recognises contingent liabilities assumed in business combinations at the acquisition date, even if it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in relation with certain risks associated with the business acquired that have been assessed by the Group with the assistance of independent third party experts. For business combinations that involve the assumption of provisions for contingencies or other obligations, the provision are measured taking into account the amount estimated to be necessary to settle the obligation and the associated probability of the event that generates the obligation occurring. These provisions are subject to monitoring to assess the occurrence of the risk and, when applicable, its potential prescription and, consequently, proceed to its reversal.

i) Revenue recognition

The various activities that contribute to the Group's revenue from the rendering of services are organised and administered separately based on the nature of the services provided:

- Telecom Infrastructure Services: this is the Group's main segment by turnover. It provides a wide range of integrated network infrastructure services to enable access to the Group's wireless infrastructure by Mobile Network Operators ("MNOs"), other wireless telecommunications, broadband network operators, among others, allowing such operators to offer their own services to their customers. Telecom Infrastructure Services are generated from a number of sources: i) annual base fee from telecommunications customers (both anchor and secondary tenants), ii) escalators or inflation as the annual update of the base fee and, iii) New colocations and associated revenues (which include new third party colocations as well as further initiatives carried out in the period such as special connectivity projects, indoor connectivity solutions based on DAS, mobile edge computing, fiber backhauling, site configuration changes as a result of 5G rollout, Engineering Services and housing of different clients of broadcasters). The perimeter, therefore the number of tenants, may also be increased as a result of both acquisitions and BTS programs executions.

  The services that the Group provides to its customers include infrastructure support services, which in turn include the access of infrastructure networks to telecommunications operators or broadcasters that use wireless technologies. The Group acts as a neutral carrier for mobile network operators and other telecommunications operators that normally require complete access to the infrastructure network to provide services to the end customers.

  Additionally the consolidated income statement for the year includes income from re-charging costs, for example energy, related to infrastructure services activities for mobile telecommunications operators to third parties.

- Broadcasting infrastructure: this is the Group's second main segment by turnover. Corresponding to broadcasting services in Spain, where Cellnex is the only operator offering nationwide coverage of the digital terrestial television ("DTT") service (source: CNMC). Its services consist of the distribution and transmission of television and radio signals, the operation and maintenance of broadcasting networks, the provision of connectivity for media content and over-the-top ("OTT") broadcasting and other services. Through the provision of broadcasting services in Spain, The Group has developed unique know-how that has helped to develop other services within its portfolio.

- Other Network Services: the Group provides the infrastructure required to develop a connected society by providing network services such as data transport, security and control, Smart communication networks including Internet of Things ("IoT"), Smart Services, managed services and consulting, as well as optic fiber services. As a telecom infrastructure operator, the Group can facilitate, streamline and accelerate the deployment of these services through the efficient connectivity of objects and people, in both rural and urban environments, helping to build territories enabled by genuine Smart Infrastructure services. This constitutes a specialized business that generates relatively stable cash flows with potential for further growth.

  The Group classifies Other Network Services into five groups: (i) connectivity services; (ii) PPDR services; (iii) operation and maintenance; (iv) Smart Cities/IoT ("Internet of Things"); and (v) other services.

  In relation to this business segment, during 2018, Cellnex incorporated the XOC, a concessionary company dedicated to the management, maintenance and construction of the optical fiber network of the Generalitat de Catalunya.

When the Group enters into an agreement with a customer, service deliverables under the contract are identified as separate performance obligations ("obligations") to the extent that the customer can benefit from the goods or services on their own and that the separate services are considered distinct from other services in the agreement. Where individual services do not meet the criteria to be identified as separate obligations they are aggregated with other services in the agreement until a separate obligation is identified. The obligations identified will depend on the nature of individual customer contracts but might typically be separately identified for all above mentioned services. When in the signed agreements there is no identified price for each obligation, unusual in the Group, the transaction price is allocated between the identified obligations according to the relative standalone selling prices of the obligations.

The revenue is recognised when the respective obligations in the contract are delivered to the customer and cash collection is probable, according to the following: i) the various services are provided through service agreements ("MSA") or lease agreements ("MLA"), for the infrastructure, in order to distribute the broadcasting or mobile signals, for a certain amount and for a certain length of time. The Group recognises revenue on a straight-line basis over the period in which the services are provided, and consequently, the obligation is satisfied, as established in the respective contracts. In this regard, inflation clauses tied to consumer price index ("CPI"), or other inflation-based indices, and other incentives included in the agreements with the Groups' tenants are excluded from the straight-line calculation. ii) when the Group carries out certain Engineering Services, that corresponds to works and studies such as adaptation, engineering and design services on request of its customers, which represent a separate income stream and performance obligation, under IFRS 15, the costs incurred in relation to these services, that will be classified as capital expenditures, can be an internal expense or otherwise outsourced and the revenue in relation to these services is generally recognized as the capital expense is incurred. iii) in relation with re-charged costs to the customers, when the Group is the principal, receipts from customers and payments to suppliers are reported on a gross basis in revenue and operating costs.

Finally, according to the agreements with customers there are no significant differences between the time the performance obligations are satisfied and the usual time of payment and, consequently, there are no significant contractual liabilities at the reporting date.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividends income from investments is recognised when the shareholders' right to receive payment has been established, e.g., when the shareholders' meetings of the investees approve the dividend payment.

j) Expense recognition

Expenses are recognised in the consolidated income statement when there is a decrease in the future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. This means, in effect, that recognition of expenses occurs simultaneously with the recognition of an increase in liabilities or a decrease in assets. The register of an expense should occur based on the actual flow of goods and services, irrespective of when the corresponding payments are made. Any payment that may be made for all of a service received during a given period of time will be considered a prepaid expense recognised on the asset side of the consolidated balance sheet under "Trade and other receivables" and will be taken to the consolidated income statement when the service is received by the Group.

Expenses are recorded immediately when a payment generates no future economic benefits or when it does not comply with the requirements to be registered as an asset.

An expense is also recorded when a liability is recorded and no corresponding asset is simultaneously recorded as would be the case for liabilities for guarantees.

k) Leases

a) The Group as Lessee

The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease, determined with the support of an independent expert. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 3.c.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss (see Note 20.c).

IFRS 16 allows a lessee not to separate non-lease components, therefore any lease and associated non-lease components can be accounted as a single arrangement.

b) The Group as Lessor

The Group enters into lease agreements as a lessor with respect to its telecom infrastructures via Master Lease Agreements ("MLA") where required, however the Group also offers Master Service Agreements ("MSA") where appropriate. Cellnex provides to its customers in the Telecom Infrastructure Services access to the Group's telecom infrastructures for MNOs to co-locate their equipment on the Group's infrastructures.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to reporting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 16 to allocate the consideration under the contract to each component.

l) Non-current assets held for sale

The Group classifies non-current assets as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and are presented separately in the statement of financial position as "Non-current assets held for sale" and "Liabilities associated with non-current assets held for sale". In accordance with IFRS 5 - "Non-current assets held for sale and discontinued operations", property, plant and equipment and right-of-use assets are no longer depreciated (or amortised), but income, interest and other expenses attributable to the liabilities of the disposal group classified as held for sale continue to be recognized.

The criteria for held for sale classification is regarded as met only when the Group determines the sale to be highly probable: management is committed to a decision to sell, and all actions required to complete the sale indicate that it is unlikely that significant changes to the sale will be made or that the decision will be withdrawn. In addition, the asset or disposal group is available for immediate sale in its present condition (subject only to terms that are usual and customary for such transactions) and the sale is expected to be completed within one year from the date of the classification.

4. Financial and capital risk management

a) Financial risk factors

The Group's activities are exposed to various financial risks, the most significant of which are foreign currency risk, interest rate risk, credit risk, liquidity risk, inflation risk and risks related to Group Indebtedness. The Group can use derivatives and other protection mechanisms to hedge certain interest rate and foreign currency risks.

Financial risk management is controlled by the Corporate Finance and Treasury Department following the established delegation powers, as part of the respective policies adopted by the Board of Directors.

I) Foreign currency risk

As the Group reporting currency is the euro, fluctuations in the value of other currencies in which borrowings are instrumented and transactions are carried out with respect to the euro may have an effect in future commercial transactions, recognised assets and liabilities, and net investments in foreign operations.

Furthermore, the Group operates and holds assets in the United Kingdom, Switzerland, Denmark, Sweden and Poland, all of which are outside the Eurozone. It is therefore exposed to foreign currency risks and in particular to the risk of currency fluctuation in connection with exchange rate between the euro and the pound sterling, the Swiss franc, the Danish krone, the Swedish krona and the Polish zloty. The Group's strategy for hedging foreign currency risk in investments in non-euro currencies does not necessarily attempt to fully hedge this risk, considering that the Group is a long term investor in the above mentioned currencies and tends towards a balanced hedge of this risk. In fact, the Group is open to assessing different hedging strategies, based on, inter alia, the depth of the market for local currency finance and hedging and its corresponding cost. These strategies could eventually allow the Group to have significant positions not covered. These different hedging strategies might be implemented over a reasonable period depending on the market and the prior assessment of the effect of the hedge. Hedging arrangements can be instrumented via derivatives or borrowings in local currency, which act as a natural hedge.

Although the majority of the Group transactions are denominated in euros, the volatility in converting into euro agreements denominated in Pound sterling, Swiss francs, Danish krone, Swedish krone and the Polish Zloty may have negative consequences to the Group, affecting its overall business, prospects, financial condition, results of operations and/or cash flow generation.

In relation to foreign currency risk, the contributions to the main aggregates of the consolidated income statement of the Group by companies operating in a functional currency other than the euro were as follows:

31 December 2023

Company		Thousands of Euros	
	Functional currency	Income	%
Cellnex UK subgroup	GBP	659,293	16%
Cellnex Switzerland subgroup	CHF	165,808	4%
Cellnex Sweden subgroup	SEK	60,406	1%
Cellnex Denmark subgroup	DKK	38,382	1%
Cellnex Poland subgroup	PLN	484,629	12%
Contribution in foreign currency		**1,408,518**	**35%**
Total Cellnex Group		**4,049,223**	

31 December 2022

Company		Thousands of Euros	
	Functional currency	Income	%
Cellnex UK subgroup	GBP	386,203	11%
Cellnex Switzerland subgroup	CHF	157,520	5%
Cellnex Sweden subgroup	SEK	55,919	2%
Cellnex Denmark subgroup	DKK	36,166	1%
Cellnex Poland subgroup	PLN	412,578	12%
Contribution in foreign currency		**1,048,386**	**30%**
Total Cellnex Group		**3,495,180**	

The contribution to the main aggregates of the consolidated balance sheet of the Group by companies operating in a functional currency other than the euro was as follows:

31 December 2023

Company	Functional currency	Total assets	%	Equity	%
					Thousands of Euros
Cellnex UK subgroup	GBP	7,721,683	17%	3,815,636	25%
Cellnex Switzerland subgroup	CHF	2,011,366	5%	686,754	5%
Cellnex Denmark subgroup	DKK	600,023	1%	379,313	3%
Cellnex Sweden subgroup	SEK	874,912	2%	731,275	5%
Cellnex Poland subgroup	PLN	4,151,206	9%	3,035,793	20%
Contribution in foreign currency		**15,359,190**	**35%**	**8,648,771**	**57%**
Total Cellnex Group		**44,365,244**		**15,146,793**	

31 December 2022 restated

Company	Functional currency	Total assets	%	Equity	%
					Thousands of Euros
Cellnex UK subgroup	GBP	7,645,165	17%	3,837,174	25%
Cellnex Switzerland subgroup	CHF	1,950,681	4%	679,993	4%
Cellnex Denmark subgroup	DKK	613,293	1%	334,760	2%
Cellnex Sweden subgroup	SEK	878,345	2%	558,191	4%
Cellnex Poland subgroup	PLN	3,780,548	9%	2,818,571	19%
Contribution in foreign currency		**14,868,032**	**34%**	**8,228,689**	**54%**
Total Cellnex Group		**43,996,432**		**15,189,400**	

The estimated sensitivity of the consolidated income statement and of the consolidated equity to a 10% depreciation in the exchange rate of the main currencies in which the Group operates with regard to the rate in effect at year-end is as follows:

		Thousands of Euros
		2023
Functional currency	**Income**	**Equity** [1]
10% change:		
GBP	(59,936)	(346,876)
CHF	(15,073)	(62,432)
DKK	(3,489)	(34,483)
SEK	(5,491)	(66,480)
PLN	(44,057)	(275,981)

[1] Impact on equity from translation differences arising in the consolidation process.

		Thousands of Euros
		2022 restated
Functional currency	**Income**	**Equity** [1]
10% change:		
GBP	(35,109)	(348,834)
CHF	(14,320)	(61,818)
DKK	(3,288)	(30,432)
SEK	(5,084)	(50,744)
PLN	(37,507)	(256,234)

[1] Impact on equity from translation differences arising in the consolidation process.

II) Interest rate risk

The Group is exposed to interest rate risk through its current and non-current borrowings.

Borrowings issued at floating rates expose the Group to cash flow interest rate risk, while fixed-rate borrowings expose the Group to fair value interest rate risk. Additionally any increase in interest rates would increase Group finance costs relating to variable-rate indebtedness and increase the costs of refinancing existing indebtedness and issuing new debt.

The aim of interest rate risk management is to strike a balance in the debt structure which makes it possible to minimise the volatility in the consolidated income statement in a multi-annual setting.

The Group can use derivative financial instruments to manage its financial risk, arising mainly from changes in interest rates. These derivative financial instruments are classified as cash flow hedges and recognised at fair value (both initially and subsequently). The required valuations were determined by analysing discounted cash flows using assumptions mainly based on the market conditions at the reporting date for unlisted derivative instruments (see Note 11 of the accompanying Consolidated Financial Statements).

As at 31 December 2023 and 2022 there are financing granted from third parties covered by interest rate hedging mechanisms (see Note 11 of the accompanying Consolidated Financial Statements).

III) Credit risk

Each of the Group's main business activities (Telecom Infrastructure Services, Broadcasting Infrastructure and Other Network Services) obtain a significant portion of revenues from a limited number of customers, many of which are long-term customers and have high-value contracts with the Group.

The MNOs are the Group's main customers in the Telecom Infrastructure Services; television and radio broadcasting operators are the main clients in the broadcasting infrastructure; and certain central, regional and local government authorities, emergency and security forces, the public service sector and telecommunications operators are the main customers in its activities relating to Other Network Services.

The Group is sensitive to changes in the creditworthiness and financial strength of its main customers due to the importance of these key customers to the overall revenues. The long-term nature of certain Group contracts with customers and the historically high renewal ratio of these contracts helps to mitigate this risk.

The Group depends on the continued financial strength of its customers, some of which operate with substantial leverage and are not investment grade or do not have a credit rating.

Given the nature of the Group's business, it has significant concentrations of credit risk, since there are significant accounts receivable as a result of having a limited number of customers. To partially mitigate this credit risk, the Group has place contractual arrangements to transfer this risk to third parties via non-recourse factoring of trade receivables in which case the Group would not retain any credit risk.

Credit risk also arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, and other debt, including unsettled receivables and committed transactions.

To mitigate this credit risk, the Group carries out derivative transactions and spot transactions mainly with banks with strong credit ratings as qualified by international rating agencies. The solvency of these institutions, as indicated in each institution's credit ratings, is reviewed periodically in order to perform active counterparty risk management.

The loss of significant customers, or the loss of all or a portion of the Group's expected services agreements revenues from certain customers and an increase in the Group's level of exposure to credit risk, or its failure to actively manage it, could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

IV) Liquidity risk

The Group carries out a prudent management of liquidity risk, which involves maintaining cash and having access to a sufficient amount of financing through established credit facilities as well as the ability to settle market positions. Given the dynamic nature of the Group's businesses, the policy of the Group is to maintain flexibility in funding sources through the availability of committed credit facilities. Due to this policy the Group has available liquidity c. EUR 4.6 billion, considering cash, available credit lines and other financial assets, as at 31 December 2023, and has no difficulties in meeting immediate debt maturities (the maturities of the Group's financial obligations are detailed in Note 15).

As a consequence of the aforementioned the Group considers that it has liquidity and access to medium and long-term financing that allows the Group to ensure the necessary resources to meet the potential commitments for future investments.

However, the Group may not be able to draw down or access liquid funds in a sufficient amount and at a reasonable cost to meet its payment obligations at all times. Failure to maintain adequate liquidity levels may materially and adversely affect the Group business, prospects, results of operations, financial conditions and/or cash flows, and, in extreme cases, threaten the Group future as a going concern and lead to insolvency.

V) Inflation risk

Despite a long period of historically low inflation, inflation is on the increase worldwide during 2023 and 2022, with food, energy and petrol prices hitting record highs. A significant portion of the Group’s operating costs could rise as a result of higher inflation and monetary policies of the European Central Bank that has raised interest rates, with a cumulative rise of 4.5 percentage points from July 2022 until September 2023. On the date of these Consolidated Financial Statements, there is no additional interest rates increase expected, because inflation has moderated its increase in the last months of 2023.

Further, most of the Group’s infrastructure services contracts are indexed to inflation. As a consequence, its results of operations could be affected by inflation and/or deflation, specially if Cellnex is not successful in passing through the inflation to the customers. In this sense, those contracts with customers that are not inflationary capped may not be sustainable over time for our customers, which could result in renegotiation requests, bad debt increase, legal disputes and a worsened relationship between the Group and its customers, causing potential future opportunities loses.

Additionally, in the current high inflationary environment the Group may be not able to benefit from the operating leverage nature of its business in normalized conditions as a result of a mismatch between Operating Income and Operating Expenses (Opex) and Net payment of lease liabilities (leases) in terms of exposure to inflation.

This mismatch arises due to the relationship of the Group's Operating Income to inflation which is capped in certain of its contracts with anchor customers or has fixed terms escalators, whereas Opex and leases are generally uncapped, this requires strong Opex and lease control that is not always under the control of the Group, and could result in a potential margin erosion and a worsened liquidity position.

VI) Risks related to Group Indebtedness

The Group’s present indebtedness, which has increased significantly in recent years as the Group has expanded its business, or future indebtedness could have significant negative consequences on its business, prospects, results of operations, financial condition, corporate rating and cash flows, and there can be no assurance that the Group will generate sufficient cash flows from operations to service its present or future indebtedness or that future borrowing will be available in an amount sufficient to enable the Group to pay its indebtedness or to fund other liquidity needs.

Additionally, the Group’s future performance and its ability to generate sufficient cash flows from operations, to refinance its indebtedness or to fund capital and development expenditures or opportunities that may arise is, to a certain extent, subject to general economic, financial, competitive, legislative, legal and regulatory factors, as well as to other of the factors discussed above, many of which are beyond the Group’s control.

In particular, if future cash flows from operations and other capital resources are insufficient to pay its obligations as they mature, the Group may be forced to, among others, (i) issue equity capital or other securities or restructure or refinance all or a portion of its indebtedness, (ii) accept financial covenants in the Group’s financing contracts such as limitations on the incurrent of additional debt, restrictions in the amount and nature of the Group’s investments or the obligation to pledge certain Group’s assets, or (iii) sell some of its core assets, possibly not on the best terms, to meet payment obligations. There can be no assurance that the Group would be able to accomplish any of these measures in a timely manner or on commercially reasonable terms, if at all. In addition, in the event that any change of control clause contained in the Group financings is triggered, the Group may be required to early repay its outstanding debt. Any of these aspects could impact in a potential downgrade in the Group’s credit ratings from a rating agency, which can also make obtaining new financing more difficult and expensive.

On the other hand, if as a result of its present or future indebtedness the Group is required to dedicate a substantial portion of its cash flows from operations to service Group debt, it would have to also reduce or delay its business activities and/or the amount of cash flows available for other liquidity needs or purposes, including, among others, dividends or capital expenditures. This could, in turn, force the Group to forego certain business opportunities or acquisitions and place it at a possible competitive disadvantage to less leveraged competitors and competitors that may have better access to capital resources.

As mitigation of the above-mentioned risk, the Group has taken, inter alia, the following actions: (i) signing long-term Revolving Credit Facilities, by which, banks commit to make funds available immediately to the Group for any potential cash needs, and (ii) entering into new capital markets such as the entry into the American market in 2021 (iii) divestments, as the one executed in Cellnex Nordics. Finally, the Group publicly announced its commitment to reduce the leverage and maintain it consistently below a certain level, with the objective to become Investment Grade by Standard & Poors as well as maintaining the current Investment Grade by Fitch. Additionally, in relation with the excess of current liabilities versus current assets the risk in mitigated mainly with the Group's cash flow generation capacity but also with the aforementioned actions.

In terms of interest rate risk, the Group is exposed through its current and non-current borrowings. Borrowings issued at floating rates expose the Group to cash flow interest rate risk, while fixed-rate borrowings expose the Group to fair value interest rate risk.

Any increase in interest rates would increase the Group's finance costs relating to its variable-rate indebtedness and increase the costs of refinancing its existing indebtedness and issuing new debt, which could adversely affect the Group's business, prospects, results of operations, financial condition and cash flows. To mitigate this risk, the Group maintains the 76% of its debt at fixed rate. Thus, at 31 December 2023 and 2022 a change on the interest rates would not have a significant impact on the Consolidated Financial Statements. Please see estimated sensitivity analysis of the financial expenses in Note 15.

b) Fair value measurement

The measurement of the assets and liabilities at their fair value must be broken down by levels based on the hierarchy described in Note 3.e.i. The breakdown at 31 December 2023 and 2022 of the Group's assets and liabilities measured at fair value based on the aforementioned levels being as follows:

31 December 2023

				Thousands of Euros
	Level 1	Level 2	Level 3	2023
Assets				
Derivative financial instruments:				
Cash flow hedges	—	83,535	—	83,535
Fair value hedges	—	2,687	—	2,687
Total derivative financial instruments	**—**	**86,222**	**—**	**86,222**
Derivatives not designated as hedges:				
Equity swap	—	14,943	—	14,943
Total derivative financial instruments not designated as hedges	**—**	**14,943**	**—**	**14,943**
Total assets	**—**	**101,165**	**—**	**101,165**
Liabilities				
Derivative financial instruments:				
Cash flow hedges	—	3,007	—	3,007
Fair Value Hedge	—	15,915	—	15,915
Total derivative financial instruments	**—**	**18,922**	**—**	**18,922**
Derivatives not designated as hedges:				
Equity swap	—	986	—	986
Total derivative financial instruments not designated as hedges	**—**	**986**	**—**	**986**
Total liabilities	**—**	**19,908**	**—**	**19,908**

31 December 2022

Thousands of Euros				
	Level 1	Level 2	Level 3	2022
Assets				
Derivative financial instruments:				
Cash flow hedges	—	150,131		150,131
Hedges of a net investment in a foreign operation	—	11,392		**11,392**
Total derivative financial instruments	**—**	**161,523**	**—**	**161,523**
Total assets	**—**	**161,523**	**—**	**161,523**
Liabilities				
Derivative financial instruments: —				
Fair Value Hedge	—	25,290	—	25,290
Total derivative financial instruments	**—**	**25,290**	**—**	**25,290**
Total liabilities	**—**	**25,290**	**—**	**25,290**

In 2023 and 2022 there were no transfers between Levels 1 and 2.

As indicated in Notes 3.d and 3.e, the fair value of the financial instruments traded in active markets is based on the market prices at the reporting date. The quoted price used for financial assets is the current bid price.

The fair value of financial instruments not listed on an active market is determined using valuation techniques. The Group employs a variety of methods and uses assumptions based on the market conditions at each reporting date, including the concept of "transfer", as a result of which credit risk is taken into account.

For non-current borrowings observable market prices are used; the fair value of interest rate swaps is calculated as the present value of estimated future cash flows and the fair value of foreign currency forward contracts is determined using the forward exchange rates quoted in the market at the closing date. In this regard, the fair value based on the aforementioned hierarchies of the bond issues and other loans, and loans and credit facilities at 31 December 2023 and 2022 is detailed in Note 15.

c) Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern to deliver returns to its shareholders and to maintain an optimal capital structure and lower costs. In this regard, Group's management is continuously assessing different alternatives to maintain a flexible approach regarding the capital structure, these alternatives being issuing straight bonds, convertible bonds, reaching agreements with minority shareholders at the business unit level such as Cellnex Switzerland, Cellnex Netherlands, Nexloop, Metrocall, Cellnex France Infrastructure and Cellnex Nordics, or even executing a potential capital increase. In order to do so, the management of the Parent Company takes into consideration both market conditions and its capacity on delivering organic growth, leveraging on its neutral operator character.

The Group monitors capital using a leverage ratio along with other financial ratios (e.g. net debt as a multiple of EBITDA and RLFCF), in line with standard industry practice.

One leverage ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings, as given in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as equity, as given in the consolidated balance sheet, plus net debt.

The leverage ratios at 31 December 2023 and 2022 were as follows:

Thousands of Euros

	31 December 2023	31 December 2022 restated
Bank borrowings (Note 15)	4,391,837	3,838,178
Bonds issues (Note 15)	14,303,672	14,045,410
Lease liabilities (Note 16)	2,814,419	2,985,855
Cash and cash equivalents (Note 13.a)	(1,292,439)	(1,038,179)
Other financial assets (Note 13.b)	(115,581)	(93,242)
Net Financial Debt (1)	**20,101,908**	**19,738,022**
Net equity (Note 14)	15,146,793	15,189,400
Total capital (2)	**35,248,701**	**34,927,422**
Net Debt / Equity Ratio (1)/(2)	**57 %**	**57 %**

At 31 December 2023, 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 7 February 2024 and a long-term “BB+” with positive outlook according to the international credit rating agency Standard & Poor’s Financial Services LLC as confirmed by a report issued on 29 November 2023. Cellnex published a new financial policy and an unconditional commitment to reduce leverage, in order to become Investment grade (BBB-) with Standard & Poor’s within two years and to maintain BBB- with Fitch.

5. Matters arising from the completion of the business combinations of the 2022 year end

The comparative financial information for 2022 has been restated, in accordance with IFRS 3, as a result of the completion of the purchase price allocation for the CK Hutchison Transaction in respect of the United Kingdom (see Note 6).

The reconciliation of the key figures of the Group's consolidated balance sheet and the consolidated statement of changes in net equity for the year ended 31 December 2022, obtained before and after the completion of the purchase price allocation for the acquisitions mentioned above, is shown below:

Consolidated balance sheet at 31 December 2022

Thousands of Euros

	31 December 2022 Approved	Impact of IFRS 3 (See Note 6)	31 December 2022 restated
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10,694,339	3,422	10,697,761
Goodwill	6,717,952	231,550	6,949,502
Other intangible assets	20,123,775	(424,068)	19,699,707
Right-of-use assets	3,437,710	(89,973)	3,347,737
Investments in associates	33,232	—	33,232
Financial investments	117,568	—	117,568
Derivative financial instruments	161,523	—	161,523
Trade and other receivables	75,259	—	75,259
Deferred tax assets	635,662	5,428	641,090
Total non-current assets	**41,997,020**	**(273,641)**	**41,723,379**
CURRENT ASSETS			
Inventories	4,770	1	4,771
Trade and other receivables	1,162,665	12,323	1,174,988
Receivables from associates	25	—	25
Financial investments	3,663	—	3,663
Derivative financial instruments	—	—	—
Cash and cash equivalents	1,038,179	—	1,038,179
Total current assets	**2,209,302**	**12,324**	**2,221,626**
Non-current assets held for sale	**51,427**	**—**	**51,427**
TOTAL ASSETS	**44,257,749**	**(261,317)**	**43,996,432**

Thousands of Euros

	31 December 2022 Approved	Impact of IFRS 3 (See Note 6)	31 December 2022 restated
NET EQUITY			
Share capital and attributable reserves			
Share capital	176,619	—	176,619
Treasury shares	(47,619)	—	(47,619)
Share premium	15,522,762	—	15,522,762
Reserves	(1,133,599)	1,602	(1,131,997)
Profit for the year	(297,058)	—	(297,058)
	14,221,105	**1,602**	**14,222,707**
Non-controlling interests	966,693	—	966,693
Total net equity	**15,187,798**	**1,602**	**15,189,400**
NON-CURRENT LIABILITIES			
Bank borrowings and bond issues	17,747,336	—	17,747,336
Lease liabilities	2,501,896	(92,192)	2,409,704
Derivative financial instruments	25,290	—	25,290
Provisions and other liabilities	2,014,396	4,317	2,018,713
Employee benefit obligations	51,727	—	51,727
Deferred tax liabilities	4,444,316	(176,181)	4,268,135
Total non-current liabilities	**26,784,961**	**(264,056)**	**26,520,905**
CURRENT LIABILITIES			
Bank borrowings and bond issues	143,352	—	143,352
Lease liabilities	583,594	(7,443)	576,151
Provisions and other liabilities	147,255	—	147,255
Employee benefit obligations	62,851	—	62,851
Payables to associates	710	—	710
Trade and other payables	1,325,414	8,580	1,333,994
Total current liabilities	**2,263,176**	**1,137**	**2,264,313**
Liabilities associated with non-current assets held for sale	**21,814**	**—**	**21,814**
TOTAL NET EQUITY AND LIABILITIES	**44,257,749**	**(261,317)**	**43,996,432**

Consolidated statement of changes in net equity for the year ended 31 December 2022

Thousands of Euros

Total Net Equity at 31/12/2022	Share capital	Treasury shares	Share premium	Reserves	Profit for the year	Non-controlling interests	Net equity
Net Equity before IFRS 3 impact	**176,619**	**(47,619)**	**15,522,762**	**(1,133,599)**	**(297,058)**	**966,693**	**15,187,798**
Impact of IFRS 3	—	—	—	1,602	—	—	1,602
Net Equity after IFRS 3 impact	**176,619**	**(47,619)**	**15,522,762**	**(1,131,997)**	**(297,058)**	**966,693**	**15,189,400**

Note: The amounts for the adjustments to equity are shown net of the related tax effects, if any, including the amounts both for fully consolidated companies as well as for those accounted for using the equity method, as applicable.

Finally, in relation with the effects in the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows, as the differences between the provisional and the final purchase price allocation have been considered not material, taking into consideration that the aforementioned business combination was completed in November 2022, the comparative information regarding the 31 December 2022 has not been restated.

6. Business combinations

The Group typically acquires telecommunications infrastructures from telecommunications carriers or other infrastructure operators and subsequently integrates those infrastructures into its existing network. The financial results of the Group's acquisitions have been included in the accompanying Consolidated Financial Statements for the period ended 31 December 2023 from the date of respective acquisition. The date of acquisition, and by extension the point at which the Group begins to recognize the results of an acquisition, may be dependent upon, among other things, the receipt of contractual consents, the commencement and extent of contractual arrangements, the timing of the transfer of title or rights to the assets as well as the customary regulatory approvals, which may be accomplished in phases.

As a first step, Cellnex carries out a review of the acquisitions made to determine if they constitute a business combination in accordance with IFRS 3 and the ESMA guidelines or if they correspond to a purchase of assets, irrespective of whether the acquisition takes place in the form of the purchase of a group of elements that constitutes a business, or through the purchase of the share capital of an entity.

In the case of a business combination, the identifiable assets acquired and the identifiable liabilities and contingencies assumed in a business combination are initially measured at their acquisition-date fair value, regardless of the scope of non-controlling interests. The excess of the acquisition cost over the fair value of the Group's share in the identifiable net assets acquired is recognised as goodwill. If the acquisition cost is lower than the fair value of the acquired subsidiary's net assets, the difference is recognised directly in the consolidated income statement for the financial year.

Given the complexity of the purchase price allocation process, the Group generally performs the latter with the participation of an independent third-party expert, and, in some cases, there is a reassessment of the allocation process during the period of one year since the business combination is completed, as permitted by IFRS 3. As in previous business combinations completed by the Group, the potential value of the sites is mainly derived from the characteristics and quality of the physical locations, which translates into a certain expectation of increasing their "customer ratio". This can be attributed to certain sets of intangible assets, of which each individual element is necessary to realise the full value. Thus, the fair value amount of the acquired net assets includes the valuation of the intangible assets identified that individually meet the identifiability criteria of IAS 38 (Intangible Assets) and consists of "Customer Network Services Contracts" and "Network Location" as defined in Note 3.b.i, and provisions related with certain risks of the transaction and the acquired business that meet the recognition criteria according to IFRS3. Additionally, as required by IFRS 3, IAS 12 and the other applicable standards, the deferred tax liabilities arising from the business combination were recognised as the differences between the carrying amount and the tax base calculated pursuant to the tax legislation in each jurisdiction of the respective operations. Finally, the goodwill mainly includes the net recognition of any deferred taxes resulting from the higher fair value attributed to the net assets acquired in comparison with the tax bases.

The main measurement assumptions and valuation techniques used in the purchase price allocation process in the context of a business combinations are as follows:

a. Property, plant and equipment are measured using the cost approach. This approach recognises that a prudent investor would not ordinarily pay more for an asset than the cost to reproduce or replace it new. Utilization of the cost approach results in a concept referred to as Depreciated Replacement Cost New ("DRCN"), which is an indicator of fair value provided that all elements of depreciation and obsolescence are addressed. Property, plant and equipment was measured taking into account the technical data of each site and the estimate of the standard facilities and infrastructure associated with them, as applicable. The elements necessary for calculating fair value include, inter alia, the type of site, height, dismantling date and whether the item is indoors or outdoors.

b. Intangible assets, which are mostly Customer Network Services Contracts and Network Location intangibles, were measured using the Multi-Period Excess Earnings method. This is a technique used as part of the "Income Approach" and is similar to the discounted cash flow method, except that it also takes into account the use of other assets in the generation of the projected cash flows of a specific asset in order to isolate the economic benefit generated by the intangible asset in question. The contribution to the overall cash flows of other assets such as non-current assets, working capital, labour and other intangible assets is estimated by means of the capital expenditure relating to contributory assets. The assumptions taken into account for the measurement of the aforementioned intangible assets included, inter alia, the prior years' profit or loss of the acquired businesses with no loss of customers, the contractual terms and conditions agreed upon with the anchor customer of the acquired assets, comparative estimates with benchmark entities in the industry, future revenue projections based on business plans, costs based on the customer's contribution to revenue and discount rates in line with the estimates of the weighted average cost of capital assuming a risk margin. In this regard, the projected time spans used for the business combinations are longer than 20 years, but no terminal values representing perpetual cashflows are taken into account at the end of the projected period.

c. In the case of liabilities, the payables associated with working capital are generally measured at their nominal amount, which is generally considered to be a good approximation of fair value due to their nature and because the payables are settled at short term. For transactions that involve the assumption of provisions for contingencies or other obligations, the payables are measured taking into account the amount estimated to be necessary to settle the obligation and the associated probability of the event that generates the obligation occurring. The business combinations that include the assumption of financial liabilities were recognised at fair value, which was calculated taking into consideration a market participant yield at the measurement date.

As a result of the business combinations performed during the previous years, and following a prudent approach, the vast majority of the difference between the book value of the assets acquired and the purchase price paid has been assigned to assets subject to deprecation or amortization. Thus, the resulting goodwill corresponds in the vast majority to the net deferred tax recognized resulting from the higher fair value attributed to the net assets acquired in comparison with their tax bases. Furthermore, provision for other responsibilities captures mainly provisions for contingent liabilities (whose risk of cash outflow is no probable) made during the Purchase Price Allocation process which are a result of present obligations arising from past events, where the fair value can be reliably measured.

Business combinations for 2023

During the year ended on 31 December 2023, no relevant business combinations have been carried out.

Business combinations for 2022

The initial accounting for the business combination involving the Hutchison United Kingdom Acquisition described in Note 6 of the Consolidated Financial Statements for the 2022 financial year, are now considered to have been completed, since one year has elapsed since its date of acquisition (in accordance with IFRS 3). Therefore, the Group modified the values used in the 31 December 2022 Consolidated Financial Statements, as further information became available, allowing it to carry out a more accurate evaluation of the purchase price allocation process (see Note 5).

Hutchison United Kingdom Acquisition

The breakdown of the net assets acquired and goodwill generated by the Hutchison United Kingdom Acquisition, at the completion date, is as follows:

	Thousands of Euros
Total acquisition price	3,548,878
Fair value of the net assets acquired	2,498,225
Resulting goodwill	**1,050,653**

The review of the purchase price allocation of the Hutchison United Kingdom Acquisition gave rise to a EUR 233,435 thousand increase in goodwill following the recognition of a less revaluation of other intangible assets (“Customer Network Services Contracts” and “Network Location”) which ultimately amounted to EUR 2,613,870 thousand (EUR 3,045,011 thousand in the 2022 Consolidated Financial Statements), and a step up in property plant, and equipment resulting from an accurate appraisal of fixed assets, which ultimately amounted to EUR 445,831 thousand (EUR 442,307 thousand in the 2022 Consolidated Financial Statements). The review also gave rise to a decrease in both Right-of-use-assets and Lease liabilities, after adapting the calculations to the Group's criteria, as described in Notes 3.k and 16, which ultimately amounted to EUR 65,283 thousand (EUR 157,531 thousand in the 2022 Consolidated Financial Statements), and EUR 55,554 thousand (EUR 157,964 thousand in the 2022 Consolidated Financial Statements), respectively.

The fair value at the date of acquisition of the assets and liabilities of the acquired business has been determined according to the measurement assumptions and valuation techniques aforementioned. With regards to the Hutchison United Kingdom Acquisition, the Group decided to perform a purchase price allocation with the participation of an independent third party expert, Kroll Advisory, S.L. (formerly Duff & Phelps, S.L.U.), whose final PPA report was issued on 9 November 2023 and the report did not contain any limitations. The assets and liabilities arising from the Hutchison United Kingdom Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	Carrying value	Revaluation
Other intangible assets	2,613,870	—	2,613,870
Right-of-use-assets	65,283	13,538	51,745
Property, plant and equipment	445,831	229,702	216,129
Trade and other receivables long term	—	—	—
Trade and other receivables short term	1,732	1,732	—
Cash and cash equivalents	100,764	100,764	—
Lease liabilities long term	(36,116)	(12,390)	(23,726)
Provisions and other liabilities long term	(26,865)	(9,758)	(17,107)
Lease liabilities short term	(19,438)	—	(19,438)
Provisions and other liabilities short term	(8,580)	—	(8,580)
Trade and other payables	(8,503)	(8,503)	—
Net deferred tax assets / (liabilities)	(629,753)	994	(630,747)
Net assets acquired	**2,498,225**	**316,079**	**2,182,146**

Total acquisition price	3,548,878
Payment through Cellnex Telecom SA shares	(1,237,421)
Cash and cash equivalents	(100,764)
Cash outflow in the acquisition	**2,210,693**

7. Non-current assets held for sale

The breakdown of the Group non-current assets held for sale and their associated liabilities as of 31 December 2023 and 2022 is as follows:

		Thousands of Euros
	31 December 2023	31 December 2022
ASSETS		
Hivory Acquisition	123,199	51,427
Ireland	1,110,714	—
Private network business	28,279	—
Total	**1,262,192**	**51,427**

	31 December 2023	31 December 2022
LIABILITIES		
Hivory Acquisition	31,227	21,814
Ireland	258,617	—
Private network business	4,194	—
Total	**294,038**	**21,814**

Non-current assets held for sale in relation to the Hutchison United Kingdom Acquisition

In relation with the completion of the Hutchison United Kingdom Acquisition (see Note 6), on 3 March 2022, the United Kingdom Competition and Markets Authority (“CMA”) approved the Hutchison United Kingdom Acquisition subject to divestiture by Cellnex of approximately 1,000 sites currently operated by Cellnex in the United Kingdom that geographically overlap with the sites owned or operated by the Hutchison Group in the UK (the “Divestment Remedy”).

During 2022, the sale was highly probable, as the management committed to a plan to sell and a buyer was actively being sought. In addition, the sites were already identified and actively marketed for sale at a price that was reasonable in relation to its current fair value. In this regard, during 2022, the Group considered that the requirements established in IFRS 5 were met to classify these assets and their associated liabilities as "Assets held for sale". Consequently, based on the IFRS 5 - "Non-current assets held for sale and discontinued operations", since 30 April 2022, the assets and liabilities related to these Divestment Remedies were presented as assets and liabilities of disposal groups held for sale. Additionally, according to IFRS 5, Cellnex did not depreciated (or amortised) any non-current assets classified as held for sale, but income, interest and other expenses attributable to the liabilities of the disposal group classified as held for sale continued to be recognised.

On 24 October 2022, Cellnex announced that it reached an agreement for the Divestment Remedy with UK telecommunications infrastructure operator Wireless Infrastructure Group (“WIG”) in accordance with the Final Undertakings. The Divestment Remedy with WIG as well as the Hutchison United Kingdom Acquisition were completed in the last quarter of 2022 (see Note 6). The sites were transferred for an amount of approximately GBP 135 million, without significant impact in the 2022 consolidated income statement recognized in “Depreciation, amortisation and results from disposals of fixed assets” of the accompanying consolidated income statement (see Note 20.e). Thus, as of 31 December 2023 and 31 December 2022, the headings "Non-current assets held for sale" and "Liabilities associated with non-current assets held for sale" on the consolidated balance sheet were not including the amounts related to the aforementioned Divestment Remedy.

Non-current assets held for sale in relation to the Hivory Acquisition

In order to fulfill Hivory Acquisition closing requirements established by the French Competition Authority ("FCA"), in the first quarter of 2022 the Group entered into: i) a business transfer agreement which set forth the terms and conditions under which Cellnex France would sell to Phoenix France Infrastructures (or to any company controlled by Phoenix France Infrastructures that Phoenix France Infrastructure would substitute) 2,000 sites located in very dense areas of France for an expected amount of approximately EUR 690 million (EUR 600 million net of taxes); ii) a share purchase agreement which sets forth the terms and conditions under which Hivory would transfer to Phoenix Tower France II 1,226 sites located in very dense areas of France for an expected amount of approximately EUR 275 million (EUR 235 million net of taxes). Both agreements are part of the Divestment Remedy required by the FCA in the Hivory Acquisition (see Note 6 of the 2021 Consolidated Financial Statements).

The Divestment Remedy was structured as the sale of six lots of sites. A significant portion has been sold in 2023, with the first three lots, totalling 1,127 sites, sold by Cellnex France from April through August and the fourth, comprising of 1,226 sites, sold by Hivory in August. As a result, 2,353 sites have been transferred in 2023 for a total amount of approximately EUR 729 million. Of the total consideration of the sale completed, EUR 631 million have been already received at completion, July and August 2023, and EUR 100 million are due in 2024, 2025 and 2026 (EUR 89 million at its net present value). The accounting impact in the accompanying consolidated income statement amounted to EUR 80 million (net of tax effect) and it was recognized in “Depreciation, amortisation and results from disposals of fixed assets” and "Income tax" lines (see Note 20.e).

The fifth lot, consisting of 347 sites, is already identified, and actively marketed for sale at a price that is reasonable in relation to its current fair value. The process is progressing correctly, and the transaction is expected to be completed in the first half of 2024. In this regard, as of 31 December 2023, the Group considers that the requirements established in IFRS 5 have been met to classify this lot of assets and their associated liabilities as "held for sale" in the accompanying Consolidated Financial Statements. The assets and liabilities rising at the time of their new classification amounted to EUR 123 million and EUR 31 million, respectively. In accordance with IFRS 5.40, the above presentation requirements are applied only prospectively, without reclassification of comparative information. In relation to the remaining sixth lot, the sale is not definitive and could change, as both seller and buyer are carrying out due diligence processes to identify those sites. Consequently, the Group considers that as of 31 December 2023, the requirements established in IFRS 5 for the sixth lot have not been met yet in order to classify these assets and their associated non-current liabilities as "Non-current assets held for sale".

The main financial figures related to the non-current assets held for sale and the liabilities associated with non-current assets held for sale in relation to the Hivory Acquisition as of 31 December 2023 and 2022 are as follows:

Thousands of Euros

	31 December 2023	31 December 2022
NON-CURRENT ASSETS		
Property, plant and equipment	96,007	35,060
Right-of-use assets	27,192	16,367
Total non-current assets	**123,199**	**51,427**
TOTAL ASSETS	**123,199**	**51,427**
Non-current assets held for sale	**123,199**	**51,427**

	31 December 2023	31 December 2022
NON-CURRENT LIABILITIES		
Lease liabilities	31,227	20,286
Total non-current liabilities	**31,227**	**20,286**
CURRENT LIABILITIES		
Lease liabilities	—	1,528
Total current liabilities	**—**	**1,528**
TOTAL LIABILITIES	**31,227**	**21,814**
Liabilities associated with non-current assets held for sale	**31,227**	**21,814**

Non-current assets held for sale in relation to the disposal of the Group operations in Ireland

The Group is carrying out an asset portfolio assessment from an industrial perspective. As a result of such analysis the Group might decide to divest some of the existing assets or to find a partner, like it has been done in the Nordics, to accelerate growth. The uses will be dedicated to the repayment of debt with a short-term maturity and higher cost. As a result, a process to dispose of its operations in Ireland was started in the last quarter of 2023.

To the extent that as of 31 December 2023 (i) the assets are available for disposal at their condition at that date, (ii) the process to locate buyers at prices reasonable in relation to their fair value has already been initiated and authorized by Group management, and (iii), it is expected to complete the sale in 2024, the Group has classified these assets and their associated non-current liabilities as "Non-current assets held for sale" at 31 December 2023.

A breakdown of these assets and liabilities as of 31 December 2023 is as follows:

	Thousands of Euros
	31 December 2023
NON-CURRENT ASSETS	
Property, plant and equipment	209,594
Goodwill	281,336
Intangible assets	540,130
Trade and other receivables	1,100
Right-of-use assets	45,887
Total non-current assets	**1,078,047**
CURRENT ASSETS	
Trade and other receivables	32,514
Cash and equivalents of cash	153
Total current assets	**32,667**
TOTAL ASSETS	**1,110,714**
Non-current assets held for sale	**1,110,714**

	31 December 2023
NON-CURRENT LIABILITIES	
Bank borrowings and bond issues	89
Lease liabilities	24,773
Provisions and other liabilities	112,204
Deferred tax liabilities	72,849
Total non-current liabilities	**209,915**
CURRENT LIABILITIES	
Lease liabilities	10,750
Provisions and other liabilities	20,146
Employee benefit obligations	785
Trade and other payables	17,021
Total current liabilities	**48,702**
TOTAL LIABILITIES	**258,617**
Liabilities associated with non-current assets held for sale	**258,617**

In relation to the ongoing sale process, it is not expected that its outcome will have a significant impact on the Group's Consolidated financial statements.

Non-current assets held for sale in relation to the disposal of the private network business

On 10 November 2023, the Group reached an agreement with Boldyn Networks to sale its private networks business unit which largely includes Edzcom, a 100% owned subsidiary of the Group in Finland that specializes in connectivity solutions for private networks in industrial complexes and environments. The sale has been completed on 29 February 2024 for a total consideration amounting to approximately EUR 31 million.

To the extent that as of the date of the accompanying Consolidated Financial Statements the transaction has been completed, the Group classified these assets and their associated non-current liabilities as "Non-current assets held for sale" at 31 December 2023.

A breakdown of these assets and liabilities as of 31 December 2023 is as follows:

Thousands of Euros

	31 December 2023
NON-CURRENT ASSETS	
Property, plant and equipment	1,179
Goodwill	7,527
Intangible assets	13,549
Trade and other receivables	26
Total non-current assets	**22,281**
CURRENT ASSETS	
Inventories	330
Trade and other receivables	5,639
Cash and cash equivalents	29
Total current assets	**5,998**
TOTAL ASSETS	**28,279**
Non-current assets held for sale	**28,279**

	31 December 2023
NON-CURRENT LIABILITIES	
Deferred tax liabilities	2,543
Total non-current liabilities	**2,543**
CURRENT LIABILITIES	
Trade and other payables	1,651
Total current liabilities	**1,651**
TOTAL LIABILITIES	**4,194**
Liabilities associated with non-current assets held for sale	**4,194**

8. Property, plant and equipment

The changes in this heading in the consolidated balance sheet during 2023 and 2022 were as follows:

Thousands of Euros

	Land and buildings	Plant and machinery and other fixed assets	Property, plant and equipment under construction	Total
At 1 January 2023 restated				
Cost	10,372,402	1,215,974	1,517,282	**13,105,658**
Accumulated depreciation	(1,853,189)	(554,708)	—	**(2,407,897)**
Carrying amount	**8,519,213**	**661,266**	**1,517,282**	**10,697,761**
Carrying amount at beginning of period	**8,519,213**	**661,266**	**1,517,282**	**10,697,761**
Changes in the consolidation scope (Note 6)	24,127	37	586	**24,750**
Additions	1,596,953	115,626	584,833	**2,297,412**
Disposals (net)	(5,085)	(11,454)	(19,822)	**(36,361)**
Transfers	754,071	26,941	(781,012)	**—**
Transfers to non-current assets held for sale (Note 7)	(603,660)	(9,172)	(8,412)	**(621,244)**
Foreign exchange differences	90,677	4,182	18,623	**113,482**
Depreciation charge	(777,607)	(31,318)	—	**(808,925)**
Carrying amount at close	**9,598,689**	**756,108**	**1,312,078**	**11,666,875**
At 31 December 2023				
Cost	12,218,326	1,353,293	1,312,078	**14,883,697**
Accumulated depreciation	(2,630,796)	(586,026)	—	**(3,216,822)**
Carrying amount	**9,587,530**	**767,267**	**1,312,078**	**11,666,875**

Thousands of Euros

	Land and buildings	Plant and machinery and other fixed assets	Property, plant and equipment under construction	Total
At 1 January 2022				
Cost	8,231,776	1,104,526	723,648	**10,059,950**
Accumulated depreciation	(1,212,652)	(492,755)	—	**(1,705,407)**
Carrying amount	**7,019,124**	**611,771**	**723,648**	**8,354,543**
Carrying amount at beginning of period	**7,019,124**	**611,771**	**723,648**	**8,354,543**
Changes in the consolidation scope (Note 6)	388,021	1,470	127,475	**516,966**
Additions	1,527,232	154,433	991,229	**2,672,894**
Disposals (net)	(341)	(4,038)	(25,543)	**(29,922)**
Transfers	282,943	(24,626)	(258,317)	**—**
Transfers to non-current assets held for sale (Note 7)	(30,716)	(2,743)	(32,317)	**(65,776)**
Foreign exchange differences	(37,672)	(1,889)	(8,893)	**(48,454)**
Depreciation charge	(640,537)	(61,953)	—	**(702,490)**
Carrying amount at close	**8,508,054**	**672,425**	**1,517,282**	**10,697,761**
At 31 December 2022 restated				
Cost	10,361,243	1,227,133	1,517,282	**13,105,658**
Accumulated depreciation	(1,853,189)	(554,708)	—	**(2,407,897)**
Carrying amount	**8,508,054**	**672,425**	**1,517,282**	**10,697,761**

The carrying amount recognised under “Land and buildings” includes infrastructures acquired at the centres in which the Group has installed its telecommunications equipment (land, towers and buildings – prefabricated and civil works).

“Plant and machinery and other fixed assets” include mainly the telecommunications infrastructure network for broadcasting and others network services. It also includes all equipment necessary to ensure the operation of the technical equipment installed in any infrastructure (electrical and air conditioning).

“Property, plant and equipment under construction” includes the carrying amount of those items of property, plant and equipment acquired in the last days of the year that have still not been put into operation.

Changes in the scope of consolidation and business combinations

The movements in 2023 and 2022 due to changes in the scope of consolidation and business combinations mainly correspond to the impact of:

2023

During the year ended on 31 December 2023, no relevant business combinations have been carried out.

2022 restated

- Hivory Portugal Acquisition (EUR 70,296 thousand, see Note 2.h).
- Hutchison United Kingdom Acquisition (EUR 445,831 thousand, see Notes 2.h and 6).

Signed acquisitions and commitments

France

As of 31 December 2023, in accordance with the agreements reached with Bouygues Telecom during the period 2016 - 2020, Cellnex, through its subsidiaries Cellnex France, Towerlink France and Nexloop, has committed to acquire or for Bouygues Telecom to build, as applicable, up to approximately 5,300 sites that will be gradually transferred to Cellnex until 2030, of which 2,422 sites have been transferred to Cellnex as of 31 December 2023 (1,877 sites in 2022), as well as to the roll-out of a network of up to 31,500 km., interconnecting the telecommunications rooftops and towers providing service to Bouygues Telecom (approximately 5,800 of which belong to and are operated by Cellnex) with the network of “metropolitan offices”, “center offices” and “Mobile switching centers” for housing data processing centres (Edge Computing). During 2023, 545 sites were acquired (442 sites in 2022), 25 housing data processing centres and optic fibre network was deployed in relation to the aforementioned agreements, for an amount of approximately EUR 229 million, 53 million and 403 million, respectively (EUR 160 million,167 million and 277 million in 2022, respectively). Therefore, the total investment during 2023 and 2022, in relation to the agreements described above, amounted to approximately EUR 685 million and EUR 604 million, respectively.

Moreover, in accordance with the agreement reached with Free Mobile in 2019 (see Note 6 of the Consolidated Financial Statements ended as of 31 December 2020), Cellnex, through its subsidiary On Tower France, has committed to acquire or build for Free Mobile, as applicable, a minimum of 4,500 sites that will be gradually transferred to Cellnex until 2029, of which 3,240 sites have been transferred to Cellnex as of 31 December 2023 (2,721 sites in 2022). During 2023, 519 sites were acquired (870 sites in 2022) for a total amount of approximately EUR 133 million (EUR 213 million in 2022).

Additionally, in accordance with the agreement reached with Altice France, S.A.S and Starlight HoldCo S.à r.l for Hivory, S.A.S (see agreements described in Note 6 of 2022 Consolidated Financial Statements), Cellnex, through its subsidiary Hivory, S.A.S, has committed to acquire or for SFR Telecom to build, as applicable, up to 2,500 sites that will be gradually transferred to Cellnex until 2030, of which 1,017 sites have been transferred as of 31 December 2023 (611 sites in 2022). During 2023, 406 sites were acquired (465 sites in 2022) for a total amount of approximately EUR 81 million (EUR 69 million in 2022). The search and construction of sites is outsourced by Hivory to SFR. Hivory, within a framework of obtaining synergies, has agreed that it will front load partially these investments to facilitate the construction of up to 2,500 sites at the earliest possible date. Thus, the Group delivered a prepayment in the first half of 2022 in respect of the investment and acceleration relating to the construction of these sites for an amount of EUR 521 million, which has been reduced by 85 million as of 31 December 2023 (97 million as of 31 December 2022) as a consequence of the transfer of sites by SFR Telecom.

Finally, a new industrial and synergetic agreement with SFR has been reached in 2023 by meeting SFR’s need to deploy new PoPs on existing and new sites. The agreement involves an associated investment over a 6-year period of up to approximately EUR 275 million in exchange for approximately EUR 35 million EBITDA IFRS 16 upon deployment (2029 – c.12.4x EBITDAaL multiple) under a 20 year contract length from the starting date of each new PoPs, with all-or-nothing renewal.

Therefore, the total investment in France during 2023 and 2022, in relation to the agreements described above, amounted to approximately EUR 899 million and EUR 1,407 million, respectively. In relation to the Divestment Remedy described in Note 7, 3,226 sites located in France will be gradually transferred during 2023 and 2024 for an amount of approximately EUR 835 million, of which approximately 2,353 sites have been transferred as of 31 December 2023 for an amount of approximately EUR 631 million.

Poland

During 2021 Cellnex reached an agreement in Poland with Iliad Poland and Polkomtel (see agreements described in Note 6 of the Consolidated Financial Statements ended as of 31 December 2022). Cellnex, through its subsidiaries On Tower Poland and Towerlink Poland, has committed to acquire or for Iliad and Polkomtel to build, as applicable, up to 4,462 sites and 1,500 sites that will be gradually transferred to Cellnex until 2030, of which 1,462 sites and 149 sites have been transferred as of 31 December 2023 (798 sites and 71 sites in 2022). During 2023, 664 sites and 78 sites were acquired (610 sites and 36 sites in 2022), as well as other updates in active equipment, for a total amount of approximately EUR 166 million and EUR 70 million, respectively (EUR 147 million and EUR 19 million in 2022, respectively).

Italy

During 2023 and 2022, in the context of the Iliad Italy Acquisition, 873 and 998 sites have been transferred for an amount of approximately EUR 144 million and EUR 140 million, respectively.

Portugal

During 2023, in the context of the MEO Acquisition in 2019, 143 sites have been transferred (143 sites in 2022) with an investment amounting to approximately EUR 22 million (EUR 20 million in 2022). Additionally, in the second quarter of 2022, Cellnex acquired another portfolio of 102 sites in Portugal for approximately EUR 70 million (see Note 2.h of the 2022 Consolidated Financial Statements) according to the agreement reached in the second half of 2021 (see Notes 2.h and 6 of the 2021 Consolidated Financial Statements).

Additionally, in the first quarter of 2022, Cellnex reached an agreement with Nos Comunicações, S.A. in order to expand its BTS program for up to 150 sites to be transferred to Cellnex for approximately EUR 50 million, as part of its long-term partnership established in 2020. After this transaction, that was completed in the last quarter of 2022, the BTS program leads to a total of up to 550 sites to be completed by 2026, in exchange of a total capex of up to EUR 225 million, of which 278 sites have been transferred as of 31 December 2023 with an accumulated investment of EUR 164 million.

The United Kingdom

The CK Hutchison Holdings Transaction in respect of United Kingdom was completed in the last quarter of 2022 (see Note 6 of the 2022 Consolidated Financial Statements). Cellnex, through its subsidiary On Tower UK, has committed to acquire or for Hutchison to build, as applicable, up to 1,200 sites that will be gradually transferred to Cellnex until 2030. During 2023, 822 sites have been acquired for a total amount of approximately EUR 170 million.

Others

In addition to the movements described above, during 2023 investments have also been carried out by the Group in relation to “Built-to-Suit” agreements reached with several anchor tenants in Netherlands, Switzerland, Ireland, Austria, Denmark and Sweden for a total amount of approximately EUR 97 million (EUR 76 million in 2022), and other additions related to the business expansion and improvements of the Group's assets, for an amount of approximately EUR 370 million (EUR 350 million in 2022). The total additions for the year ended on 31 December 2023 includes the investments carried out by the Group in relation to Engineering Services that have been agreed with different customers, including ad-hoc capex eventually required (such as adaptation, engineering and design services) amounting to approximately EUR 227 million (EUR 311 million during 2022), mainly in France, UK, Switzerland and Portugal, amounting to EUR 107 million, EUR 83 million, EUR 13 million and EUR 8 million, respectively (EUR 106 million, EUR 123 million, EUR 21 million and EUR 15 million, respectively, during 2022).

At 31 December 2023 and 2022 the Group had not entered into additional relevant framework agreements with other customers.

Property, plant and equipment abroad

At 31 December 2023 and 2022 the Group had the following investments in property, plant and equipment located abroad:

		Thousands of Euros
	31 December 2023	31 December 2022 restated
Italy	1,715,422	1,605,244
France	5,000,286	4,571,681
UK	1,138,672	880,362
Switzerland	258,249	227,934
Portugal	549,950	515,896
Austria	256,902	225,546
Poland	1,518,930	1,233,886
Others	501,636	570,443
TOTAL	**10,940,047**	**9,830,992**

Fully depreciated assets

At 31 December 2023, fully depreciated property, plant and equipment amounted to EUR 1,708 million (EUR 1,074 million at 31 December 2022).

Change of control clauses

With regards to the Group's acquisitions of infrastructures from mobile telecommunications operators, certain material contracts entered into by the Group, including most of the Group's agreements with anchor customers, could be modified or terminated if a change of control clause is triggered. With regards to the material contracts entered into by the Group with anchor customers, a change of control clause may be triggered (and is generally limited to) in the event where a competitor of the anchor customer, either alone or in conjunction with others, obtains "significant influence" and/or "control" (which is generally defined as having (i) more than 50% of shares with voting rights (except in a few exceptional cases where this threshold is defined as having 29% or more of shares with voting rights), or (ii) the right to appoint or dismiss the majority of the members of the board of directors of the relevant Group company). In such circumstances, and in certain cases, the anchor customer may be granted an option to buy back assets (generally the infrastructures where they are being serviced). In addition, such buy back option can also be granted in the event that a direct competitor of the anchor customer acquires a significant portion of the shares or obtains voting or governance rights which can be exercised in a way that can negatively affect the anchor customer's interests. A change of control clause may be triggered at the level of Cellnex or only at the level of the relevant subsidiary that has entered into the relevant contract. In certain contracts, the definition of control, and therefore of a change of control, makes specific reference to the applicable law in the relevant jurisdiction.

Purchase commitments at year-end

As of 31 December 2023 the Group held purchase agreements for property, plant and equipment assets amounting to EUR 4,490 million (EUR 5.393 million as of 31 December 2022). These purchase commitments were related to the agreements reached in France with Free Mobile in 2019, where Cellnex, through its subsidiary On Tower France, has committed to acquire or for Free Mobile to build, as applicable, a minimum of 2,500 sites that will be gradually transferred to Cellnex until 2026, and several projects with Bouygues Telecom (Build-to-Suit sites, construction and acquisition of Mobile Switching Centers, Metropolitan Offices and Central Offices -sites with data processing capabilities-, and through which Nexloop will deploy a national optic fiber network in France to provide mobile and fixed fiber-based connectivity and especially accelerate the roll-out of 5G in the country). Additionally, in accordance with the agreement reached with Altice France, S.A.S and Starlight HoldCo S.à r.l for Hivory, S.A.S in 2021, Cellnex, through its subsidiary Hivory, S.A.S, has committed to acquire or for SFR Telecom to build, as applicable, up to 2,500 sites that will gradually transferred to Cellnex until 2030. Furthermore, it included the agreements reached during 2021 in Poland with Iliad Poland and Polkomtel, where, Cellnex, though its subsidiaries On Tower Poland and Towerlink Poland, has committed to acquire or for Iliad and Polkomtel to build, as applicable, up to 4,462 and 1,500 sites that will be gradually transferred to Cellnex until 2030. In addition to the commitments described above, it also included the agreements with CK Hutchison Networks related to the deployment of new sites in Austria, Denmark, Ireland, Italy, Sweden, and the United Kingdom, as well as other "Build-to-Suit" agreements reached with several anchor tenants in Italy, Switzerland, Portugal, Ireland and the Netherlands.

Impairment

As of 31 December 2023 and 2022, the Directors of the Parent Company have not identified any indications of impairment related to the property, plant and equipment. Despite this, and in view of the relevance of the recently acquired assets related to telecom infrastructures (those not related to business combinations), the Directors of the Parent Company have decided to disclose the hypotheses used to evaluate any loss due to impairment. This evaluation is based on the calculation of the recoverable value, which has been determined in accordance with the general criteria and assumptions described in Notes 3.c and 9 of the accompanying Consolidated Financial Statements, of the corresponding cash generating unit prepared.

The impairment tests carried out demonstrate that the unit to which the assets are allocated is deemed capable of recovering the net carrying value recognised at 31 December 2023 and 2022. Consequently, there is no need to recognise any provision for impairment.

Sensitivity to changes in the key assumptions

With regards to the impairment tests carried out, the recoverable amount obtained exceeds the carrying value of the assigned assets to such an extent that even if the hypothesis used were changed there would be no significant risk of impairment. In accordance with the sensitivity analysis performed described in Note 9, changes in the discount rates; in terminal growth rate “g”; and in activity could be made without recognising any impairment in the assets recognised by the Group at 31 December 2023 and 2022. Thus, the recoverable amount obtained exceeds the carrying amount of the fixed assets, although the sensitivity analyses conducted on the projections evidence clearly a high tolerance to changes in the key assumptions used (see Note 9 for further details).

Asset revaluation pursuant to Act 16/2012, of 17 December

With regard to assets located in Spain, in 2012 several Spanish Group companies took advantage of Act 16/2012, of 27 December, resulting in an increase in the value of the assets through an accounting revaluation for EUR 41 million in the separate financial statements of the Spanish companies, which is not included in the cost of the assets for IFRS purposes. The tax effect of this revaluation has been recorded as a deferred tax asset in the accompanying Consolidated Financial Statements (Note 18).

Insurance

The Group takes out all insurance policies considered necessary to cover possible risks which might affect its property, plant and equipment. At 31 December 2023 and 2022, the Group’s Directors considered that the insurance coverage was sufficient to cover the risks relating to its activities.

Other disclosures

As a result of the Hutchison United Kingdom Acquisition (see Notes 2 and 6 of the 2022 Consolidated Financial Statements) and pursuant the agreements between Cellnex and Hutchison, Cellnex is joint operator in MBNL in relation with the passive infrastructure. In this regard, following the termination of this joint operation, which is expected to occur in 2031, and the transfer of legal title in certain of those sites to Hutchison, the legal title to a minimum of 3,000 but up to a maximum of 3,833 sites that are the subject of the agreements will be transferred to the Group without any additional disbursement. Irrespectively of the number of sites transferred, the revenues, EBITDA and cash flows should not be impacted.

At 31 December 2023 and 2022, the Group did not have significant property, plant and equipment subject to restrictions or pledged as collateral on liabilities.

9. Intangible assets

The changes in this heading in the consolidated balance sheet during 2023 and 2022 were as follows:

Thousands of Euros

	Goodwill	Intangible assets for telecom infrastructure services	Computer software and other intangible assets	Total
At 1 January 2023 restated				
Cost	6,949,503	21,719,698	432,077	**29,101,278**
Accumulated amortisation	—	(2,314,129)	(137,940)	**(2,452,069)**
Carrying amount	**6,949,503**	**19,405,569**	**294,137**	**26,649,209**
Carrying amount at beginning of period	**6,949,503**	**19,405,569**	**294,137**	**26,649,209**
Changes in the scope of consolidation (Note 6)	5,282	17,098	—	**22,380**
Additions	—	—	29,258	**29,258**
Disposals (net)	—	—	(7,347)	**(7,347)**
Transfers to non-current assets held for sale	(396,065)	(811,200)	(2,479)	**(1,209,744)**
Foreign exchange differences	94,164	220,635	46,230	**361,029**
Amortisation charge	—	(1,044,665)	(100,433)	**(1,145,098)**
Carrying amount at close	**6,652,884**	**17,787,437**	**259,366**	**24,699,687**
At 31 December 2023				
Cost	6,652,884	21,146,231	497,739	**28,296,854**
Accumulated amortisation	—	(3,358,794)	(238,373)	**(3,597,167)**
Carrying amount	**6,652,884**	**17,787,437**	**259,366**	**24,699,687**

Thousands of Euros

	Goodwill	Intangible assets for telecom infrastructure services	Computer software and other intangible assets	Total
At 1 January 2022				
Cost	5,980,279	19,311,532	403,270	**25,695,081**
Accumulated amortisation	—	(1,321,811)	(92,731)	**(1,414,542)**
Carrying amount	**5,980,279**	**17,989,721**	**310,539**	**24,280,539**
Carrying amount at beginning of period	**5,980,279**	**17,989,721**	**310,539**	**24,280,539**
Changes in the scope of consolidation (Note 6)	1,060,381	2,652,355	1,392	**3,714,128**
Additions	—	—	41,101	**41,101**
Disposals (net)	—	—	(12,007)	**(12,007)**
Transfers	(32,304)	(102,529)	—	**(134,833)**
Foreign exchange differences	(58,853)	(141,660)	(1,679)	**(202,192)**
Amortisation charge	—	(992,318)	(45,209)	**(1,037,527)**
Carrying amount at close	**6,949,503**	**19,405,569**	**294,137**	**26,649,209**
At 31 December 2022 restated				
Cost	6,949,503	21,719,698	432,077	**29,101,278**
Accumulated amortisation	—	(2,314,129)	(137,940)	**(2,452,069)**
Carrying amount	**6,949,503**	**19,405,569**	**294,137**	**26,649,209**

Intangible assets for telecom infrastructure services

The breakdown of the net book value of intangible assets for telecom infrastructure services is set out below:

		Thousands of Euros
	31 December 2023	**31 December 2022 restated**
Concession intangible assets	59,207	63,314
Customer network services contracts	14,314,425	15,667,448
Network location	3,413,805	3,674,807
Total	**17,787,437**	**19,405,569**

Goodwill

Gross goodwill and the accumulated losses in value recognised at 31 December 2023 and 2022, respectively, are detailed as follows:

		Thousands of Euros
	31 December 2023	**31 December 2022 restated**
Gross goodwill	6,652,884	6,949,503
Accumulated valuation adjustments	—	—
Net goodwill	**6,652,884**	**6,949,503**

The detail of goodwill, classified by cash-generating unit, at 31 December 2023 and 2022 is as follows:

		Thousands of Euros
	31 December 2023	**31 December 2022 restated**
Cellnex Italia SpA	821,462	821,462
Tradia Telecom	42,011	42,011
Towerlink Netherlands	33,910	35,307
Shere Masten	66,089	66,089
Shere Group UK [(1)]	29,005	28,420
Swiss Towers [(1)]	182,361	171,490
Infracapital Alticom subgroup	75,431	75,431
On Tower Netherlands BV	10,525	10,525
Swiss Infra Services [(1)]	180,086	169,348
Cignal Infrastructure subgroup	—	40,066
On Tower France	471,528	471,528
On Tower UK subgroup [(1)]	1,368,566	1,342,721
Metrocall	14,923	14,923
On Tower Portugal	89,743	89,743
Omtel	28,455	28,455
On Tower IE	—	240,697
On Tower DK [(1)]	107,938	108,176
On Tower AT	311,299	311,299
On Tower SE	271,016	270,388
On Tower Poland	246,162	229,287
Cignal infrastructure Netherlands	189,898	189,898
Towerlink Poland	315,739	292,597
Hivory, SAS	1,414,142	1,521,344
Infratower Portugal	40,456	40,456
Cignal Infrastructure UK Limited	319,689	311,501
Others	22,450	26,341
Goodwill	**6,652,884**	**6,949,503**

[(1)] This goodwill is related to assets in a non-euro currency thus its value in Euros is affected by the variations in the prevailing exchange rate.

The main variations in the 2023 are due to the reclassifications to "Assets held for sale" described in Note 7. In 2022 the main variations were due to changes in the scope of consolidation and business combinations, as detailed in Note 6, which mainly corresponds to the effect of the deferred tax on intangible assets acquired.

Changes in the scope of consolidation and business combinations

The movements in 2023 and 2022 due to changes in the scope of consolidation and business combinations in intangible assets for telecom infrastructure services mainly correspond to the impact of:

2023

During the year ended on 31 December 2023, no relevant business combinations have been carried out.

2022

- Hutchison United Kingdom Acquisition (EUR 3,659,041 thousand, see Notes 2.h and 6).

Signed acquisitions and commitments

During 2023 and 2022, the Group had not entered into additional relevant framework agreements with customers, other than those included in the Notes 6 and 8.

Intangible assets abroad

At 31 December 2023 and 2022, the Group had the following net book value of intangible assets located in the following countries:

		Thousands of Euros
	31 December 2023	31 December 2022 restated
Italy	3,681,149	3,858,399
Netherlands	1,196,265	1,238,748
France	6,644,485	7,312,641
United Kingdom	6,010,515	6,101,947
Portugal	1,331,463	1,405,208
Switzerland	1,439,945	1,421,456
Ireland	—	853,925
Austria	954,526	992,372
Poland	2,137,327	2,069,512
Others	1,031,926	1,095,149
Total	**24,427,601**	**26,349,357**

Fully depreciated assets

At 31 December 2023, fully depreciated intangible assets amounted to EUR 142,987 thousand (EUR 132,835 thousand at 31 December 2022).

Purchase commitments at year-end

At 31 December 2023, the Group held purchase agreements for intangible assets, amounting to EUR 5,715 thousand (EUR 9,372 thousand at 31 December 2022).

Impairment

As indicated in Notes 3.b and 3.c, at the end of each reporting period goodwill is assessed for impairment based on a calculation of the recoverable value of their respective Cash-Generating Unit (hereinafter, "CGU") as their value in use or their market value (price of similar, recent transactions in the market), if the latter is higher.

Prior to preparing revenue and expense projections, those projections made as part of the impairment tests for the prior year were reviewed to assess possible variances. In comparison with 2022 impairment tests, 2023 impairment results shown no significant variances.

The recoverable value was calculated as follows:

- The period over which the related investment is expected to generate cash flows was determined. Projections covers a period higher than five years of cash flows after the year end, due to the duration of the existing service contracts with customers. In this regard, the projections consider a projected period (33 years in average) until the tenancy ratio reaches normal mature market standards and, at that time, the residual value is determined.

- The respective revenue and expense projections were made using the following general criteria and assumptions:

  - For revenue, trends were forecast assuming a different increase for each CGU of the consumer price index (CPI) in each country as well as the conditions agreed with the MNOs (floors, caps and escalators where applicable) in which the assets are used or the business operates as well as increases activity through collocation of new MNOs until a standard tenancy of mature markets is achieved.

  - For expenses, trends were considered in light of expected changes in the respective CPIs and the projected performance of the business. as well as expected cost reductions from the efficiency programs launched by the Group.

  - In addition, the Group considered the impact of infrastructure maintenance and expansion to be carried out, using the best estimates available based on the Group's experience and taking into account the projected performance of the activity. Current market guidance given in relation to the ratio of maintenance and expansion capex to revenues amounts to c.3% and c.10%, respectively.

  - Taxes have been also considered in the projections on a country-by-country basis.

The cash flow projections based on the revenue and expense projection made as set forth above were discounted at the rate resulting from adding, to the long-term cost of money, the risk premium assigned by the market to each country where the activity takes place and the risk premium assigned by the market to each business (over the long term in both cases). The potential impact of the risks arising from climate change described in Note 22 have been properly considered on the projections of the impairment tests, with no significant impacts.

Projections for the first years are generally based on the 2023 year end, the 2024 budget and on the most recent medium-term projection (2025).

Finally, in relation to the CGU's located in the United Kingdom, the potential increase in the risk and uncertainty inherent to Brexit was taken into account in the evaluation of the impairment losses, since a prudent estimate was made of cash flow to ensure that the models would not have to be adjusted significantly as a result of Brexit. In this regard, the budgets and forecasts from prior periods used to determine the recoverable amounts were reviewed in order to ensure that they continued to reflect current economic conditions.

The most significant assumptions used in determining the recoverable value of the main CGU's in 2023 and 2022 with the most relevant intangible assets and goodwill were as follows:

- The discount rate is initially calculated using the weighted average cost of capital (WACC) determined applying the Capital Asset Pricing Model. In this regard, the WACC determined in 2023 for Tradia Telecom, On Tower, Metrocall, Cellnex Italia, Towerlink Netherlands, Cellnex UK, Shere Masten, Swiss Towers, Alticom, On Tower Netherlands, Cellnex France, On Tower France, Swiss Infra, Cignal Ireland, Omtel, On Tower Portugal, On Tower UK, On Tower AT, On Tower DK, On Tower IE, On Tower SE, On Tower PL, Towerlink PL, T-Mobile Infra, Hivory, Infratower and Hutchison UK was 5.7%, 5.7%, 5.7%, 6.0%, 5.3%, 5.6%, 5.3%, 5.1%, 5.3%, 5.3%, 5.5%, 5.5%, 5.1%, 5.8%, 5.8%, 5.8%, 5.6%, 5.4%, 5.5%, 5.8%, 5.5%, 6.8%, 6.8%, 5.3%, 5.5%, 5.8% and 5.6%, respectively (WACC in 2022 for Tradia Telecom, On Tower, Metrocall, Cellnex Italia, Towerlink Netherlands, Cellnex UK, Shere Masten, Swiss Towers, Alticom, On Tower Netherlands, Cellnex France, On Tower France, Swiss Infra, Cignal Ireland, Omtel, On Tower Portugal, On Tower UK, On Tower AT, On Tower DK, On Tower IE, On Tower SE, On Tower PL, Towerlink PL, T-Mobile Infra, Hivory and Infratower was 6.5%, 6.5%, 6.5%, 6.9%, 5.5%, 5.9%, 5.5%, 4.9%, 5.5%, 5.5%, 5.7%, 5.7%, 4.9%, 5.9%, 6.1%, 6.1%, 5.9%, 5.5%, 5.7%, 5.9%, 5.8%, 7.4%, 7.4%, 5.5%, 5.7% and 6.1%, respectively). Subsequently, as per IFRS and ESMA requirements, the discount rate to be applied in the impairment test is evaluated to reflect the impact of IFRS 16 on the composition of the carrying amount of the CGUs and how leased assets are financed by the Group. In this regard, the discount rate applied in 2023 for Tradia Telecom, On Tower, Metrocall, Cellnex Italia, Towerlink Netherlands, Cellnex UK, Shere Masten, Swiss Towers, Alticom, On Tower Netherlands, Cellnex France, On Tower France, Swiss Infra, Cignal Ireland, Omtel, On Tower Portugal, On Tower UK, On Tower AT, On Tower DK, On Tower IE, On Tower SE, On Tower PL, Towerlink PL, T-Mobile Infra, Hivory, Infratower and Hutchison UK was 5.6%, 5.4%, 5.7%, 5.8%, 5.1%, 5.6%, 5.2%, 4.4%, 5.1%, 5.1%, 4.7%, 5%, 4.5%, 5.8%, 5.5%, 5.6%, 5.5%, 4.8%, 5.5%, 5.6%, 5.4%, 6.6%, 6.5%, 5.1%, 5.3%, 5.8% and 5.6%, respectively (discount rate in 2022 for Tradia Telecom, On Tower, Metrocall, Cellnex Italia, Towerlink Netherlands, Cellnex UK, Shere Masten, Swiss Towers, Alticom, On Tower Netherlands, Cellnex France, On Tower France, Swiss Infra, Cignal Ireland, Omtel, On Tower Portugal, On Tower UK, On Tower AT, On Tower DK, On Tower IE, On Tower SE, On Tower PL, Towerlink PL, T-Mobile Infra, Hivory and Infratower was 6.2%, 5.9%, 6.5%, 6.4%, 5.3%, 5.9%, 5.4%, 4.1%, 5.3%, 5.3%, 4.7%, 5.1%, 4.3%, 5.9%, 5.7%, 5.8%, 5.6%, 5.1%, 5.3%, 5.6%, 5.7%, 7.2%, 6.7%, 5.3%, 5.4% and 6.1%, respectively).

- The compound annual growth rate for all CGUs was between 1% and 5% per annum in 2023 and 2022.

- The 'terminal g', considered for all CGUs in 2023 and 2022 was between 1% and 2% for all CGUs.

As indicated above, there have been no significant variations in the discount rate considered between 2023 and 2022.

The impairment tests carried out demonstrate that the unit to which the recognised goodwill or intangible assets in telecom infrastructures are allocated is deemed capable of recovering the net value recognised at 31 December 2023 and 2022. Consequently, there is no need to recognise any provision for impairment.

Sensitivity to changes in the key assumptions

With regards to the impairment tests performed both on the goodwill the recoverable amount obtained (determined based on the recoverable value as indicated previously) exceeds the carrying value of the goodwill and assigned assets to such an extent that even if the hypothesis used were changed significantly there would be no significant risk of impairment. In accordance with the sensitivity analysis performed, any changes in the discount rates of +50 basis points; in terminal growth rate "g" of -50 basis points; and in activity of -500 basis points could be made without recognising any impairment to goodwill recognised by the Group at 31 December 2023 and 2022. Thus, the recoverable amount obtained exceeds the carrying amount of the assets and, additionally, the sensitivity analyses conducted on the projections evidence clearly a high tolerance (between 10% and 20%) to changes in the key assumptions used.

Other disclosures

At 31 December 2023 and 2022, the Group did not have significant intangible assets subject to restrictions or pledged as collateral on liabilities.

10. Investments in associates

The changes in this heading in the consolidated balance sheet are as follows:

	Thousands of Euros	
	2023	2022
At 1 January	**33,232**	**3,265**
Profit of the year	(2,635)	(4,239)
Additions	9,563	30,134
Others	2,161	4,072
At 31 December	**42,321**	**33,232**

The shareholdings in associates accounted for using the equity method are detailed as follows:

	Thousands of Euros	
	Value of the shareholding	
	31 December 2023	31 December 2022
Torre Collserola, S.A.	1,971	1,960
Nearby Sensors	337	241
Nearby Computing	96	119
Consorcio de Telecomunicaciones Avanzadas, S.A. (COTA)	220	778
Digital Infrastructure Vehicle I SCSp (DIV)	39,697	30,134
Total	**42,321**	**33,232**

Digital Infrastructure Vehicle I SCSp ("DIV")

As part of the T-Mobile Infra Acquisition (see Note 6 of 2021 Consolidated Financial Statements), Cellnex, together with DTAG, as fund's initial limited partners, signed a commitment letter, pursuant to which Cellnex committed to invest EUR 200 million in DIV. In this regard, during 2023, DIV drew approximately EUR 12 million (EUR 32 million during 2022), which Cellnex additionally paid with available cash. Such funds were used mainly to finance the acquisition by DIV of small fiber companies in the Netherlands, as well as the general operations of the fund. Thus, these new subsequent investments made by DIV, as per IFRS 10:B94 "Equity Method as One-line Consolidation", have been evaluated separately and have been consolidated within the Cellnex Group through the equity method as of 31 December 2023 and 2022.

Additionally, during 2023 new partners have become part of DIV's shareholders and, in accordance with the Limited Partnership Agreement, the founding partners, Cellnex and DTAG have recovered part of the initial investment for an amount of EUR 12 million (EUR 52 million in 2022, corresponding to the reimbursement of contributions of its initial investment in DIV, EUR 48 million, and a financial compensation, EUR 4 million, recognized in the Financial Income heading of the accompanying 2022 consolidated income statement). These reimbursements of contributions and the consequent reduction of participation in DIV, and consequently in Cellnex Netherlands, has been recorded as an equity transaction carried out with a non-controlling interest in the subsidiary that did not modify the controlling position in Cellnex Netherlands.

As a result, Cellnex's investment in DIV has been diluted by 1.52%, from 20.62% to 19.10% and, consequently, as of 31 December 2023, Cellnex's stake in the Cellnex Netherlands subgroup has decreased by 0.57%, from 70.11% to 69.54% (see Notes 2.h and 14.f of the accompanying Consolidated Financial Statements).

Finally, as of 2023 year-end the Cellnex's remaining investment commitment in DIV amounts to EUR 81 million (EUR 83 million as of 2022 year-end).

Impairment

The Group carried out an impairment analysis to determine the recoverability of the investments in associates. To carry out these analyses, the Group considered future cash flow projections in a manner similar to that impairment in Note 9, and no impairment was found for the 2023 financial year.

11. Derivative financial instruments

The detail of the fair value of the derivative financial instruments at 31 December 2023 and 2022 is as follows:

				Thousands of Euros
	31 December 2023		31 December 2022	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps:				
Cash flow hedges	34,062	3,007	54,404	—
Fair value hedges	2,687	15,915	—	25,290
Interest rate and/or cross currency swaps and/or forwards:				
Cash flow hedges	49,473	—	95,727	—
Hedges of a net investment in a foreign operation	—	—	11,392	—
Derivatives not designated as hedges:				
Equity swap	14,943	986	—	—
Derivate financial instruments	**101,165**	**19,908**	**161,523**	**25,290**
Interest rate swap:				
Cash flow hedges	33,420	3,007	150,131	—
Fair value hedges	50	15,915	—	25,290
Interest rate and/or cross currency swaps and/or forwards:				
Cash flow hedges	45,474	—	—	—
Hedges of a net investment in a foreign operation	—	—	11,392	—
Non-current	**78,944**	**18,922**	**161,523**	**25,290**
Interest rate swap:				
Cash flow hedges	642	—	—	—
Fair value hedges	2,637	—	—	—
Interest rate and/or cross currency swaps and/or forwards:				
Cash flow hedges	3,999	—	—	—
Derivatives not designated as hedges:				
Equity swap	14,943	986	—	—
Current	**22,221**	**986**	**—**	**—**

The Group has used interest rate swaps and interest rate and/or cross currency swaps, in accordance with the financial risk management policy described in Note 4.

The detail of the derivative financial instruments at 31 December 2023 and 2022, by type of instrument, showing their notional or contractual values, expiry dates and fair values, is as follows:

Thousands of Euros

31 December 2023	Notional amount	2024	2025	2026	2027	2028	Subsequent years	Net fair value
Interest rate swaps:								
Cash flow hedges	267,033	12,871	7,704	7,327	3,824	(288)	(265)	31,054
Interest rate and/or cross currency swaps:								
Cash flow hedges	504,817	8,286	7,617	7,183	6,782	6,401	13,110	49,472
Fair value hedges	1,000,000	(12,087)	(4,762)	3,738	—	—	—	(13,227)
Derivatives not designated as hedges:								
Equity Swap	150,000	14,030	—	—	—	—	—	13,957
Total	**1,921,850**	**23,100**	**10,559**	**18,248**	**10,606**	**6,113**	**12,845**	**81,256**

Thousands of Euros

31 December 2022	Notional amount	2023	2024	2025	2026	2027	Subsequent years	Net fair value
Interest rate swaps:								
Cash flow hedges	136,235	8,914	12,779	12,989	12,866	6,497	927	54,404
Fair value hedges	1,000,000	(6,961)	(11,265)	(8,084)	1,336	—	—	(25,290)
Interest rate and/or cross currency swaps:								
Cash Flow Hedges	504,817	9,310	8,708	8,221	7,889	7,559	55,581	95,727
Hedges of a net investment in a foreign operation	450,000	(4,853)	(4,605)	(4,313)	(4,089)	29,548	—	11,392
Total	**2,091,052**	**6,410**	**5,617**	**8,813**	**18,002**	**43,604**	**56,508**	**136,233**

Interest rate swaps (IRS)

The bond issued in April 2017 for EUR 80 million and maturing in April 2026 was hedged with floating-to-fix IRS, converting the floating rate of the bond in to a fixed rate (see Note 15). The notional amount and the maturity of the IRS match those of the underlying bond. As a result of the contracted IRS the final interest rate on the EUR 80 million bond is 2.945%.

Additionally, during 2020, Nexloop arranged a floating-to-fixed IRS for an increasing nominal value up to EUR 448,000 thousand. This transaction was structured to hedge the EUR 600,000 thousand 8-year capex facility to partially finance the deployment of the fibre network by Nexloop (see Notes 2.h and 7 of the 2020 Consolidated Financial Statements). Additionally during 2023, Nexloop also arrange a floating-to-fixed IRS for an increasing nominal value up to EUR 139,000 thousand. This transaction was structured to increase the prior hedge on the EUR 600,000 thousand 8-year capex facility and partially hedge the new incremental facility of EUR 100,000 thousand signed on July 24, 2023 and also maturing in 2028.

In April 2022, the Group entered into an interest rate swap agreement for EUR 500,000 thousand, partially transforming the latest EUR 1,000,000 thousand bond issuance from fix-to-floating rate (see Note 15). In this regard, this interest rate swap has been treated as a fair-value hedge. This hedge is referred to 6M EURIBOR and the reference rate is 0.935%. Finally, in October 2022 the reference to 6M EURIBOR was changed to 1M EURIBOR through new interests rate swaps.

In November 2022, the Cellnex France Infrastructures, arranged a floating-to-fix IRS for an increasing nominal value up to EUR 90 million. This transaction was structured to hedge the EUR 120,000 thousand term loan facility with a 8-year bullet maturity, to partially finance the deployment of new sites.

Cross currency interest rate swaps

During 2020, Cellnex Telecom, S.A. arranged a Cross Currency Swap ("CCS") for EUR 450,000 thousand and an equivalent sterling value of GBP 382,000 thousand which was designated together with the bond issue of EUR 450,000 thousand described in Note 15 of the 2020 Consolidated Financial Statements as a natural hedge of the net investment made in United Kingdom Group's subsidiaries. Finally, in February 2023, the Group cancelled the aforementioned Cross Curency Swap ("CCS") for an amount of EUR 450,000 thousand.

In 2021, Cellnex Finance entered into a cross-currency swap agreement by virtue of which Cellnex lent the USD 600,000 thousand from the bond issuance at a coupon of 3.875% and borrowed the equivalent amount of euros at an agreed exchange rate enabling Cellnex to obtain approximately EUR 505,000 thousand at a coupon of 2.25% (see Note 15).

During 2023, the Group designated the cash maintained in zlotys (PLN) amounting to PLN 169,000 thousand together with the arranged forward rate agreements in zlotys for an amount of PLN 2,104,000 thousand and an equivalent euro value of EUR 469,000 thousand to hedge the disbursement envisaged in relation to the investment commitment acquired in June 2023 in relation to the 30% stake of On Tower Poland acquisition (see Note 2.h).

Consequently, EUR-PLN exchange differences EUR-PLN amounting to EUR 5,602 thousands were recognised in the total acquisition price of the stake.

Finally, without being contracted a derivative financial instrument, the Group applied as net investment hedge certain debts maintained in currency other than euro to hedge currency risk in net investments in foreign operation as described in Note 15.

As of 31 December 2023 and 2022, the estimated sensitivity in the value of interest rate swaps to a 1% change (increase or decrease) in the interest rate is as follows:

				Thousands of Euros
		2023		2022
	1% change	-1% change	1% change	-1% change
Interest rate swaps:				
Cash Flow Hedges	28,866	28,458	72,151	34,779
Fair Value Hedges	(20,691)	(4,858)	(40,214)	(10,262)

As of 31 December 2023 and 2022, the estimated sensitivity in the value of interest rate and/or cross currency swaps to a 10% change (increase or decrease) in the exchange rate is as follows:

				Thousands of Euros
		2023		2022
	10% change	-10% change	10% change	-10% change
Interest rate and/or cross currency swaps:				
Cash Flow Hedges	241,622	106,674	153,989	58,538
Hedges of a net investment in a foreign operation	—	—	(28,980)	51,830

Derivatives not designated as hedges

In November 2023, Cellnex Finance Company, S.A. (Unipersonal), entered into a total return equity swap agreement with a global financial institution referencing the shares of Cellnex for a notional amount of EUR 150,000 thousand, which at prevailing market prices was equivalent to approximately 4,677,487 shares, representing c. 0.7% of its share capital, with a maturity date of 12 months, to be settled in cash. This derivative is guaranteed by Cellnex Telecom. Under the contract Cellnex Finance receives any dividends and increases in fair value of the underlying shares and pays the decreases in fair value and a fixed variable interest rate. According to the terms of the agreement, the contracted financial instrument cannot be qualified as hedge and its change of the fair value are recognised in “Net financial loss” caption of the accompanying consolidated income statement.

As of 31 December 2023, the estimated sensitivity in the value of the total return equity swap to a 10% increase or decrease in the market value of the Cellnex share is plus EUR 16,666 thousand and minus EUR 16,666 thousand, respectively.

12. Trade and other receivables

The breakdown of this heading in the accompanying consolidated balance sheet at 31 December 2023 and 2022 is as follows:

						Thousands of Euros
	31 December 2023			31 December 2022 restated		
	Non-current	Current	Total	Non-current	Current	Total
Trade receivables (gross)	—	821,672	821,672	—	827,188	827,188
Allowances for doubtful debts (impairments)	—	(22,503)	(22,503)	—	(24,003)	(24,003)
Trade receivables	**—**	**799,169**	**799,169**	**—**	**803,185**	**803,185**
Current tax assets	—	255,315	255,315	—	290,798	290,798
Receivables with other related parties (Note 24.d)	—	—	—	—	57	57
Other receivables	294,914	101,122	396,036	75,259	80,948	156,207
Trade and other receivables	**294,914**	**1,155,606**	**1,450,520**	**75,259**	**1,174,988**	**1,250,247**

Trade and other receivables are shown at amortised cost, which does not differ significantly from their nominal value.

Trade receivables

Trade receivables are measured at their nominal amount, which is similar to fair value at initial recognition. This value is reduced, if necessary, by the corresponding provision for bad debts (impairment loss) whenever there is objective evidence that the amount owed will not be partially or fully collected. This amount is charged against the consolidated income statement for the year.

This caption includes outstanding amounts from customers. At 31 December 2023 and 2022, the account had no significant past-due balances that were not provided for.

The balance of public-sector debtors as at 2023 and 2022, amounted to EUR 19,813 thousand and EUR 17,056 thousand, respectively.

At 31 December 2023, the amount utilized under the non-recourse factoring agreements, in relation to trade receivables, stood at EUR 72.3 million (EUR 38.6 million at 2022 year-end). In this regard, the Group derecognises the receivables sold on a non-recourse basis as it considers that it has substantially transferred the risks and rewards inherent to their ownership to banks. At 31 December 2023 the limit under the non-recourse factoring agreements, in relation to trade receivables, stood at EUR 290 million (EUR 223 million as at 2022 year-end).

Allowances for doubtful debts (write-downs)

The changes in the allowance for doubtful debts during 2023 and 2022 were as follows:

		Thousands of Euros
	2023	2022
At 1 January	**24,003**	**20,021**
Disposals	(1,704)	(2,206)
Change in scope	138	53
Net changes	66	6,135
At 31 December	**22,503**	**24,003**

Disposals in this period relate to previous balances that were fully provided for, and which the Group decided to completely derecognise, without this having any impact on the accompanying consolidated income statement.

Net changes relate to changes in the provision recognised under “Changes in provisions” in the accompanying consolidated income statement with regard to the previous year.

Current tax assets

The breakdown of “Current tax assets” is as follows:

		Thousands of Euros
	31 December 2023	**31 December 2022**
Corporate income tax	78,297	26,905
VAT receivable	169,943	243,521
Other taxes	7,075	20,372
Current tax assets	**255,315**	**290,798**

At 31 December 2023, this line mainly included VAT receivable derived from the acquisition of mobile telecom infrastructures in Poland and France (see Note 8) for an amount of EUR 163 million. At 31 December 2022, this line mainly included VAT receivable derived from the acquisition of mobile telecom infrastructures in France, Poland and Portugal (see Note 8 of the 2022 Consolidated Financial Statements) for an amount of EUR 221 million.

During 2022 the Group reached a non-recourse agreement regarding a receivable balance relating to VAT, amounting to EUR 445 million in relation to the Hutchison United Kingdom Acquisition (see Note 6 of the 2022 Consolidated Financial Statements). At 31 December 2022 the Group derecognised the VAT receivable sold on a non-recourse basis, based on this agreement, as it substantially transferred all the risks and rewards inherent to its ownership to a financial institution. At 31 December 2023, the aforementioned VAT receivable had already been collected.

Other receivables

At 31 December 2023 and 2022 “Other receivables” comprises:

- The deferred payment and the earn out agreed with Stonepeak in the context of the divestment agreement of the 49% interest in its businesses in Sweden and Denmark through the sale of the 49% of the new incorporated company Cellnex Nordics, S.L. (see Note 2.h) for a total amount of EUR 172,685 thousand. This amount includes both the remaining balance of the total acquisition price, amounting to EUR 130,000 thousand, which will be paid on 2027 and the earn out recognised, amounting to EUR 42,685 thousand, would be payable upon Cellnex execution of 3GIS call option in Sweden agreed with Hutchison (see Integrated Annual Report for the year ended on 31 December 2021). The amount of the aforementioned deferred payments have been recognised at its present value discounted at approximately 6% and it is subject to subsequent capitalization. Therefore, as of 31 December 2023, the present value amounts to EUR 135,833 thousand. Thus, the impact on “financial income” of the accompanying consolidated income statement for 2023 amounted to EUR 653 thousand.

- The deferred payment agreed with Phoenix Towers International in the context of the Divestment Remedy required by the FCA in the Hivory Acquisition (see Note 7). The amount includes the remaining balance of the total acquisition price, amounting to EUR 100,251 thousand, of which EUR 25,000 thousand will be paid on 2024, EUR 55,251 thousand will be paid on 2025 and EUR 20,000 thousand will be paid on 2026. The amount of the aforementioned deferred payment has been recognised at its present value discounted at approximately 7% and it is subject to subsequent capitalization. Therefore, as of 31 December 2023, the present value amounts to EUR 88,744 thousand. Thus, there has been no significant impact on the consolidated income statement for 2023.

- Loans with service purchasers that are not strictly considered customers and with other trade debtors not included under other accounts, and advances to creditors, debtors and employees.

There are no significant differences between the carrying amount and the fair value of the financial assets.

13. Cash, cash equivalents and financial investments

a) Cash and cash equivalents

The breakdown of “Cash and cash equivalents” is as follows:

	Thousands of Euros	
	31 December 2023	31 December 2022
Cash on hand and at banks	364,836	709,853
Term deposits at credit institutions	927,603	328,326
Total	**1,292,439**	**1,038,179**

b) Current and non-current financial investments

The breakdown of this heading in the accompanying consolidated balance sheet at 31 December 2023 and 2022 is as follows:

						Thousands of Euros
			31 December 2023			31 December 2022
	Non-current	Current	Total	Non-current	Current	Total
Other financial assets	115,581	—	**115,581**	93,242	—	**93,242**
Advances to customers	21,508	3,972	**25,480**	24,326	3,663	**27,989**
Current and non-current financial investments	**137,089**	**3,972**	**141,061**	**117,568**	**3,663**	**121,231**

Other financial assets

As detailed in Note 19.a, in relation to the digitalization and expansion of the terrestrial television networks in remote rural areas in Spain during the digital transformation process, the European Commission issued a decision on 19 June 2013 concluding that Retevisión-I, S.A.U. and other operators of platforms for transmitting terrestrial and satellite signals had received state aid, in the amount of EUR 260 million, that is contrary to the Treaty on the Functioning of the European Union. In this regard, the governments of Extremadura, Catalonia, Valencia, Asturias and others initiated different proceedings to recover the aid, amounting to approximately EUR 100 million. The Group has already appealed such decisions and, in order to suspend the execution, it has set up escrow accounts for a total amount of approximately EUR 116 million (EUR 93.2 million as of 31 December 2022), which were registered in the heading “Non-current financial investments” of the accompanying consolidated balance sheet. On 5th November 2021, the Group filed an appeal before the General Court of the European Union requesting the annulment of the referred decision. To date, the General Court of the European Union has still not ruled on such appeal. In accordance with Note 19.a, it is not expected that the resolution of the procedures in progress will have a significant effect on the consolidated net assets of the Group to the extent that the aforementioned estimate of the actions to be exercised, the Group considers that it would entail the restitution of the amounts deposited in recovered "escrow" accounts.

Advances to customers

This heading of the consolidated balance sheet includes, with regards to the acquisitions of telecom infrastructures undertaken by the Group, the multi-annual commercial costs assumed by the Group, in order to obtain the service provision services agreements with the mobile telephone operators that will generate future economic profit, through the purchase, from these operators, of the telecom infrastructures, the dismantling of which has been agreed to along with the related cost. It must be noted that the dismantling expenses do not represent a legal obligation to dismantle the telecom infrastructures, but rather a commercial decision made by the Group and these costs will be capitalised as they are incurred.

These amounts are recognised as an advance of the subsequent services agreement with the mobile telephone operator, which is recognised in the accompanying consolidated income statement on a straight-line basis as a reduction to “revenue from services rendered” according to the term of the services agreement entered into with the operator.

The changes in “advances to customers” during 2023 and 2022 were as follows:

Thousands of Euros			
	2023		
	Non-current	Current	Total
At 1 January	**24,326**	**3,663**	**27,989**
Additions	149	—	149
Charge to the consolidated income statement	—	(3,983)	(3,983)
Transfer	(3,983)	3,983	—
Others	1,016	309	1,325
At 31 December	**21,508**	**3,972**	**25,480**

Thousands of Euros			
	2022		
	Non-current	Current	Total
At 1 January	**26,406**	**3,151**	**29,557**
Additions	277	—	277
Charge to the consolidated income statement	—	(3,442)	(3,442)
Transfer	(3,442)	3,442	—
Others	1,085	512	1,597
At 31 December	**24,326**	**3,663**	**27,989**

Current and non-current advances to customers relate to the accounting treatment adopted by the Group in reference to the telecom infrastructures acquired, which are to be subsequently dismantled. These purchases are considered advances to customers and are recognised under these headings (see Note 3.d).

The balances of the financial assets are reflected at their face value, there being no significant differences concerning their fair value.

Additions

Corresponds to the pluri-annual commercial costs assumed by the Group in order to obtain the service provision services agreements with the mobile telephone operators, through the purchase of the telecom infrastructures from these operators, the dismantling of which has been agreed to along with the related cost.

Charge to the consolidated income statement

During 2023 and 2022, in line with the terms of the services agreements entered into with the operators, the corresponding amount of the total paid for the purchase of telecommunications infrastructure, treated as prepayment for the subsequent service agreements, was taken to the accompanying consolidated income statement. At 31 December 2023 and 2022 this amount was recorded as a reduction to revenues amounting to EUR 3,983 thousand and EUR 3,442 thousand, respectively.

Transfers

The transfers from the 2023 and 2022 financial years are due to the classification under "Current financial investments" of the part that is expected to be charged during the next financial year to the consolidated income statement.

14. Net equity

a) Share capital and treasury shares

Share capital

At 31 December 2023 and 2022, the share capital of Cellnex Telecom, S.A. amounted to EUR 176,619 thousand, represented by 706,475,375 cumulative and indivisible ordinary registered shares of EUR 0.25 par value each, fully subscribed and paid.

Changes in 2023

During 2023 there have been no changes in the share capital of Cellnex Telecom, S.A.

Changes in 2022

In the context of the Hutchison United Kingdom Acquisition (see Note 6 of the 2022 Consolidated Financial Statements), on 28 April 2022, the general shareholders' meeting of Cellnex (the "General Shareholder's Meeting") approved (delegating its execution on the Board of Directors) a share capital increase by means of an in-kind contribution for the payment of the portion of the consideration settled in Shares, which was a renewal of its initial approval for such capital increase made on 29 March 2021. Consequently, on 10 November 2022, Cellnex issued 27,147,651 new shares at a subscription price (nominal value plus share premium) of 49.8121 for each new share. The shares have been admitted to listing on the Spanish Stock Exchanges, with actual trading beginning on 11 November 2022.

Thus, the share capital of Cellnex is of 31 December 2022 was 176,618,843.75 euros, divided into 706,475,375 shares, each with a face value of 0.25 euros, all belonging to the same class and series.

The New Shares offer the same political and economic rights as the ordinary shares of the Parent Company.

On 10 November 2022, the public deed for the Capital Increase, was duly registered.

Significant shareholders

In accordance with the notifications concerning the number of shares held made to the National Securities Market Commission, the shareholders who hold significant shareholdings in the share capital of the Parent Company, both directly and indirectly, greater than 3% of the share capital at 31 December 2023 and 2022, are as follows:

	% ownership	
Company	**31 December 2023**	**31 December 2022**
Edizione, S.r.l. [1]	9.90 %	8.53 %
The Children's Investment Master Fund [2]	9.39 %	7.09 %
GIC Private Limited [3]	7.03 %	7.03 %
Canada Pension Plan Investment Board	5.19 %	4.97 %
Blackrock, Inc.	5.04 %	5.05 %
Ck Hutchison Holdings Limited	4.83 %	4.83 %
Fundación Bancaria Caixa D' Estalvis i Pensions de Barcelona	4.77 %	4.77 %
Norges Bank	3.00 %	3.00 %
JP Morgan Chase	— %	5.38 %
Total	**49.15 %**	**50.65 %**

Source: National Securities Market Commission ("CNMV")

[1] Edizione S.r.l. ("Edizione") controls Sintonia S.p.A. ("Sintonia") which in turn controls Schema Gamma S.r.l (formerly ConnecT Due S.r.l).

[2] The Children´s Investments Master Fund is managed by the TCI Fund Management Limited by means of certain investment agreements. TCI Fund Management Limited is controlled by Christopher Anthony Hohn.

[3] GIC Private Limited holds directly 100% of the share capital of GIC Special Investments Private Limited ("GICSI"). GICSI provides direction and management to GIC Infra Holdings Private Limited, which in turn holds 100% of the share capital of Lisson Grove Investment Private Limited.

At 31 December 2023 and 2022, Edizione was positioned as a reference shareholder in Cellnex Telecom, S.A., holding a 9.90% stake in its share capital (8.53% at 2022 year-end).

As of 31 December 2023 and 2022, none of the significant shareholders, whether individually or together, controls the Parent Company.

Treasury shares

On 31 May 2018 the Ordinary General Shareholder's Meeting of Cellnex Telecom, S.A. resolved to delegate in favour of the Board of Directors the faculty to purchase treasury shares up to a limit of 10% of the share capital.

During the second half of 2021, Cellnex Board of Directors approved the Cellnex's Treasury Shares Policy, which is available on the Corporate Website. Thus, during the year ended 31 December 2023, Cellnex did not carry out discretional purchases of treasury shares (302,207 thousand in 2022). These purchases were carried out under the delegation from the Ordinary General Shareholder's Meeting to the Board of Directors of May 2018 and fulfilling the principles established in the treasury shares policy. The use of the treasury shares acquired under discretional purchases will depend on the agreements reached by the Corporate Governance bodies. On 1 June 2023, the Ordinary General Shareholder's Meeting resolved to approve the aforementioned delegation in the same terms.

At 31 December 2023 and 2022, 52,399 and 291,258 treasury shares have been transferred to employees in relation to employee remuneration payable in shares, respectively. In addition, during 2023, 108,578 shares have been transferred to bondholders in relation to the repurchase of senior unsecured convertible bonds, as detailed in Note 15. Finally, 7,342 treasury shares have been transferred as payment in kind for professional services.

At 31 December 2023, the Parent Company has registered a loss of EUR 1,946 thousand (a loss of EUR 52,391 thousand in 2022), net of fees and commissions, as a result of these operations and this has been taken as a reserve movement in the consolidated balance sheet.

The number of treasury shares as at 31 December 2023 and 2022 amounts to 950,688 and 1,119,007 shares, respectively and represents 0.135% and 0.158%, respectively, of the share capital of Cellnex Telecom, S.A.

The movement in the portfolio of treasury shares during 2023 and 2022 has been as follows:

2023

	Number (Thousands of Shares)	Average Price	Purchases/Sales (Thousands of Euros)
At 1 January 2023	**1,119**	**42.554**	**47,619**
Sales / Others	(168)	42.554	(7,163)
At 31 December 2023	**951**	**42.554**	**40,456**

2022

	Number (Thousands of Shares)	Average Price	Purchases/Sales (Thousands of Euros)
At 1 January 2022	**1,202**	**50.570**	**60,802**
Purchases	7,328	41.240	302,207
Sales / Others	(7,411)	42.550	(315,390)
At 31 December 2022	**1,119**	**42.554**	**47,619**

b) Share premium

As at 31 December 2023 the share premium of Cellnex Telecom amounted to EUR 15,482 million (EUR 15,523 million in 2022). During 2023, a total cash pay out to shareholders of EUR 40,290 thousand was declared from the share premium account (see Note 14.d).

During 2022, the share premium increased due to the capital increase described in Note 14.a. In addition, a cash pay out to shareholders of EUR 36,635 thousand was declared from the share premium account (See Note 14.d).

c) Reserves

The breakdown of this account is as follows:

	Thousands of Euros	
	31 December 2023	31 December 2022 restated
Legal reserve	19,000	19,000
Reserves from the Parent Company	(402,365)	159,155
Reserves of consolidated companies	(1,230,968)	(1,223,708)
Hedge reserves	14,407	56,748
Foreign exchange differences	215,269	(143,192)
Reserves	**(1,384,657)**	**(1,131,997)**

I) Legal reserve

In accordance with the consolidated text of the Spanish Limited Liability Companies Act, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve may not be distributed to shareholders unless the Parent Company is liquidated.

The legal reserve may be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount.

Apart from the purpose mentioned above, the legal reserve may be used to offset losses unless it exceeds 20% of the capital and no other sufficient reserves are available for such purpose.

At 31 December 2023 and 2022, because of the capital increase carried out during 2022, the legal reserve had not reached the legally established minimum.

II) Reserves from the Parent and consolidated companies

The reserves, totalling negative EUR 1,633,333 thousand and EUR 1,064,553 thousand as of 31 December 2023 and 2022, respectively, includes the negative reserves of the Parent and consolidated companies, which amounts to negative EUR 1,843,269 thousand and EUR 1,294,700 thousand as of 31 December 2023 and 2022, respectively, and the convertible bond reserve, which amounts to EUR 209.936 thousand (positive reserve) and EUR 230,147 thousand as of 31 December 2023 and 2022, respectively.

The decrease in “Reserves from the Parent Company” and “Reserves of consolidated companies” during 2023 is due to: i) the positive impact amounting to EUR 122 million in relation with the sale transaction of non-controlling interests in Cellnex Nordics (see Note 2.h), ii) the net negative impact of EUR 259 million in relation to the issuance of the 2023 Convertible Bond and the repurchase of the convertible bonds issued in 2018 and 2019 as stated below, iii) the distribution of 2022 losses for an amount of EUR 297 million, iv) the negative impact amounting to EUR 106 million related to the transaction with non-controlling interests of On Tower Poland in relation with the 30% of the share capital acquired from Iliad Purple (see Note 2.h), v) the net negative impact on reserves amounting to EUR 33 million in relation to the reimbursement received from DIV (EUR 7 million) (see Notes 10 and 19.c) net of the update of the contingent commitment to purchase shares of Cellnex Netherlands in the context of the T-Mobile Infra Acquisition (EUR 40 million) as a result of the change in the ownership subject to the contingent commitment to purchase. In this regard, as of 31 December 2023, the value of the contingent commitment amounted to EUR 404 million (EUR 364 million as of 2022 year-end). See Note 19.c), vi) employee benefit payable in shares (see Note 19), and vii) the negative result from transactions with treasury shares in the Parent Company amounting to EUR 2 million.

The decrease in “Reserves from the Parent Company” and “Reserves of consolidated companies” during 2022 was due to the impact recognised in equity due to: i) the distribution of 2021 losses for an amount of EUR 363 million, ii) the negative impact amounting to EUR 368 million in relation with the transaction with non-controlling interests of On Tower France in relation with the 30% of the share capital acquired from Iliad (see Note 2), iii) the negative impact amounting to EUR 1 million in relation with the transaction with non-controlling interests of On Tower Poland in relation with the 10% of the share capital acquired from Play (see Note 2), iv) the net negative impact on reserves amounting to EUR 50 million in relation to the reimbursement received from DIV (see Notes 2.h, 10 and 19.c) net of the update of the contingent commitment to purchase shares of Cellnex Netherlands in the context of the T-Mobile Infra Acquisition as a result of the change in the ownerships subject to the contingent commitment to purchase, and v) employee benefit payable in shares (see Note 19), and vi) the negative result from transactions with treasury shares in the Parent Company amounting to EUR 52 million.

Convertible bonds are compounded instruments that have been split into its two components: a debt component corresponding to the present value of the coupons and principal discounted at the interest rate of a non-convertible bond, with same nominal amount and maturity, without the convertibility option; and an equity component, for the remaining amount, due to the bondholder option to convert into shares. During 2023 the convertible bond reserve decreased by EUR 20,211 thousand to EUR 209,936 thousand due to: i) the positive impact of EUR 63,462 thousand in relation to the issuance of the 2023 Convertible Bond (see Note 15) and ii) the negative impact of EUR 83,673 thousand due to the repurchase of the convertible bonds issued in 2018 and 2019 (see Note 15). During 2022 there were not significant movement in this reserve.

At 31 December 2023 and 2022, there are no significant non-distributable reserves from both the Parent Company and the subsidiaries, except from the Legal reserve described above.

III) Hedge reserve

This line item includes the reserve generated by the effective portion of the changes in the fair value of the derivative financial instruments designated and classified as cash flow hedges and/or hedges of net investments in foreign operations in the case of the fully consolidated companies.

IV) Foreign exchange differences

The detail of this line item at 31 December 2023 and 2022 is as follows:

	Thousands of Euros	
	31 December 2023	31 December 2022 restated
Cellnex UK	124,902	(8,350)
Cellnex Telecom (USD)	251	927
Cellnex Switzerland (CHF)	10,439	12,792
Cellnex Denmark (DKK)	(273)	158
Cellnex Sweden (SEK)	(73,054)	(77,458)
Cellnex Poland (PLN)	153,004	(71,261)
Total	**215,269**	**(143,192)**

d) Interim dividend and proposed dividends

The determination of the distribution of dividends is carried out based on the individual statutory financial statements of Cellnex Telecom, S.A., and within the framework of the legislation in force in Spain.

On 21 July 2020, the Annual Shareholders' Meeting approved the distribution of a dividend charged to the share premium reserve to a maximum of EUR 109 million, to be paid upfront or through instalments during the years 2020, 2021, 2022 and 2023. It was also agreed to delegate to the Board of Directors the authority to establish, if this is the case, the amount and the exact date of each payment during said period, always attending to the maximum overall amount stipulated.

According to the aforementioned Shareholders' Remuneration Policy, (i) the shareholder remuneration corresponding to the fiscal year 2020 was equivalent to that of 2019 (EUR 26.6 million) increased by 10% (to EUR 29.3 million); (ii) the shareholder remuneration corresponding to the fiscal year 2021 was equivalent to that of 2020, increased by 10% (to EUR 32.2 million); and (iii) the shareholder remuneration corresponding to the fiscal year 2022 was equivalent to that of 2021, increased by 10% (to EUR 35.4 million).

On 15 December 2022, the Board of Directors approved the following Shareholders' Remuneration Policy corresponding to the fiscal years 2023 and 2024: (i) the shareholder remuneration corresponding to fiscal year 2023 will be equivalent to that of 2022 (EUR 36.6 million) increased by 10% (EUR 40.3 million); (ii) the shareholder remuneration corresponding to fiscal year 2024 will be equivalent to that of 2023 increased by 10% (EUR 44.3 million).

On 1st June 2023, the Annual Shareholders' Meeting approved the distribution of a dividend charged to the share premium reserve to a maximum of EUR 85 million, to be paid upfront or through instalments during the years 2023, 2024 and 2025. It was also agreed to delegate to the Board of Directors the authority to establish, if this is the case, the amount and the exact date of each payment during said period, always attending to the maximum overall amount stipulated.

During the first half of 2023, in compliance with the Parent Company´s Shareholders' Remuneration policy, the Board of Directors, pursuant to the authority granted by resolution of the Annual Shareholders' Meeting of 21 July 2020, approved the distribution of a cash pay-out charged to the share premium reserve of EUR 11,822 thousand, which represented EUR 0.016760 for each existing and outstanding share with the right to receive such cash pay-out. During the second half of 2023, the Board of Directors, pursuant to the authority granted by resolution of the Annual Shareholders' Meeting of 1st June 2023, approved the distribution of a cash pay-out charged to the share premium reserve in the amount of EUR 28,468 thousand, which represents 0.04035 euros for each existing and outstanding share with the right to receive such cash pay-out.

The payment of the dividends will be made on the specific dates to be determined in each case and will be duly announced.

Notwithstanding the above, the Parent Company's ability to distribute dividends depends on a number of circumstances and factors including, but not limited to, net profit attributable to the Parent Company, any limitations included in financing agreements and Group's growth strategy. As a result of such or other circumstances and factors, the Parent Company may modify the Shareholders' Remuneration Policy or may not pay dividends in accordance with the Shareholders' Remuneration Policy at any given time. In any case, the Parent Company will duly announce any future amendment to the Shareholders' Remuneration Policy.

Thus, the Directors of Cellnex Telecom, S.A. will submit for approval of the Annual General Shareholders' Meeting the following proposal for the distribution of the results of the year ended 31 December 2023:

	Thousands of Euros
Basis of distribution (Profit and Loss)	186,372
Distribution:	
Legal reserve	16,324
Accumulated profit and loss reserve	99,688
Reserves from retained earnings	70,360
Total	**186,372**

e) Earnings per share

The table below shows the basic and diluted earnings per share calculated by dividing the net profit for the year attributable to the shareholders of Cellnex Telecom, S.A. by the weighted average number of shares outstanding during the year, excluding the average number of treasury shares held by the Group.

Thousands of Euros	31 December 2023	31 December 2022
Profit/(loss) attributable to the Parent Company	(297,220)	(297,058)
Weighted average number of shares outstanding (Note 14.a)	668,713,007	672,772,636
Basic EPS attributable to the Parent Company (euros per share)	(0.44)	(0.44)
Diluted EPS attributable to the Parent Company (euros per share)	(0.29)	(0.29)

f) Non-controlling interests

The balance of this heading in the Group's equity includes the interest of non-controlling shareholders in the fully consolidated companies. Additionally, the balance of "Profit attributable to non-controlling interests" in the consolidated statement of comprehensive income represents the share of non-controlling shareholders in the profit for the year.

The detail of the non-controlling interests at 31 December 2023 and 2022 is as follows:

Non-controlling interests	%(*) owned by Cellnex as of 31/12/2023	%(*) owned by Cellnex as of 31/12/2022	31 December 2023	31 December 2022
Cellnex Switzerland subgroup	72%	72%	278,888	277,148
Nexloop (1)	51%	51%	63,008	21,063
Cellnex Netherlands subgroup (2)	70%	70%	256,561	254,559
On Tower Poland	100%	70%	—	384,012
Cellnex Nordics subgroup (3)	51%	100%	576,161	—
Others (4)	60%	60%	35,417	29,911
Total			**1,210,035**	**966,693**

(*) Corresponds to the stake owned by Cellnex in each subsidiaries, directly or indirectly.

(1) The agreement between Cellnex and Bouygues Telecom (see note 2.h of the 2020 Consolidated Financial Statements) includes certain exit agreements and provides Bouygues Telecom with call options over Nexloop's shares held by Cellnex France Groupe, upon the expiry of a given period of time (that is, a 20-year period from the execution of the shareholders' agreement) and subject to certain conditions which the Group believes makes its execution challenging, or in the event that a triggering event occurs (including the breach by Cellnex of the agreements between the shareholders). The shareholders' agreement also sets out Cellnex France's right, but not the obligation, to purchase this non-controlling interest subject to certain events, and, if exercised, Bouygues Telecom will have the obligation to sell its Nexloop's shares, subject to certain conditions and at a price to be calculated pursuant to said agreement.

(2) As detailed in Note 10, Cellnex, DIV and a Dutch foundation entered into an agreement upon closing, which set forth the right of DIV to sell its 37.65% non-controlling interest to Cellnex, at a price to be calculated pursuant to said agreement. This agreement is very similar to the put option agreement of Cellnex Switzerland with DTCP executed in 2019 (see 2019 Consolidated Financial Statements). Thus, as a consequence of the terms set forth in paragraph 23 of IAS 32, the Group maintains a liability (see Note 19.c) corresponding to the contingent commitment to purchase the 30.46% (29.88% as of 31 December 2022) of Cellnex Netherlands' shares from third-party shareholders, whose interests in this consolidated company are reflected as of 31 December 2023 under "Non-controlling interests".

(3) The signed shareholders agreement with Stonepeak includes an agreed dividend policy that states that dividends will be distributed proportionally to its shareholder' stakes based on available cash and business plan performance with a preferential treatment towards Stonepeak in case of negative deviation on the agreed base dividends, which in turn will increase 5% annually. Additionally, the shareholders' agreement also includes certain exit provisions upon the expiry of a given period of time and provides: i) Cellnex with a call option over Cellnex Nordics' shares held by Stonepeak with exercise price equal to a multiple of the exit year's EBITDAaL, ii) a right of first offer (ROFO) for both Cellnex and Stonepeak, iii) Stonepeak with an option to sell its shareholding and Cellnex shareholding subject to certain conditions over Cellnex Nordics' shares held by Cellnex, and iv) Cellnex with an option to sell its shareholding and Stonepeak shareholding subject to certain conditions over Cellnex Nordics' shares held by Stonepeak. The investor might have, under very specific scenarios, the right of the Cellnex Nordics' sale's proceeds more than proportional to its shareholding participation to achieve an agree IRR. In relation with this exit provisions as none of the agreements reached with Stonepeaks obliges Cellnex to acquire the 49% stake sold to the investor the Group does not maintains a liability, instead, there are two derivative financial instruments, one in relation with the call option granted to Cellnex and the other one in relation with the right granted to Stonepeak to receive in some scenarios a sale's proceeds more than proportional to its shareholding participation. Both derivatives financial instruments have nil value at inception and at 31 December 2023, and will be measured in accordance to IFRS 9 paragraph 4.1.4. in subsequent reporting periods.

(4) Upon completion of the Polkomtel Acquisition, Polkomtel, Cellnex Poland and the Group entered into a buyback agreement ("Polkomtel Buyback Agreement") by virtue of which Polkomtel (or its nominee) is granted the right to require Cellnex Poland or the Group to sell and transfer back the shares of Polkomtel Infrastruktura (sold pursuant to the Polkomtel SPA) to Polkomtel (or its nominee), in the event (i) shares in Polkomtel Infrastruktura are issued or sold to a Restricted Entity (as such term is defined in the Polkomtel Buyback Agreement), (ii) there is a change of control, without the prior written consent of Polkomtel, by means of which a Restricted Entity gains majority ownership or control over Polkomtel Infrastruktura or any of its holding companies (other than Cellnex), (iii) there is a change of control, without the prior written consent of Polkomtel, by means of which a Restricted Entity gains ownership of more than 30% of Cellnex Parent (that includes Cellnex and any legal successor to Cellnex, inclusive of any person with which it is merged or amalgamated; and such other person as is from time to time the ultimate holding company of the Cellnex Group) or gains control over Cellnex Parent, or (iv) in certain circumstances, if a critical failure under the Polkomtel MSA occurs. In the event any of the triggering events (i) to (ii) occurs, Polkomtel may opt to exercise its right pursuant to the Polkomtel Buyback Agreement within three months or, alternatively, to have the fees of the Polkomtel MSA reduced by 50%. The Polkomtel Buyback Agreement shall terminate if (a) there is a change of control of Polkomtel or Cyfrowy or (b) the Polkomtel MSA is terminated by Polkomtel upon execution of a master services agreement with another provider with substantially the same scope as the Polkomtel MSA.

The changes in this heading were as follows:

Thousands of Euros

Non-controlling interests	2023	2022
At 1 January	**966,693**	**1,633,652**
Profit/(loss) for the period	(18,603)	(15,878)
Dividends	(1,937)	—
Changes in the scope of consolidation	168,612	(672,844)
Exchange differences	33,743	3,676
Capital increase from minorities	56,350	15,929
Hedge reserves and others movements	5,177	2,158
At 31 December	**1,210,035**	**966,693**

"Changes in the scope of consolidation" for 2023 amounting to EUR 169 million, mainly relates to the impact of:

I) Acquisition of an additional stake in On Tower Poland

As detailed in Note 2.h, in the first half of 2023, Cellnex Poland entered into an agreement with Iliad Purple to acquire 30% of the share capital of On Tower Poland, after which Cellnex now indirectly holds a 100% shareholding in On Tower Poland. Following the aforementioned, a decrease amounting to EUR 401 million has been recognised under "non-controlling interests" in the accompanying consolidated balance sheet, as a result of the termination of the non-controlling interests that existed at the acquisition date.

Additionally, since the aforementioned transaction was an equity transaction carried out with a non-controlling interest in the subsidiary that did not modify the controlling position in On Tower Poland, the transaction has led to the recognition of a negative impact of EUR 106 million under “Reserves of consolidated companies” in the accompanying consolidated balance sheet (see section c) of this Note). This accounting treatment is supported by the guidance in paragraph 23 of IFRS 10 to recognise any adjustments related to changes in the parent’s ownership interest that do not result in the parent losing or gaining control over a subsidiary as ownership transactions.

II) Disposal of 49% stake in Sweden and Denmark to Stonepeak

As indicated in Note 2.h, on 30 November 2023 the Group completed the divestment of a 49% stake in Cellnex Nordics, which owns the Group business in Sweden and Denmark. Consequently, as a result of this transaction, the Group recognised an equity transaction carried out with a non-controlling interest that did not modify the controlling position in Cellnex Nordics (and consequently in Cellnex Sweden and Cellnex Denmark). This has led the recognition of a non-controlling interest of EUR 564,760 thousand and a positive impact of EUR 121,495 thousand under “Reserves of consolidated companies” in the consolidated balance sheet (see section c) of this Note). This accounting treatment is supported by the guidance in paragraph 23 of IFRS 10 to recognise any adjustments related to changes in the parent’s ownership interest that do not result in the parent losing or gaining control over a subsidiary as ownership transactions. Upon initial recognition of the redemption liability, the risks and rewards not transferred to the parent were recognised as non-controlling interests.

"Capital increase from minorities" for 2023 mainly corresponds to:

I) Capital increase in Nexloop

During the first half of 2023, Nexloop carried out a capital increase amounting to EUR 100 million, which was fully subscribed by Cellnex France Groupe and Bouygues Telecom. Therefore, the stake that both shareholders held in Nexloop, as of 31 December 2023, did not change as a result of the aforementioned transaction.

As regards the main non-controlling interest, the summarised financial information in relation to the assets, liabilities, operating results and cashflow relating to the corresponding company/subgroup incorporated in the consolidation process is as follows:

31 December 2023

Thousands of Euros

	Cellnex Switzerland subgroup	Nexloop	Cellnex Netherlands subgroup	Cellnex Nordics subgroup	Others
Non-current assets	1,948,410	1,129,524	1,442,644	1,401,095	150,163
Current assets	62,957	52,859	44,495	73,842	24,027
Total assets	**2,011,367**	**1,182,383**	**1,487,139**	**1,474,937**	**174,190**
Non-current liabilities	1,097,677	612,675	673,640	250,683	52,377
Current liabilities	226,936	416,291	(58,179)	48,450	37,535
Total liabilities	**1,324,613**	**1,028,966**	**615,461**	**299,133**	**89,912**
Net assets	**686,754**	**153,417**	**871,678**	**1,175,804**	**84,278**
Income	165,808	42,526	142,067	98,788	12,118
Expenses	(18,836)	(3,908)	(38,348)	(26,711)	(7,737)
Gross operating profit	**146,972**	**38,618**	**103,719**	**72,077**	**4,381**
Profit attributable to the shareholders	**(25,403)**	**(3,330)**	**3,486**	**(9,828)**	**(1,368)**
Operating activities	72,141	(12,737)	69,999	53,321	(14,435)
Investment activities	(5,522)	(356,910)	(20,877)	(26,995)	(59,858)
Financing activities	(40,333)	359,276	(47,636)	(25,900)	72,342
Cash flows	**26,286**	**(10,371)**	**1,486**	**426**	**(1,951)**

31 December 2022

Thousands of Euros

	Cellnex Switzerland subgroup	Nexloop	On Tower Poland	Cellnex Netherlands subgroup	Others
Non-current assets	1,908,531	747,543	1,641,346	1,471,372	90,267
Current assets	42,150	46,984	96,943	36,466	16,276
Total assets	**1,950,681**	**794,527**	**1,738,289**	**1,507,838**	**106,543**
Non-current liabilities	1,068,747	420,155	108,764	666,179	13,908
Current liabilities	201,941	297,249	322,404	(26,617)	13,280
Total liabilities	**1,270,688**	**717,404**	**431,168**	**639,562**	**27,188**
Net assets	**679,993**	**77,123**	**1,307,121**	**868,276**	**79,355**
Income	157,520	18,001	137,617	130,108	11,943
Expenses	(19,998)	667	(17,184)	(36,394)	(7,772)
Gross operating profit	**137,522**	**18,668**	**120,433**	**93,714**	**4,171**
Profit attributable to the shareholders	**4,720**	**(6,072)**	**(2,469)**	**733**	**(325)**
Operating activities	164,695	16,362	98,505	(8,711)	2,804
Investment activities	(25,566)	(288,261)	(155,642)	(381)	(8,051)
Financing activities	(121,383)	229,359	64,574	9,091	6,141
Cash flows	**17,746**	**(42,540)**	**7,437**	**(1)**	**894**

g) Profit/(loss) for the year

The contribution of each company in the scope of consolidation to consolidated profit/(loss) is as follows:

	Thousands of Euros	
	2023	2022
Cellnex Telecom, S.A.	(224,564)	(201,725)
Cellnex Telecom España, S.L.U.	(1,897)	(3,476)
Retevisión-I, S.A.U.	94,542	81,948
Tradia Telecom, S.A.U.	20,281	19,366
On Tower Telecom Infraestructuras, S.A.U.	24,535	19,737
Towerco, S.p.A.	—	(11)
Cellnex Italia, S.p.A.	3,586	(27,013)
Cellnex Netherlands, Group	6,171	(4,192)
Cellnex France, S.A.S.	58,545	(31,511)
Cellnex UK subgroup (formerly Shere Group subgroup)	(68,022)	(47,366)
Cellnex Switzerland AG	(276)	(1,432)
Swiss Towers AG	(12,133)	12,905
Cellnex France Groupe, S.A.S.	(38,013)	(43,109)
Xarxa Oberta de Comunicació i Tecnología de Catalunya, S.A.	4,258	4,507
Swiss Infra Services AG	(12,942)	(6,715)
Cignal subgroup	(2,152)	(845)
On Tower Netherlands subgroup	3,103	871
On Tower France	(37,335)	(67,534)
OMTEL, Estruturas de Comunicaçoes	7,237	17,999
On Tower Portugal	6,498	5,001
CLNX Portugal	(32,002)	(24,239)
Nexloop France, S.A.S.	(3,330)	(6,072)
On Tower UK subgroup	(2,217)	88,970
Cellnex Finland Subgroup	(2,707)	(1,401)
Cellnex Finance Company, S.A.	189,949	67,163
Metrocall, S.A.	(443)	(594)
Cellnex Nordics, S.L.	125	—
Cellnex Denmark Subgroup	(5,812)	(4,692)
Cellnex Sweden Subgroup	(4,141)	2,239
Cellnex Austria Subgroup	(30,653)	(18,517)
Cellnex Poland Subgroup	(22,181)	(14,274)
Cellnex Ireland Subgroup	(6,387)	(5,192)
Cignal Infrastructure NL	(3,245)	4,054
Towerlink France	(26,426)	(18,570)
CK Hutchison Italia, S.p.A	—	1,511
Hivory	(161,161)	(81,113)
Spanish companies accounted using equity method	(93)	95
Others	(17,918)	(13,831)
Net profit attributable to the Parent Company	**(297,220)**	**(297,058)**

15. Borrowings

Overview

The breakdown of borrowings at 31 December 2023 and 2022 is as follows:

Thousands of Euros

	31 December 2023			31 December 2022		
	Non-current	Current	Total	Non-current	Current	Total
Bond issues and other loans	13,448,285	855,387	14,303,672	13,939,425	105,985	14,045,410
Loans and credit facilities	4,344,652	47,185	4,391,837	3,803,414	34,764	3,838,178
Other financial liabilities	12,955	3,822	16,777	4,497	2,603	7,100
Borrowings	**17,805,892**	**906,394**	**18,712,286**	**17,747,336**	**143,352**	**17,890,688**

During the year ended at 31 December 2023, the Group increased its borrowings from bond issues and loans and credit facilities (which do not include any debt held by Group companies registered using the equity method of consolidation, "Derivative Financial Instruments" or "Other financial liabilities") by EUR 811,921 thousand to EUR 18,695,509 thousand.

The net increase in "Loans and credit facilities" was mainly due to:

- On 27 February 2023 the Group entered into a EUR 700,000 thousand term loan facility with 5 year maturity. The purpose of this agreement was mainly to refinance the outstanding GBP 600,000 thousand term loan facility through its subsidiary Cellnex UK. In this case the term loan was executed by Cellnex Finance.

- On 11 May 2023 and 24 July 2023 the Group signed a EUR 150,000 thousand and EUR 315,000 thousand terms loans facilities with a 5 year bullet maturity and 8 year average maturity, respectively, that have been fully drawn.

- On 24 July 2023 Nexloop France extended its existing EUR 600,000 thousand credit facility with a new EUR 100,000 thousand tranche credit facility also maturing in 2028.

- On 31 July 2023 Swiss Towers early cancelled the CHF 620,000 thousand financing by signing a new facility for CHF 580,000 thousand maturing in 2028.

- On 30 November 2023 the Group made a EUR 200,000 thousand partial repayment of the financing signed on 13 November 2020 for EUR 1,250,000 thousand term loan facility with a 5 year maturity being the outstanding amount as of 31 December 2023 EUR 1,050,000 thousand term loan facility.

Additionally, during the year ended on 31 December 2023, the following financing agreements have been signed or modified: i) In relation with the EUR 135,000 thousand Senior Facility Agreement signed on 27 October 2022 by Cellnex France Infrastructures consisting of EUR 120,000 thousand term loan facility to partially finance the deployment of new sites, and a EUR 15,000 thousand revolving credit facility to finance or reimburse VAT amounts related to Cellnex France Infrastructures project cost, the revolving credit facility has been reduced to EUR 10,000 thousand ii) on 26 June 2023, the Group amended and decreased EUR 200,000 thousand of GBP and CHF undrawn credit facilities to increase a EUR 100,000 thousand credit facility to EUR 300,000 thousand.

In relation with bonds, on July and August 2023 the Group has issued a new convertible bond (the "2023 Convertible Bond") for an amount of EUR 1,000 million, convertible into new and/or exchangeable for existing ordinary shares, and has also repurchased the outstanding amount of the EUR 600 million senior unsecured convertible bonds due 2026 issued on 16 January 2018 (EUR 575 million at settlement date) and the outstanding amount of the EUR 200 million senior unsecured convertible bonds due 2026 issued on 21 January 2019 (EUR 192 million at settlement date]) for a total amount of EUR 1,066 million.

As part of the commitment to sustainability, Cellnex has designed this Sustainability-Linked Financing Framework ("the Framework") to reinforce the role of sustainability as an integral part of the Group's funding process. Obtaining funding under this Framework will help Cellnex to accomplish the ambitious sustainability targets which are consistent with the ESG Strategy. The Framework is aligned with the best practices as described by the International Capital Market Association's ("ICMA"), the Sustainability-Linked Bond Principles ("SLBP") 2020, the Loan Market Association's ("LMA"), the Sustainability-Linked Loan Principles 2023 ("SLLP") and will also provide investors with further insights into the Group's sustainability strategy and commitments. As described below in the accompanying

Note 15, Cellnex has selected two environmental KPIs and one social KPI, which are core, relevant and material to its business and industry and are aligned with its ESG Strategy.

Borrowings by fixed/variable rate

As of 31 December 2023 and 2022, the Group's fixed rate notional debt amounted to EUR 14,319,702 thousand and EUR 13,890,563 thousand, representing 76% and 77% of its Gross Financial Debt excluding lease liabilities (EUR 2,814,419 thousand and EUR 2,985,855 thousand, respectively), whereas the Group's variable rate notional debt amounted to EUR 4,481,629 thousand and 4,158,549 thousand, representing 24% and 23% of its Gross Financial Debt excluding lease liabilities, respectively. As of 31 December 2023, the estimated sensitivity in the Group's financial costs to a 1% change (increase or decrease) in the interest rate, both fixed and variable, is as follows. The amount of the Group's financial costs from fixed gross financial debt excluding lease liabilities would remain unchanged. The amount of the Group's financial costs from variable gross financial debt excluding lease liabilities would increase by EUR 44,997 thousand in the event of a 1% interest rate increase and the amount of the Group's financial costs from variable gross financial debt excluding lease liabilities would decrease by EUR 44,997 thousand in the event of a 1% interest rate decrease.

Borrowings: Cash flow reconciliation

Pursuant to the amendments to IAS 7, a reconciliation of the cash flows arising from financing activities is set out below, together with the associated liabilities in the opening and closing balance sheet, distinguishing between changes that give rise to cash flows and those that do not:

31 December 2023

Thousands of Euros

	1/1/2023	Cash flows	Exchange rate	Other	31/12/2023
Bond issues	14,045,410	176,756	8,527	72,979	14,303,672
Loans and credit facilities and other financial liabilities [1]	3,845,278	510,567	33,296	19,473	4,408,614
Borrowings	**17,890,688**	**687,323**	**41,823**	**92,452**	**18,712,286**

[1] It mainly includes arrangement expenses accrued, change in interest accrued not paid and convertible bonds accretion.

31 December 2022

Thousands of Euros

	1/1/2022	Cash flows	Exchange rate	Other	31/12/2022
Bond issues	13,565,690	382,525	52,659	44,536	**14,045,410**
Loans and credit facilities and other financial liabilities [1]	2,068,365	1,761,154	(9,556)	25,315	**3,845,278**
Borrowings	**15,634,055**	**2,143,679**	**43,103**	**69,851**	**17,890,688**

[1] It mainly includes arrangement expenses accrued, change in interest accrued not paid and convertible bonds accretion.

As of 31 December 2023 and 2022, the Group's loans and credit facilities were arranged under market conditions and, therefore, their fair value does not differ significantly from their carrying amount. In the case of bond issues, which are traded in active markets, their fair value amounts to EUR 13,287 million and EUR 12,067 million, respectively (based on the market prices at the reporting date).

Borrowings by maturity

The maturities of the Group's borrowings based on the repayment schedule as of 31 December 2023 and 2022 are shown in the table below:

31 December 2023

Thousands of Euros

		Current	Non-current					
	Limit	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	More than 5 years	Total
Bond issues and other loans (*)	14,428,249	883,985	608,605	1,726,123	1,709,784	1,865,775	7,669,298	**14,463,570**
Arrangement expenses	—	(28,598)	(28,035)	(24,199)	(18,751)	(15,319)	(44,996)	**(159,898)**
Loans and credit facilities (*)	7,553,300	50,225	1,164,023	258,631	512,785	1,959,808	461,182	**4,406,654**
Arrangement expenses	—	(3,040)	(2,137)	(977)	(642)	(6,113)	(1,908)	**(14,817)**
Other financial liabilities	4,216	3,822	5,725	4,809	474	474	1,473	**16,777**
Total	**21,985,765**	**906,394**	**1,748,181**	**1,964,387**	**2,203,650**	**3,804,625**	**8,085,049**	**18,712,286**

(*) These items are gross value and, consequently, do not include "Arrangement expenses".

31 December 2022

Thousands of Euros

		Current	Non-current					
	Limit	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	More than 5 years	Total
Bond issues and other loans (*)	14,215,194	135,400	752,431	602,167	2,462,029	1,698,520	8,575,650	**14,226,197**
Arrangement expenses	—	(29,415)	(28,507)	(27,962)	(22,257)	(17,464)	(55,182)	**(180,787)**
Loans and credit facilities (*)	7,178,743	41,625	1,257,220	1,344,467	254,974	512,666	448,261	**3,859,213**
Arrangement expenses	—	(6,861)	(3,988)	(1,611)	(8,575)	—	—	**(21,035)**
Other financial liabilities	2,986	2,603	1,836	434	322	333	1,572	**7,100**
Total	**21,396,923**	**143,352**	**1,978,992**	**1,917,495**	**2,686,493**	**2,194,055**	**8,970,301**	**17,890,688**

(*) These items are gross value and, consequently, do not include "Arrangement expenses".

In January 2024 the maturing EUR 750,000 thousand bond redemption has been paid with existing cash.

Borrowings by type of debt

Thousands of Euros

	Notional as of 31 December 2023 (*)			Notional as of 31 December 2022 (*)		
	Limit	Drawn	Undrawn	Limit	Drawn	Undrawn
Bond issues and other loans	14,428,249	14,428,249	—	14,215,194	14,215,194	—
Loans and credit facilities	7,553,300	4,373,082	3,180,218	7,178,743	3,833,917	3,344,826
Total	**21,981,549**	**18,801,331**	**3,180,218**	**21,393,937**	**18,049,111**	**3,344,826**

(*) Includes the notional value of each borrowing type, and are not the gross or net value of the heading. See "Borrowings by maturity".

As of 31 December 2023, the total limit of loans and credit facilities available was EUR 7,553,300 thousand (EUR 7,178,743 thousand as of 31 December 2022), of which EUR 3,958,011 thousand in credit facilities and EUR 3,595,290 thousand in loans (EUR 3,885,212 thousand in credit facilities and EUR 3,293,530 thousand in loans as of 31 December 2022).

Furthermore, of the EUR 7,553,300 thousand of loans and credit facilities available (EUR 7,178,743 thousand as of 31 December 2022), EUR 3,237,683 thousand (EUR 4,110,625 thousand as of 31 December 2022) can be drawn down either in Euros (EUR) or in other currencies, such as Pound Sterling (GBP), Swiss franc (CHF) and U.S. dollar (USD).

As of 31 December 2023 the total amount drawn down of the loans and credit facilities was EUR 4,373,082 thousand (EUR 3,833,917 thousand drawn down as of 31 December 2022).

Borrowings by currency

Thousands of Euros

	31 December 2023	31 December 2022
Euro	17,218,316	15,769,952
GBP	63,154	744,275
USD	553,283	573,071
CHF	1,055,408	1,005,212
Borrowings	**18,890,161**	**18,092,510**

(*) The amounts shown in the preceding table relate to the cash flows set forth in the contracts, which differ from the carrying amount of the borrowings due to the effect of applying IFRS criteria, especially IFRS9.

As described in Note 4.a-I, the foreign exchange risk on the net investment of operations of the Group companies denominated in non-Euro currencies is managed by means of borrowings denominated in the corresponding foreign currency or by means of cross currency swaps (see Note 11).

As of 31 December 2023 and 2022, the Group maintained bonds and borrowings in CHF, which act as a natural hedge of the net investment in the Group's Swiss subsidiaries. The Group issued three bonds in CHF: CHF 185,000 thousand (EUR 189,007 thousand), CHF 100,000 thousand (EUR 102,166 thousand) and CHF 150,000 thousand (EUR 153,249 thousand). The maturity of these bonds are in 2027, 2025 and 2026, respectively). These non-derivative financial instruments are assigned as net investment hedges against the net assets of Swiss subsidiaries.

During 2023 the Group cancelled a Cross Currency Swap (“CCS”) for EUR 450,000 thousand and an equivalent sterling value of GBP 382,000 thousand which were designated together with the bond issue of EUR 450,000 thousand executed in January 2020 as a natural hedge of the net investment made in United Kingdom Group’s subsidiaries. In addition, the Group also cancelled through its subsidiary Cellnex UK a GBP 600,000 thousand term loan facility with a Euro value of EUR 674,400 thousand. Such transaction was executed on March 2023 and financed with the EUR 700,000 thousand. These non-derivative financial instruments were assigned as net investment hedges against the net assets of subsidiaries in the United Kingdom.

Finally, the Group maintains a Cross Currency Swap ("CCS") for the bond issue of the USD 600,000 thousand which enabled the Group to obtain approximately EUR 505,000 thousand.

Bond issues and other loans

The detail of the bonds and other financing instruments at 31 December 2023 and 2022 is as follows:

I) EMTN Programme and the Guaranteed EMTN Programme

From 2015 to May 2020, the Group established and subsequently renewed a Euro Medium Term Note Programme (the “EMTN Programme”) through the Parent Company. This EMTN Programme was registered on the Irish Stock Exchange Plc, trading as Euronext Dublin, allowing for the issue of bonds up to an aggregate amount of EUR 10,000,000 thousand. After the establishment of the Guaranteed EMTN Programme by Cellnex Finance (as defined below), the Group has ceased to renew the EMTN Programme with the Parent Company.

Since December 2020, Cellnex Finance is the leading financing entity of the Group. Thus, a Guaranteed Euro Medium Term Note Programme (the “Guaranteed EMTN Programme”) was set up in Cellnex Finance, guaranteed by the Parent Company, registered on the Irish Stock Exchange plc, trading as Euronext Dublin, and allowing for the issue of bonds up to an aggregate amount of EUR 10,000,000 thousand. The Guaranteed EMTN Programme has been renewed in August 2023 for a period of 12 months with a maximum aggregate amount of EUR 15,000,000 thousand and it is structured under the Sustainability-Linked Financing Framework designed by Cellnex at the beginning of 2022.

Since March 2016 Cellnex has been part of the list of companies whose corporate bonds are eligible for the Corporate Sector Purchase Programme (CSPP) by European Central Bank (ECB).

Cellnex has issued the bonds described in the table below, all of them addressed to qualified investors:

31 December 2023

Programme	Issue	Initial duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Notional as of 31 December 2023 (Thousands of Euros)
EMTN Programme	10/08/2016	8 years	16/01/2024	BBB-/BB+	XS1468525057	2,38%	750,000
EMTN Programme	16/12/2016	16 years	20/12/2032	BBB-/NA	XS1538787497	3,88%	65,000
EMTN Programme	18/01/2017	8 years	18/04/2025	BBB-/BB+	XS1551726810	2,88%	335,000
EMTN Programme	07/04/2017	9 years	07/04/2026	BBB-/NA	XS1592492125	Eur 6M+2,27%(1)	80,000
EMTN Programme	03/08/2017	10 years	03/08/2027	BBB-/NA	XS1657934714	Eur 6M+2,20%	60,000
EMTN Programme	31/07/2019	10 years	31/07/2029	BBB-/NA	XS2034980479	1,90%	60,500
EMTN Programme	20/01/2020	7 years	20/04/2027	BBB-/BB+	XS2102934697	1,0%	450,000
EMTN Programme	29/01/2020	7 years	18/02/2027	BBB-/NA	CH0506071148	0.775%	199,784
EMTN Programme	26/06/2020	5 years	18/04/2025	BBB-/BB+	XS2193654386	2.88%	165,000
EMTN Programme	26/06/2020	9 years	26/06/2029	BBB-/BB+	XS2193658619	1.88%	750,000
EMTN Programme	17/07/2020	5 years	17/07/2025	BBB-/BB+	CH0555837753	1.1%	107,991
EMTN Programme	23/10/2020	10 years	23/10/2030	BBB-/BB+	XS2247549731	1.75%	1,000,000
Guaranteed EMTN	15/02/2021	5 years	15/11/2026	BBB-/BB+	XS2300292617	0.75%	500,000
Guaranteed EMTN	15/02/2021	8 years	15/01/2029	BBB-/BB+	XS2300292963	1.25%	750,000
Guaranteed EMTN	15/02/2021	12 years	15/02/2033	BBB-/BB+	XS2300293003	2.00%	1,250,000
Guaranteed EMTN	26/03/2021	5 years	26/03/2026	BBB-/NA	CH1104885954	0.94%	161,987
Guaranteed EMTN	08/06/2021	7 years	06/08/2028	BBB-/BB+	XS2348237871	1.50%	1,000,000
Guaranteed EMTN	09/06/2021	6 years	09/06/2027	BBB-/BB+	XS2385393405	1.00%	1,000,000
Guaranteed EMTN	09/06/2021	11 years	09/06/2032	BBB-/BB+	XS2385393587	2.00%	850,000
Guaranteed EMTN	30/03/2022	4 years	12/04/2026	BBB-/BB+	XS2465792294	2.25%(1)	1,000,000
Total							**10,535,262**

(1) Coupon rate hedged by Interest Rate Swaps (see Note 11).

(2) Coupon rate switched to floating with an Interest Rate Swap for EUR 500,000 thousand

Bond issuances during 2023

There have no bond issues during 2023.

31 December 2022

Programme	Issue	Initial duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Notional as of 31 December 2022 (Thousands of Euros)
EMTN Programme	10/08/2016	8 years	16/01/2024	BBB-/BB+	XS1468525057	2.38%	750,000
EMTN Programme	16/12/2016	16 years	20/12/2032	BBB-/NA	XS1538787497	3.88%	65,000
EMTN Programme	18/01/2017	8 years	18/04/2025	BBB-/BB+	XS1551726810	2.88%	335,000
EMTN Programme	07/04/2017	9 years	07/04/2026	BBB-/NA	XS1592492125	Eur 6M+2.27%(1)	80,000
EMTN Programme	03/08/2017	10 years	03/08/2027	BBB-/NA	XS1657934714	Eur 6M+2.20%	60,000
EMTN Programme	31/07/2019	10 years	31/07/2029	BBB-/NA	XS2034980479	1.90%	60,500
EMTN Programme	20/01/2020	7 years	20/04/2027	BBB-/BB+	XS2102934697	1.0%	450,000
EMTN Programme	29/01/2020	7 years	18/02/2027	BBB-/NA	CH0506071148	0.775%	187,874
EMTN Programme	26/06/2020	5 years	18/04/2025	BBB-/BB+	XS2193654386	2.88%	165,000
EMTN Programme	26/06/2020	9 years	26/06/2029	BBB-/BB+	XS2193658619	1.88%	750,000
EMTN Programme	17/07/2020	5 years	17/07/2025	BBB-/BB+	CH0555837753	1.1%	101,553
EMTN Programme	23/10/2020	10 years	23/10/2030	BBB-/BB+	XS2247549731	1.75%	1,000,000
Guaranteed EMTN	15/02/2021	5 years	15/11/2026	BBB-/BB+	XS2300292617	0.75%	500,000
Guaranteed EMTN	15/02/2021	8 years	15/01/2029	BBB-/BB+	XS2300292963	1.25%	750,000
Guaranteed EMTN	15/02/2021	12 years	15/02/2033	BBB-/BB+	XS2300293003	2.00%	1,250,000
Guaranteed EMTN	26/03/2021	5 years	26/03/2026	BBB-/NA	CH1104885954	0.94%	152,330
Guaranteed EMTN	08/06/2021	7 years	06/08/2028	BBB-/BB+	XS2348237871	1.50%	1,000,000
Guaranteed EMTN	09/06/2021	6 years	09/06/2027	BBB-/BB+	XS2385393405	1.00%	1,000,000
Guaranteed EMTN	09/06/2021	11 years	09/06/2032	BBB-/BB+	XS2385393587	2.00%	850,000
Guaranteed EMTN	30/03/2022	4 years	12/04/2026	BBB-/BB+	XS2465792294	2.25% (1)	1,000,000
Total							**10,507,257**

(1) Coupon rate hedged by Interest Rate Swaps (see Note 11).

Bond issuances during 2022

On 30 March 2022, Cellnex completed the pricing of a EUR-denominated bond issuance for an amount of EUR 1,000,000 thousand (with ratings of BBB- by Fitch Ratings and BB+ by Standard&Poor's) aimed at qualified investors under its Euro Medium Term Note Program (EMTN Program) and guaranteed by Cellnex. The bond is maturing in April 2026, has a coupon of 2.25% and was issued at a price of 98.932% of its nominal value. In addition, the Group entered into an interest rate swap agreement for EUR 500,000 thousand in order to partially transform the issuance from fixed-to-floating rate (see Note 11).

The bond issuances denominated in euro are listed on the Irish Stock Exchange (ISE), Plc. (ISE) trading as Euronext Dublin, and the bond issuances denominated in Swiss francs are listed on the Swiss Stock Exchange (SIX).

In this regard, during the year ended 31 December 2022, the first bond issued in 2015 by the Group of EUR 600,000 thousand had matured and was fully repaid.

The bond issues have certain associated costs, customary in this type of transactions such as arrangement expenses and advisors' fees, which amounted to EUR 12,121 thousand as of 31 December 2023 (EUR 17,475 thousand in 2022), which the Group defers over the life of the bonds and are taken to the consolidated income statement following a financial criteria. In this regard, an amount of EUR 159,898 thousand and EUR 180,787 thousand was deducted from bond issues in the consolidated balance sheet as of 31 December 2023 and 2022, respectively. The arrangement expenses and advisor's fees accrued in the consolidated income statement for the year ended 31 December 2023 in relation to the bond issues amounted to EUR 33,010 thousand (EUR 27,595 thousand in 2022).

II) Rule 144A / Regulation S Bonds (United States) - USD Bonds

In the third quarter of 2021, Cellnex Finance completed and settled a senior unsecured US Dollar-denominated bond issuance, guaranteed by the Parent Company, for a nominal amount of USD 600,000 thousand (with ratings of BBB- by Fitch Ratings and BB+ by Standard&Poor's) aimed at qualified investors. The bond was issued at a price of 98.724% of its nominal value in US dollars, with a maturity date in July 2041 and a coupon of 3.875% in US dollars.

Simultaneously, Cellnex Finance entered into several Cross-currency Swaps by virtue of which Cellnex lent the USD 600,000 thousand from the bond issuance at a coupon of 3.875% and borrowed the equivalent amount of euros at an agreed exchange rate enabling Cellnex to obtain approximately EUR 505,000 thousand at a coupon of 2.5%.

The bonds are listed on the Vienna MTF of the Vienna Stock Exchange since 7 July 2021.

Issue	Initial duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Notional as of 31 December 2023 (Thousands of Euros)
07/07/2021	20 years	07/07/2041	BBB-/BB+	US15118JAA34 Reg S: USE2943JAA72	3.875 %	542,986
Total						**542,986**

III) Convertible Bonds

The Group has issued the Convertible Bonds described in the table below, all of them addressed to qualified investors:

31 December 2023

Issue	Initial Duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Balance as at 31 December 2023 (Thousands of Euros)
05/07/2019	9 years	05/07/2028	BBB-/NA	XS2021212332	0,50%	865,775
20/11/2020	11 years	20/11/2031	BBB-/NA	XS2257580857	0,75%	1,454,444
11/08/2023	7 years	11/08/2023	BBB-/NA	XS2597741102	2.13%	946,368
Total						**3,266,587**

31 December 2022

Issue	Initial Duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Balance as at 31 December 2022 (Thousands of Euros)
16/01/2018	8 years	16/01/2026	BBB-/NA	XS1750026186	1.50%	570,945
21/01/2019	7 years	16/01/2026	BBB-/NA	XS1750026186	1.50%	188,931
05/07/2019	9 years	05/07/2028	BBB-/NA	XS2021212332	0.50%	851,510
20/11/2020	11 years	20/11/2031	BBB-/NA	XS2257580857	0.75%	1,436,105
Total						**3,047,491**

In August 2023, Cellnex issued new senior unsecured convertible bonds, for a total amount EUR 1,000,000 thousand (the "2023 Convertible Bond"). The underlying number of shares of the 2023 Convertible Bond is equivalent to c.2.3% of Cellnex's share capital as of the issue date. Bondholders may request Cellnex to repurchase the 2023 Convertible Bond (i) in the event of a change of control of the Parent Company; or (ii) in the event that a tender offer is made with respect to the Shares which leads to a change of control of Cellnex.

The 2023 Convertible Bond has a coupon of 2.125% per annum of the notional amount payable annually in arrears. Cellnex may redeem all (but not part) of the 2023 Convertible Bond on or after 1 September 2028, if the market value of the underlying shares per EUR 100,000 of principal amount exceeds 150% of the accreted principal amount during a specified period of time or, at any time, if more than 85% of the aggregate principal amount initially issued has been converted and/or redeemed and/or purchased and cancelled. The 2023 Convertible Bond will mature on 11 August 2030. Any Bonds which have not been previously converted, redeemed or repurchased and cancelled by this time, will be redeemed in full at an accreted principal amount (principal amount plus a redemption premium) equal to 114.8% of their principal amount, implying a yield to maturity of 4.0% per annum.

The initial conversion price of the 2023 Convertible Bond has been set at EUR 62.42, which represents a premium of 62.5% above the volume weighted average price of a Share on the Spanish Automated Quotation System (Mercado Continuo) between opening and close of trading today. The initial conversion price of the 2023 Convertible Bonds is subject to customary anti-dilution adjustments. Considering the redemption premium embedded in the accreted principal amount payable at maturity of the 2023 Convertible Bonds, the effective conversion price will be €71.66. The 2023 Convertible Bonds have been treated as a compound instrument and have been split into its two components: a debt component amounting EUR 936 million, corresponding to the present value of the coupons and principal discounted at the interest rate of a bond, with same nominal amount and maturity, without the convertibility option; and an equity component, for the remaining amount, EUR 63,770 thousand, due to the bondholder option to convert into shares, included in the heading “Reserves from retained earnings and other reserves”.

Additionally, and concurrent to 2023 Convertible Bonds issuance, between August and September 2023, Cellnex repurchased the outstanding convertible bonds issued in 2018 and 2019 with a maturity in 2026, totalling EUR 767 million at settlement date, including accrued and unpaid interest. The total consideration paid has been i) EUR 1,066,391 thousand in cash; and ii) 108,578 treasury shares in exchange for the bonds where conversion rights were exercised (EUR 3,200 thousand of notional amount). As stated in IAS 32.AG33-34, the total consideration paid to cancel the convertible bonds before maturity has been allocate among the components liability and equity of the instrument. In this regards, the allocation method to the instrument’s liability and equity components has been consistent with the methodology that was applied in the original allocation of proceeds between these components on initial recognition, resulting in EUR 747 million of liability component and EUR 322 million equity component, resulting (a) a gain amounting to EUR 19,376 thousand related to the compensation liability component that has been recognised as a result of the year; and (b) a loss amounting to EUR 322,409 thousand related to the equity component that has been recognised as equity.

As of 31 December 2023, no further amount neither of the convertible bonds with maturity date 2026 nor of the convertible bonds with maturity in 2028 and 2031 has been converted into shares. As of 31 December 2022, an amount of EUR 4,600 thousand of the convertible bond with maturity date 2026 was converted into shares and the rest was repurchased. According to these conversion notices, the Group delivered 156,086 shares to the bondholders.

These convertible bonds have been treated as a compound instrument and have been split into its two components: a debt component amounting EUR 3,267 million (EUR 3,047 million as of 31 December 2022), corresponding to the present value of the coupons and principal discounted at the interest rate of a bond, with same nominal amount and maturity, without the convertibility option; and an equity component, for the remaining amount, due to the bondholder option to convert into shares, included in the heading “Reserves from retained earnings and other reserves”.

The Convertible Bonds are listed on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange.

Clauses regarding changes of control

The terms and conditions of the bonds issued or to be issued under the EMTN Programme, the Guaranteed EMTN Programme, the USD Bonds and of the Convertible Bonds include a change of control put clause (at the option of bondholders), which could result in their respective early repayment and/or its conversion into shares (in case of the Convertible Bonds only).

For the bonds issued under the EMTN Programme, the Guaranteed EMTN Programme and, the USD Bonds, the bondholders' put option can only be triggered if a change of control event occurs and there is a rating downgrade caused by the change of control event (as defined in the terms and conditions of the EMTN Programme, the Guaranteed EMTN Programme and the USD Bonds). For the Convertible Bonds, the put option can be triggered if a change of control occurs or if a tender offer triggering event occurs (as defined in the terms and conditions of the Convertible Bonds).

Under the EMTN Programme, the Guaranteed EMTN Programme, the USD Bonds and the Convertible Bonds, a “change of control event” is defined as the acquisition of more than 50% of the voting rights in respect of Cellnex or the right to appoint or dismiss all or the majority of the members of the Board of Directors of Cellnex.

Bonds obligations and restrictions

As at 31 December 2023 and 2022, Cellnex had no restrictions regarding the use of proceeds from its bond offerings, had not provided any collateral for any obligations in connection with its outstanding bonds and the bonds ranked pari passu with the rest of Cellnex’s unsecured and unsubordinated borrowings.

Finally, at the date of authorization for issue of these Consolidated Financial Statements, the clauses or obligations included in the bonds terms and conditions had been fulfilled.

IV) ECP Programme

In June 2018 Cellnex established an Euro-Commercial Paper Programme (the “ECP Programme”) with the Irish Stock Exchange, plc. trading as Euronext Dublin, which was renewed in June 2020. The ECP Programme had a limit of EUR 500,000 thousand or its equivalent in GBP, USD and CHF. During 2021, the Group ceased to renew the ECP Programme with the Parent Company as it was established by Cellnex Finance in the fourth quarter of 2021 (the “Guaranteed ECP Programme”), following the same steps than the Guaranteed EMTN Programme. The Guaranteed ECP Programme was renewed in October 2023 for a period of 12 months with a maximum aggregate amount of EUR 750,000 thousand or its equivalent in GBP, USD and CHF. As of 31 December 2023, the Guaranteed ECP Programme had not been used.

Loans and credit facilities

As of 31 December 2023, the total limit of loans and credit facilities available was EUR 7,553,300 thousand (EUR 7,178,743 thousand as of 31 December 2022), of which EUR 3,958,011 thousand in credit facilities and EUR 3,595,290 thousand in loans (EUR 3,885,213 thousand and EUR 3,293,530 thousand respectively as of 31 December 2022).

On 27 February 2023 the Group entered into a EUR 700,000 thousand term loan facility with 5 year maturity. The purpose of this financing was mainly to refinance the outstanding GBP 600,000 thousand term loan facility through its subsidiary Cellnex UK for the agreement signed in 2019. In this case the term loan was executed by Cellnex Finance. On 11 May 2023 the Group signed a EUR 150,000 thousand term loan facility with a 5 year bullet maturity that has been fully drawn. Furthermore, on 26 June 2023 the Group amended and decreased EUR 200,000 thousand of GBP and CHF undrawn credit facilities to increase a EUR 100,000 thousand to EUR 300,000 thousand credit facility.

Additionally, on 24 July 2023 the Group signed a EUR 315,000 thousand term loan facility with a 12 year maturity that has been fully drawn with the European Investment Bank. The purpose relates to the partial financing of the Group's network infrastructure expansion, upgrade and improvement in efficiency, as well as investments in digitalization of its operations, in the following countries: France, Poland, Italy, Spain and Portugal. The average life of such agreement will be of c.8 years.

Furthermore, the Group also made a EUR 200,000 thousand partial repayment of the financing signed on 13 November 2020 for EUR 1,250,000 thousand term loan with a 5 year maturity, the outstanding amount as of 31 December 2023 EUR 1,050,000 thousand term loan facility.

On 31 July 2023 Swiss Towers cancelled early a CHF 620,000 thousand financing by signing a new financing for CHF 580,000 thousand maturing in 2028.

Additionally, on 24 July 2023 Nexloop increased its existing EUR 600,000 thousand capex facility with a new EUR 100,000 thousand tranche also maturing in 2028, to partially finance the deployment of the fiber network by Nexloop, and a EUR 20,000 thousand revolving credit facility with a 7-year-and-10-months bullet maturity to finance or reimburse VAT amounts related to Nexloop's project costs. As of 31 December 2023, the total amount drawdown of the facilities were EUR 499,267 thousand and EUR 19,999 thousand (EUR 310,767 thousand and EUR 19,999 thousand as of 31 December 2022, respectively).

Finally, on 27 October 2022 Cellnex France Infrastructures signed a EUR 135,000 thousand Senior Facility Agreement. The financing consists of a EUR 120,000 thousand term loan facility with a 8-year bullet maturity, to partially finance the deployment of new sites, and a EUR 15,000 thousand revolving credit facility with a six year and 9 months bullet maturity to finance or reimburse VAT amounts related to Cellnex France Infrastructures project cost. During 2023, the revolving credit facility has been reduced to EUR 10,000 thousand. As of 31 December 2023 the total amount drawn down was EUR 29,650 thousand and EUR 9,465 thousand (as of 31 December 2022, no drawdowns had been made).

Clauses regarding changes of control

For the loans and credit facilities entered into by Cellnex and/or Cellnex Finance, the change of control trigger is at the Cellnex and Cellnex Finance level. For the syndicated facilities agreement entered into by Swiss Towers, the change of control trigger is measured with respect to Cellnex Switzerland, Swiss Towers and Swiss Infra (as defined below). For the Nexloop Facilities, the change of control trigger is measured with respect to Nexloop. For the 5-year facility agreement of the T-Mobile Infra Acquisition, the change of control trigger is measured with respect to Cellnex Netherlands and Cignal Infrastructure Netherlands (formerly T-Mobile Infra). For the Senior Facility Agreement of Cellnex France Infrastructures the change of control trigger is measured with respect to Cellnex France Infrastructures. At the Cellnex level, a "change of control event" is generally triggered when a third party, alone or together with others, acquires more than 50% of shares with voting rights, or obtains the right to appoint or dismiss the majority of the members of the board of directors of the relevant company. At the subsidiaries level, a "change of control event" is generally triggered when such subsidiary ceases to be 100% owned or majority owned by the relevant Cellnex group entity.

Loans and credit facilities obligations and restrictions on use of available funds

As at 31 December 2023 most of Cellnex's outstanding loans and credit facilities do not impose restrictions on the use of available funds. However, certain of the Group's outstanding loans and credit facilities, including the Nexloop Senior Facility and the Cellnex

France Infrastructures Senior Facility, impose restrictions on the use of drawn amounts, as these can only be used to finance the payment of Project costs.

Security interests and other covenants and undertakings

As of 31 December 2023 and 2022, most of the outstanding loans and credit facilities entered into by Cellnex and its subsidiaries are unsecured and unsubordinated and rank "pari passu" with the rest of the Group's unsecured and unsubordinated borrowings. However, from time to time, the Group may enter into senior and secured loans and credit facilities, such as the Nexloop Facilities or the Cellnex France Infrastructures Facility, under which the Group granted a security package in favour of several creditors and hedge counterparties consistent with certain agreed security principles, including pledges over the Group's shares in Nexloop or Cellnex France Infrastructures Facility accordingly, and certain receivables including any debt instruments held by the Group in Nexloop (such as the Group's credit rights under the Nexloop Shareholder Facility, as defined herein) or Cellnex France Infrastructures Facility, accordingly.

In addition, while most of the Group's loans and credit facilities are subject to cross-default provisions and generally do not require Cellnex nor its subsidiaries to comply with any financial ratio, some of them are subject to certain financial covenants and various restrictions, including but not limited to, (i) requiring Cellnex to maintain a minimum rating of Ba2 by Moody's Investors Service, Inc., or BB by Fitch Ratings Ltd. or Standard & Poor's Financial Services LLC, (ii) requiring shares to be pledged and provided as collateral if certain financial ratios are not satisfied, and (iii) imposing restrictions on additional indebtedness and on the Group's ability to create or permit to subsist certain security interests. The aforementioned financial conditions are mainly associated with European Investment Bank ("EIB") and Instituto de Crédito Oficial ("ICO") loans. Additionally, prepayment obligations under certain of the Group's loans and credit facilities, including the Nexloop and Cellnex France Infrastructure Senior Facility, may be triggered as a result of the availability of certain proceeds and cash flows and breaches of certain covenants and undertakings. The financing contracts of the Group do not contain any limitations on the distribution and payment of dividends, other than the Nexloop and Cellnex France Infrastructures Senior Facilities and the syndicated facilities agreement entered into by Cellnex Netherlands and Swiss Towers, which include covenants restricting the distribution of dividends by Nexloop, Cellnex France Infrastructures, Cellnex Netherlands, Cellnex Switzerland and Swiss Towers, respectively, subject to certain conditions.

In this regard, at the date of authorization for issue of these Consolidated Financial Statements, the clauses or obligations included in the foregoing financing agreements had been fulfilled.

Sustainable Finance

As part of the commitment to sustainability, Cellnex has designed a Sustainability-Linked Financing Framework ("the Framework") to reinforce the role of sustainability as an integral part of the Group's funding process.

Obtaining funding under this Framework will help Cellnex to accomplish the ambitious sustainability targets which are consistent with the ESG Strategy. The Framework, which has been updated in June 2023, 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 2023 ("SLLP") and will also provide investors with further insights into the Group's sustainability strategy and commitments.

Cellnex has selected two environmental KPIs and one social KPI, which are core, relevant and material to its business and industry and are aligned with its ESG Strategy.

<u>Environmental KPIs:</u>

- KPI #1 - Environmental: Percentage reduction of Cellnex's GHG emissions:
    - KPI #1a: Absolute Scope 1, 2 and 3 from fuel and energy-related activities GHG emissions: i) Sustainability Performance Target 2025: 45% reduction in Scope 1, 2 and 3 from fuel and energy-related activities GHG emissions by 2025 vs 2020, and ii) Sustainability Performance Target 2030: 70% reduction in Scope 1, 2 and 3 from fuel and energy-related activities GHG emissions by 2030 vs 2020.
    - KPI #1b: Absolute Scope 3 GHG emissions from purchased goods and services and capital goods. Sustainability Performance Target: 21% Reduction of absolute scope 3 GHG emissions from purchased goods and services and capital goods by 2025 vs 2020.

- KPI #2 - Environmental: Increase annual sourcing of renewable electricity. Sustainability Performance Target: Increase annual sourcing of renewable electricity to 100% by 2025.

Social KPIs:

- KPI #3 - Social: Increase the percentage of women in directors and senior management/managers roles in Cellnex Group. Sustainability Performance Target: Increase to 30% the percentage of women in directors and senior management/managers roles in Cellnex Group by 2025.

The selection of these KPIs has been driven by the extensive research carried out by Cellnex in 2020 to determine the ESG priorities of the telecommunication sector and the company's own. Sustainability Financing Framework (updated on June 2023) can be found at the Group's website .

As of 31 December 2023 the Group structured EUR 4.3 billion (3.4 billion as of 31 December 2022) facilities linked to the Sustainability Framework for 5 years with two of the indicators included in the Framework:

- KPI #1a: 45% reduction in Scope 1, 2 and 3 from fuel and energy-related activities GHG emissions by 2025 vs 2020 and 70% in 2030 vs 2020, and

- KPI #3 - Social: Increase the percentage of women in directors and senior management/managers roles in Cellnex Group to 30% by 2025.

The Group achievement or failure of the established KPIs will carry out a step down or step up of c.2.5Bps of the applicable interest rate respectively. In no case, a debt default.

The Group has accomplished the KPIs included in the facilities agreement signed in 2023 and 2022. As a result, a reduction of approximately 2.5Bps is applied to the margin of each agreement.

Other financial liabilities

"Other financial liabilities" relates mainly to certain grants awarded (arranged as repayable advances) to other Group companies (Retevisión-I, S.A.U. and Tradia Telecom, S.A.U.) under the Ministry for Industry, Tourism and Trade's PROFIT programme. According to the technical-financial terms of the grant resolutions, the repayable advances bear no interest.

Corporate rating

At 31 December 2023, 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 7 February 2024 and a long-term "BB+" with positive outlook according to the international credit rating agency Standard & Poor's Financial Services LLC as confirmed by a report issued on 29 November 2023.

16. Leases

The Group leases many assets, including sites, offices, satellites, vehicles and concessions. Information about leases for which the Group is a lessee is presented below:

Amounts recognised in the consolidated balance sheet

As of 31 December 2023 and 2022, the amounts recognised in the consolidated balance sheet related to lease agreements are:

Right of use

		Thousands of euros
		Net book value
	31 December 2023	**31 December 2022 restated**
Right of use		
Sites	3,012,471	3,264,905
Offices	36,235	31,335
Satellites	49,869	47,473
Vehicles	2,242	964
Concessions	—	3,060
Total	**3,100,817**	**3,347,737**

The additions of rights of use during 2023 amounted to EUR 465,222 thousand (EUR 693,663 thousand in 2022), of which EUR 138,592 thousand (EUR 234,897 thousand in 2022) related to reassessments of existing lease contracts at the year end, and there have been no changes in the scope of consolidation during 2023 (EUR 29,308 thousand during 2022) (see Notes 2.h and 6).

Lease liabilities

		Thousands of euros
	31 December 2023	**31 December 2022 restated**
Maturity analysis – Contractual undiscounted cash flows		
Less than one year	777,281	746,654
One to five years	2,170,866	2,431,267
More than five years	1,001,764	993,785
Total undiscounted lease liabilities at 31 December	**3,949,911**	**4,171,706**
Lease liabilities included in the statement of financial position		
Current	696,257	576,151
Non-Current	2,118,162	2,409,704
Total	**2,814,419**	**2,985,855**

Amounts recognised in the consolidated income statement

As of 31 December 2023 and 2022, the amounts recognised in the consolidated income statement related to lease agreements are:

	Thousands of euros	
	2023	2022
Depreciation and amortisation		
Depreciation Right of Use:		
Sites	(650,163)	(599,624)
Offices	(6,311)	(5,145)
Satellites	(6,933)	(11,323)
Vehicles	(1,782)	(1,261)
Concessions	—	(977)
Total	**(665,189)**	**(618,330)**
Financial costs		
Interest expense on lease liabilities	(327,324)	(327,405)
Other operating expenses		
Expense related to contracts with low value asset	—	(3)
Expense related to variable lease payments	(3,127)	(2,020)
Total	**(3,127)**	**(2,023)**

During 2023 and 2022, the Group has not recognised in the consolidated income statement, income from subleasing right-of-use assets, nor gains or losses arising from sale and leaseback transactions by a significant amount.

Amounts recognised in the statement of cash flows

The total amount of cash outflows in relation to lease agreements during the year ended on 31 December 2023 amounts to EUR 978,296 thousand (EUR 924,451 thousand in 2022) of which EUR 524,145 thousand (EUR 464,338 thousand in 2022) related to payments of lease instalments in the ordinary course of business, EUR 327,324 thousand (EUR 327,405 thousand in 2022) related to interest payments on lease liabilities, and the remaining EUR 126,827 thousand refers to non-ordinary lease payments (EUR 132,708 thousand in 2022).

Lease agreements. Cellnex Group as lessee

i) Real estate leases

All of the amounts recognised in the balance sheet correspond to lease agreements in which Cellnex Group acts as lessee. Cellnex Group manages and operates almost all of the sites where it locates its telecommunications infrastructure using lease agreements. In addition to these sites, the Group has lease agreements related mainly to offices, car parks, vehicles and satellites. As of 31 December 2023 and 2022 there are no significant restrictions or covenants imposed by leases.

Payments associated with short-term lease agreements are recognised on a straight line basis as an expense in the consolidated profit and loss account. A short-term lease is an agreement with a lease term equal to or less than 12 months.

Likewise, payments associated with low-value lease agreements are recognised on a straight-line basis as an expense in the consolidated income statement. A low-value contract is considered one whose underlying asset has a new value of less than EUR 5 thousand.

Extension options

Regarding the lease term considered for each contract, in relation to the leases of land and buildings in which the Group locates its infrastructures, the term considered for the leases depends mainly on whether the lease contract contains or not unilateral termination clauses and / or renewal (or similar legal rights deriving from the legislation of the countries in which it operates) that grant the Group the right to terminate early or to extend the contracts, as well as the term of the contracts with customers associated with the leases and whether these contracts allow the early termination of the lease or not. The most common types of contracts and the main criteria for determining their term are detailed in Note 3.k.

The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. It reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Discount rates

The Group has generally applied the interest rate implicit in the lease contracts. In relation to the transition process, contracts prior to 2012 have been valued using an estimated incremental borrowing rate, since the Directors have considered that the determination of the implicit rate in these contracts involved considerably greater difficulty due, among other reasons, to their age. The portfolios of contracts acquired from 2012 onwards have been valued using implicit rates.

The interest rate implicit in the lease is defined by IFRS 16 as the rate of interest that causes the present value of (a) the lease payments and (b) the unguaranteed residual value to equal the sum of (i) the fair value of the underlying asset and (ii) any initial direct costs of the lessor. The interest rate implicit in the lease has been obtained with the assistance of external valuation experts, through a methodology designed for this purpose, in line with the above definition and based on the following components: fair value of the leased asset at lease commencement and end date and annual rent payments. The initial direct costs of the lessor are deemed immaterial considering the nature of the assets leased. The fair value of the leased asset has been measured using a market approach, according to which the leased asset (land or/and buildings) is valued based on observable market prices of similar assets to which adjustments related to surface area, location, size and other relevant factors are made.

The incremental borrowing rate (IBR) is defined by IFRS 16 as the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR has been obtained through a methodology designed for this purpose, in line with the definition above and based on the following components: local reference rate, credit spread adjustment and lease specific adjustment. The credit spread adjustment is based on the Group’s creditworthiness and the debt issuance costs. No lease specific adjustment has been applied, as the nature of the leases is essentially the same.

Other information

The Group’s signed contract does not include any significant restrictions or covenants imposed by leases.

ii) Other leases

Cellnex leases offices, vehicles and satellites with terms of 6 to 10 years, 3 to 5 years and 3 years, respectively.

The Group also leases IT and other equipment with contract terms of one to three years. These leases are either short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

iii) Sale-and-leaseback

During 2023 and 2022, no significant sale-and-leaseback transactions have been performed.

17. Trade and other payables

The detail of this heading at 31 December 2023 and 2022 is as follows:

		Thousands of Euros
	31 December 2023	**31 December 2022 restated**
Trade payables	400,536	560,267
Current tax liabilities	137,851	214,804
Other payables to related parties (Note 24.d)	—	138
Other payables	603,300	558,785
Trade and other payables	**1,141,687**	**1,333,994**

There is no significant difference between the fair value and the carrying amount of these liabilities.

At 31 December 2023 and 2022, “Trade payables” included mainly the amounts payable for trade purchases made by the Group and their related costs.

“Current tax liabilities” includes all balances payable by the Group to the tax authorities, as detailed in Note 18.c.

Lastly, “Other payables” is formed mainly payables to asset suppliers.

Information on average supplier payment period

The information required by the additional third decree of Law 15/2010 of 5 July (modified by the second final decree of Law 31/2014) prepared in accordance with the resolution issued by the Spanish Accounting and Auditing Institute (AAI) of 29 January 2016 in relation to the information to be disclosed in the annual consolidated report with regard to the average supplier payment period for commercial transactions, is set up below:

	Thousands of Euros	
	2023	2022
Total payments in the year	310,404	320,001
Total payments outstanding	26,076	24,301
Average payment period to suppliers (days)	47 days	49 days
Ratio of transactions paid (days)	48 days	50 days
Ratio of transactions outstanding (days)	35 days	29 days

In accordance with the AAI resolution, only the delivery of goods and services from the date Law 31/2014 of 3 December came into force have been taken into account, and only with regard to the Group companies situated in Spain and fully consolidated.

For the sole purpose of the disclosure of information required by this resolution, the term ‘suppliers’ relates to the trade payables for debts with suppliers of goods or services included in the heading "Trade and other payables" and "Lease liabilities" in the short term liabilities of the consolidated balance sheet. Moreover, only amounts relating to those Spanish entities included in the consolidated entity are considered for these purposes, and without considering intercompany transactions.

Average payment period to suppliers is understood to mean the period lapsed from the date of the invoice until the actual payment of the transaction.

The monetary volume and number of invoices paid within the established legal term is detailed below:

	Thousands of Euros	
	2023	2022
Monetary volume	203,791	216,240
Percentage of total payments made	66%	68%
Number of invoices	172,189	97,772
Percentage of total invoices	90%	83%

In December 2022, Cellnex signed a strategic Global Payment Services Agreement (reverse factoring) with a renowned financial institution, in accordance with the Group's commitment to the efficient management of payments to suppliers.

This initiative aims to provide a seamless and standardized approach to supplier transactions across all Cellnex geographies. During 2023, progress has been made in the implementation of this program at an international level, which will continue to be developed in the coming years. This program is based on the background established by Cellnex at the beginning of the COVID crisis with the Liquidity Support Plan. Furthermore, as a program linked to sustainability, it aligns the Group's financial strategies with Cellnex's dedication to responsible supply chain practices. In turn, this agreement ensures sound financial management and offers suppliers greater flexibility, including the option to access liquidity through invoice advances, fostering stronger, long-term relationships.

18. Income tax and tax situation

a) Tax information

Cellnex Telecom, S.A. has been the Parent Company of a new consolidated tax group for the purposes of Corporation tax in Spain since the 2015 financial year.

Cellnex files consolidated tax returns as the Parent Company of the tax group, where the subsidiaries of which are at least 75%-owned and with tax residence in Spain. In addition, the Group companies resident in the Netherlands file consolidated Dutch tax returns. The UK companies and Irish companies file Group Relief claims and surrenders as appropriate. Cellnex France Groupe files consolidated tax returns as the Parent Company of the tax group, where the subsidiaries of which are at least 95%-owned. The Group companies resident in Portugal file consolidated Portuguese corporation tax returns, as do Group companies resident in Denmark and Austria. In Sweden, the Group companies apply the group contribution regime from 2022. The remaining companies included in the consolidation scope file individual corporation tax returns.

Tax audits and litigations

At 31 December 2023, in general, the Group companies' returns for all applicable taxes which are not statute-barred at that date are open to inspection in each of the jurisdictions in which they are based.

In this respect, Cellnex considers that no significant losses will arise with respect to the accompanying Consolidated Financial Statements as a result of the different interpretations which may be afforded to prevailing tax law in relation to the years open to inspection.

- In July 2018 general inspection proceedings were initiated in relation to consolidated corporate income tax for 2015 and 2016 and VAT for the periods April to December 2015 (individual) and 2016 (group entities). In June 2020 agreed tax reassessments were issued in relation to corporate income tax for the years 2015 to 2018. For 2015 and 2016, the reassessments are definitive. For 2017 and 2018, the proposals are provisional, given that the inspection proceedings were limited to basically verifying the correct application of the reduction in income from the assignment of certain intangible assets. The total resulting amount in respect of tax payable amounted to EUR 3,072 thousand. The Directors of Cellnex have estimated that the criteria applied by the tax authorities do not have a material impact on the years open to audit. Also, in June 2020 unaccepted tax reassessments were communicated in respect of VAT. The proposed assessment amounted to EUR 2,413 thousand. The reason for the reassessment was the different interpretation of the financial activity carried out and how this affects the deductibility of certain items. The allegations put forward by Cellnex were not accepted and in December 2020 final assessments were communicated. In all cases, the inspection authorities considered that the Group's approach was reasonable and they expressly stated that no penalties will be applied. In January 2021 Cellnex appealed the VAT final assessments before the Economic-Administrative Court and requested for the adjournment of the assessments by granting a bank guarantee to the Spanish Tax Authorities. In August 2023, the Economic-Administrative Court issued the resolution rejecting the Cellnex's claims and this resolution was appealed in October 2023 before the National Court.

- In October 2020, the Italian Tax Authorities requested a copy of Transfer Pricing documentation relating to fiscal year 2016. Following this request, in May and June 2021, the Italian Tax Authorities requested additional documentation and, in July 2022, a further meeting with the tax inspectors took place. A final assessment was agreed and closed with the Italian Tax Authorities in April 2023 without significant impact.

- In December 2021, the Dutch Tax Authorities issued initial tax assessments in relation to the amount of real estate transfer tax ("RETT") paid in respect of the 2016 acquisitions of Protelindo Netherlands B.V. and Shere Group Limited. Cellnex engaged with the Dutch Tax Authorities to appeal the assessment. During 2022, the Dutch Tax Authorities raised assessments relating to historic (2012) RETT transactions affecting Towerlink Netherlands B.V. and Shere Masten B.V., and Cellnex entered into litigation with the Dutch Tax Authorities regarding such assessments. A favorable court resolution was obtained in May 2023 in regards to Towerlink Netherlands B.V.. Subsequent to the resolution, the Dutch Tax Authorities withdrew the litigation with respect to both of the 2012 transactions. No adverse impact has arisen from the final closure of the 2012 RETT litigation.

- In December 2022, the Portuguese Tax Authorities communicated to CLNX Portugal, SA the commencement of a general tax audit in relation to corporate income tax and VAT for the year 2020. The Tax Authorities closed the audit in September 2023 with no adverse impact.

b) Corporation tax expense

The standard corporation tax rate in the main countries in which Cellnex conducts its operations is as follows:

	2023	2022
Spain	25%	25%
Italy [(1)]	28.57%	28.57%
Netherlands	25.8%	25.8%
United Kingdom [(2)]	25%	19%
France	25%	25%
Switzerland [(3)]	16.7%	18.1%
Ireland	12.5%/25%	12.5%/25%
Portugal [(4)]	21%	21%
Finland	20%	20%
Austria [(5)]	24%	25%
Denmark	22%	22%
Sweden	20.6%	20.6%
Poland	19%	19%

[(1)] The standard income tax rate is 28.57% in Italy, which is made up of the IRES (Imposta sul Reddito delle Societa) at a rate of 24% and the IRAP (regional business tax in Rome) at a rate of 4.58%.

[(2)] As of April 2023, the UK CIT rate increased from 19% to 25%. The 19% rate will continue to apply to companies with profits of less than £50,000, with marginal relief for profits of up to £250,000.

[(3)] The standard income tax rate is 16.65% in Switzerland, which is made up of federal, cantonal and communal (municipal) taxes.

[(4)] Companies with their head office in mainland Portugal are subject to Corporate Income Tax ("IRC") at a base rate of 21%, plus, as applicable, (i) up to a maximum of 1.5% of taxable income through a municipal tax ("Derrama Municipal"), and (ii) a state surcharge ("Derrama Estadual") levied at the rates of 3% on taxable income between EUR 1.5 million and EUR 7.5 million, 5% on taxable income between EUR 7.5 million and EUR 35 million and 9.0% on taxable income in excess of EUR 35 million, resulting in a maximum aggregate tax rate of approximately 31.5% for taxable income higher than EUR 35 million.

[(5)] On 14 February 2022, the Austrian government published the Eco-Social Tax Reform Act 2022 in the Official Gazzette, which incorporates a gradual reduction of the current CIT rate of 24% in 2023 to 23% in 2024.

The Merger Transactions

On 1 April 2022, the merger of CK Hutchison Networks Italia S.p.A. and Towerlink Italia S.r.l. into Cellnex Italia S.p.A was completed, with Cellnex Italia S.p.A. being the surviving entity. Furthermore, on 1 July 2022, the merger of Towerco S.p.A. and Iaso Gruppo Immobiliare S.r.l. into Cellnex Italia S.p.A was completed (collectively the "Big Merger II Transaction"). The merger difference was determined at the effective accounting date (backdated to 1 January 2022) as the excess of (i) the cost of the investments and ii) their respective equity. The entire merger difference was allocated to goodwill in Cellnex Italia S.p.A's individual financial statements, which are prepared under Italian GAAP.

Additionally, on 1 November 2023, the merger of Nextcell Srl and Retower Srl into Cellnex Italia S.p.A was completed, with Cellnex Italia S.p.A. being the surviving entity. The merger difference was determined at the effective accounting date (backdated to 1 January 2023) as the excess of i) the cost of the investments and ii) their respective equity. The entire merger difference was allocated to goodwill in Cellnex Italia S.p.A's individual financial statements.

With regards to the goodwill generated by the Big Merger II Transaction and the Nextcell Srl and Retower Srl into Cellnex Italia S.p.A merge, Cellnex Italia S.p.A shall pay a substitutive tax in order to generate a corresponding tax deduction of the amortisation. Such payment has not been effected as of 31 December 2023.

The reconciliation of the theoretical tax and the tax expense recorded in the consolidated income statement for the year is as follows:

		Thousands of Euros
	2023	2022
Consolidated profit/(loss) before tax	(436,412)	(502,882)
Theoretical tax [(1)]	103,426	99,840
Impact on tax expense from (permanent differences):		
Non-deductible expenses	2,758	23,399
Other deductions	12,358	5,529
Income tax (expense)/credit for the year	**118,542**	**128,768**
Tax loss carryforwards	—	5,639
Changes in tax rates	—	4,385
Other tax effects	2,047	51,154
Other tax effects	**2,047**	**61,178**
Income tax (expense)/credit	**120,589**	**189,946**

[(1)] The theoretical tax charge is a blended rate calculated by applying the individual corporation tax rate in each country to the profit before tax of each individual Group company.

“Non-deductible expenses” in 2023 and 2022 include items that, in accordance with the tax legislation of the respective consolidated companies, are not taxable or deductible.

"Other tax effects", in 2023 include, among others, the reversion of tax provisions associated with Business Combinations of approximately EUR 12 million (EUR 92 million in 2022), as the risks became remote, expired or the amounts were settled (see Note 19.c).

The main components of the income tax expense for the year (for fully consolidated companies) are:

		Thousands of Euros
	2023	2022
Current tax	(135,270)	(24,358)
Deferred tax	243,859	124,700
Tax from prior years / other	12,000	89,604
Income tax expense	**120,589**	**189,946**

“Deferred tax” in 2023 and 2022 mainly relates to the impact of the deferred tax liabilities associated with the business combinations detailed below (see Note 18.d). "Tax from prior years / other" include mainly the reversion of tax provisions previously indicated.

From the total amount of EUR 181 million relating to Income tax paid reflected in the consolidated statement of cash flows (EUR 89 million in 2022), EUR 72.6 million refers to the impact from two one-off transactions in 2023, being (i) EUR 35 million related to the Divestment Remedy on the Hivory Acquisition (see Note 7) and (ii) EUR 37.6 million related to the advanced Spanish Corporate Income Tax payment, based on accounting rather than taxable profits, relating to the disposal of 49% stake in Cellnex Nordics (see Note 2.h.IV).

For the disposal of 49% stake in Cellnex Nordics, the advanced payment shall be refunded in full following the submission of the Spanish Corporate Income Tax return in July 2024, which is included in the Corporate Income Tax asset (see Note 2.h.IV).

Global Minimum Tax (“Pillar Two”)

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting published the Pillar Two model rules designed to address the tax challenges arising from the digitalisation of the global economy.

The legislation will be effective for the Group’s financial year beginning 1 January 2024 and given the countries which have enacted or committed to enact the legislation, the Group has performed an assessment of the potential exposure to Pillar Two income taxes.

The assessment is based on the most recent tax filings, country-by-country reporting for 2022, and the latest financial information for 2023. Based on the assessment carried out as of 31 December 2023, the Pillar Two transitional safe harbours are likely to be applicable in the jurisdictions in which the Group operates and, therefore, the Group does not expect a material exposure to Pillar Two income taxes.

Furthermore, the IASB and AASB have issued amendments to IAS 12 'Income taxes' introducing a mandatory temporary exception to the requirements of IAS 12 according to which it is not required to disclose information about deferred tax assets and liabilities related to the proposed OECD/G20 BEPS Pillar Two model rules. In line with this amendment, the Group has applied this exception in the Financial Statements for the fiscal year ending at 31 December 2023.

c) Current tax liabilities

The breakdown of "Current tax liabilities" is as follows:

Thousands of Euros

	31 December 2023	31 December 2022
VAT payable	100,806	151,207
Corporate income tax	21,043	47,367
Social security payable	5,622	6,444
Personal income tax withholdings	4,024	3,861
Other taxes	6,356	5,925
Current tax liabilities	**137,851**	**214,804**

d) Deferred taxes

The balance of the recognised deferred assets and liabilities, as well as their movement during the financial year, was as follows:

Thousands of Euros

	2023		2022	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
At 1 January	**641,090**	**(4,268,135)**	**673,024**	**(3,826,048)**
Debits/(credits) in income statement	703	243,156	(34,594)	154,908
Debits/(credits) due to incorporation into scope and business combinations	—	—	5,166	(617,986)
Debits/(credits) to equity	(10,587)	2,507	(7,027)	(25,868)
Transfers	4,937	—	12,212	(2)
Changes in tax rates	—	—	(11,170)	15,555
Exchange differences and others	(34,234)	56,918	3,479	31,306
At 31 December	**601,909**	**(3,965,554)**	**641,090**	**(4,268,135)**

Deferred tax assets

The balance comprises temporary differences attributable to:

	Thousands of Euros	
	31 December 2023	31 December 2022
Deferred tax assets:		
Business combinations	54,637	54,452
Provision for third-party liabilities	66,528	68,201
Limit on depreciation and amortisation of fixed assets	49,070	8,622
Employee benefit obligations	17,129	10,391
Other provisions	27,185	—
Timing differences in revenue and expense recognition	21,115	69,254
IFRS 16 net deferred tax asset	603,675	669,361
Provision for asset retirement obligation	14,096	3,597
Asset revaluation	163,765	182,108
Tax credits recognised:		
Tax loss carry forwards	53,620	84,806
Limit on deductibility of financial expenses	85,246	101,675
Total deferred tax assets	**1,156,066**	**1,252,467**
Set-off of IFRS 16 net deferred tax asset pursuant to set-off provisions(1)	(554,157)	(611,377)
Net deferred tax assets	**601,909**	**641,090**

(1) According to IAS 12:74 Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Business combinations

It refers to the tax effect associated with recognising, at fair value, the net assets and liabilities acquired in various business combinations and/or changes in the scope of consolidation (see Note 6).

Provision for third-party liabilities

The Group has yet to fully utilise the tax credit recognised in 2019 for the collective redundancy procedure, which at year-end 2019 was only partially paid.

Limit on depreciation and amortisation of fixed assets

Spanish Act 16/2012, limiting the deductibility of the depreciation and amortisation expenses, was approved on 27 December 2012. In general, only 70% of the amortisation and depreciation for accounting purposes on property, plant and equipment, intangible assets and investment property for tax periods beginning in 2013 and 2014, which would have been tax deductible, will be deducted from the tax base. The amortisation and depreciation for accounting purposes that was not tax deductible is deducted on a straight-line basis over a 10-year period or over the useful life of the asset from the first tax period that begins in 2015.

This heading also includes the limit on the amortisation of the asset revaluation given that it is amortised for tax purposes, from the first tax period beginning on or after 1 January 2015, over the tax periods in the remaining useful lives of the revalued asset, under the same terms and conditions related to renewals and extensions.

Other provisions

The deferred tax asset included in “Other Provisions” relates to other temporary differences, primarily relating to France, Spain and Italy.

Timing differences in revenue and expense recognition

Tangible assets may be depreciated for UK tax purposes according to specific rules (“Capital Allowances”). Temporary differences arise upon the application of Capital Allowances, given the differences between the book values and tax values of such tangible assets.

Asset revaluation

Deferred tax assets include unused tax credits and the temporary differences recognised at year-end.

The deferred tax assets indicated above were recognised in the consolidated balance sheet because the Parent Company's Directors considered that, based on their best estimate of the Group's future earnings, it is probable that these assets will be recovered.

In addition, this heading include the deferred tax assets that Hutchison Austria and Hutchison Denmark had in their books when they became part of the Group in the year ended 31 December 2020, as the "Business Combinations" heading includes only the tax effect associated with the revalued assets and liabilities, and not that relating to the assets and liabilities held by the acquired company in its separate books.

Tax losses carry forwards

As at 31 December 2023 the tax losses generated by the Spanish entities amounted to EUR 163.8 million (EUR 204.1 million at 2022 year-end). This amount corresponds to Cellnex Telecom, S.A. and results from the application of the Additional Provision (19th) in the Spanish Corporate Income Tax Law (as detailed below).

In addition, the Group had tax losses from UK companies available for carry forward against future profits, as detailed below:

- Non-trade loan relationship deficit of EUR 40.6 million (EUR 40.6 million at 2022 year-end, restated) which related to GBP 34.5 million (GBP 34.5 million at 2022 year-end, restated), which is available to offset future non-trade income and capital gains of the company that incurred the loss, and

- Trading losses of EUR 23.9 million (EUR 14.3 million at 2022 year-end), which related to GBP 20.3 million (GBP 12.1 million at 2022 year-end) are available to offset against future trading profits generated by the same company that incurred the loss.

With regards to other territories where the Group has presence, as at 31 December 2023 the tax losses from the Irish, Austrian, Portuguese, Finnish, Swiss and Polish companies available for carry forward against future profits amounted to EUR 11.3 million, EUR 20.7 million, EUR 10.5 million, EUR 15 million, EUR 19.1 million and EUR 51.9 million. As at 31 December 2022, tax losses from Irish, Austrian, Portuguese, Finnish, Swiss, Polish and French companies available for carry forward against future profits, amounted to EUR 12.8 million, EUR 22.9 million, EUR 6.4 million, EUR 11.7 million (restated), EUR 16.9 million, EUR 33.9 million and EUR 105.6 million. Thus, as at 31 December 2023, the total amount of tax losses available for carry forward against future profits amounted to EUR 356.9 million (EUR 469.3 million at 2022 year-end).

In the accompanying consolidated balance sheet at 31 December 2023, the total balance of deferred tax asset arising on the losses carried forward amounted to EUR 53.6 million (EUR 84 million at 2022 year-end), relating to Spain, UK and Portugal in the amounts of EUR 41 million, EUR 8.4 million and EUR 4.2 million, respectively. As at 31 December 2022, a material deferred tax asset arising on the losses carried forward was recognized in relation to Spain and France in the amounts of EUR 51 million and EUR 34 million.

In Spain, although the consolidated statement of profit or loss reflects accounting losses for 2023 and 2022 (which, in turn, include the impact of adjustments that affect only the accounting profit or loss, such as the depreciation and amortisation charge associated with fair value adjustments stemming from business combinations), Cellnex Finance Company, S.A. and its grant of loans to the foreign subsidiaries is a factor that offsets the application of the limits on the deductibility of finance costs on the basis of EBITDA and, accordingly, will contribute to the ability to generate taxable profits.

In January 2024, the Constitutional Court of Spain ruled against the tax measures introduced by the Royal Decree 3/2016 which, amongst other impacts, limited the use of tax losses carry forward for taxpayers with net revenues equal to or above EUR 20 million. Based on the current understanding of the application of such judgement and as reflected in the 2023 Consolidated Financial Statements, the Group has applied tax losses carried forward in 2023 subject to a 70% limitation in Spain, which has led to the offsetting of all the Group's tax losses available as of 31 December 2022, and has generated the corresponding impact of reducing the deferred tax assets and increasing the corporate income tax asset.

Finally, the deferred tax asset arising on the tax losses carried forward has also been affected by the Law 38/2022, which introduced an Additional Provision (19th) in the Spanish Corporate Income Tax Law that modified the rules for determining the consolidated tax base of the Spanish tax group for 2023. This new measure limited the use of tax losses generated on a standalone basis to 50% of the taxable profits of the tax group. As a consequence, the resulting non-deducted tax losses will be offset from the consolidated tax base of the Spanish tax group on a linear basis over a 10-year period from 2024, without limitation.

Limit on deductibility of financial expenses

The Spanish CIT legislation limits the deductibility of the net financial expenses, for the periods beginning on 1 January 2012. This act establishes that the net financial expenses will be deductible from the tax base with the limit of the 30% of the operating profit of the year. The net financial expenses that have not been deducted may be deducted in the following tax periods.

In this sense, with the activity of Cellnex Finance Company, S.A from 2020, the finance costs will foreseeably be deducted in full by 2028.

Deferred tax liabilities

The balance comprises temporary differences attributable to:

		Thousands of Euros
	31 December 2023	31 December 2022 restated
Deferred tax liabilities:		
Business combinations [1]	(3,852,192)	(4,170,449)
Accelerated depreciation and amortisation	(63,301)	(16,561)
Amortization goodwill in Spanish companies and others	(43,503)	(75,747)
Asset retirement obligation	(6,558)	(5,378)
Total deferred tax liabilities	**(3,965,554)**	**(4,268,135)**

[1] Tax effect associated with recognising, at fair value, the net assets and liabilities acquired in various business combinations and/or changes in the scope of consolidation (see Note 6).

Business combinations

The detail of the deferred tax liabilities recorded at 31 December 2023 and 2022 relating to the tax effect associated with recognising, at fair value, the net assets and liabilities acquired in the main business combinations and/or changes in the scope of consolidation, is as follows:

Acquisitions	Incorporation	31 December 2023	31 December 2022 restated
Cellnex Italia	2015	545,562	576,966
Cellnex Netherlands subgroup	2016	60,617	65,784
Shere Group subgroup	2016	20,022	21,110
Swiss Towers	2017	53,104	53,615
Swiss Infra Services	2020	146,643	146,751
Iliad 7	2020	329,920	350,540
On Tower UK	2020	813,348	844,998
OMTEL, Estruturas de Comunicaçoes	2020	107,690	114,617
On Tower Portugal	2020	64,294	68,209
On Tower IE	2020	—	53,134
On Tower DK	2020	62,696	66,531
On Tower AT	2020	160,056	169,471
Cignal Infrastructure Netherlands	2021	137,434	145,320
Towerlink Poland	2021	175,977	172,468
Hivory, SAS	2021	870,027	990,508
On Tower SE	2021	78,166	82,550
Cignal Infrastructure UK	2022	192,476	201,408
Others		34,160	46,469
Total		**3,852,192**	**4,170,449**

Accelerated depreciation and amortisation

On 3 December 2010, Act 13/2010 was approved, which allowed for the accelerated depreciation of new items of property, plant and equipment and investment property used in business activities, and made available to the taxpayer in tax periods beginning in 2011, 2012, 2013, 2014 and 2015. This measure gave rise to a temporary difference between depreciation for accounting and for tax purposes.

Expected schedule for reversal of the deferred tax assets and liabilities

In most cases, the use of the Group's deferred tax assets and liabilities is conditional upon the future performance of the business activities carried out by its various subsidiaries, the tax regulations of the different countries in which they operate, and the strategic decisions to which they may be subject.

Under the assumption used, it is estimated that the deferred tax assets and liabilities recognised in the consolidated balance sheet at 31 December 2023 and 2022 will be used as follows:

			Thousand of Euros
			31 December 2023
	Less than one year	More than one year	Total
Deferred tax assets	26,484	575,425	**601,909**
Deferred tax liabilities	616,672	3,348,882	**3,965,554**

			Thousand of Euros
			31 December 2022
	Less than one year	More than one year	Total
Deferred tax assets	9,060	632,030	**641,090**
Deferred tax liabilities	35,851	4,232,284	**4,268,135**

The deferred tax assets indicated above were recognised in the attached consolidated balance sheet as the Parent's Directors consider that, based on their best estimated of the tax group's future earnings it is probable that these assets will be recovered.

19. Employee benefit obligations and provisions and other liabilities

a) Contingent liabilities

At 31 December 2023, the Group has guarantees with third parties amounting to EUR 122,990 thousand (EUR 123,258 thousand at the 2022 year-end). These relate mainly to guarantees provided by financial institutions before public authorities in connection with grants and technical guarantees, and before third parties in connection with rental guarantees.

On 19 May 2009, the Board of the National Commission on Markets and Competition (CNMC in Spanish) imposed a fine of EUR 22.7 million on Cellnex Telecom, S.A. (formerly Abertis Telecom, S.A.U.) for abusing its dominant position in the Spanish market for transmitting and broadcasting TV signals, pursuant to article 2 of the Competition Act and article 102 of the Treaty on the Functioning of the European Union. The Group filed an appeal for judicial review with the National Appellate Court against the CNMC fine, which was dismissed in the judgement passed on 16 February 2012. This judgement was appealed to the Supreme Court on 12 June 2012. On 23 April 2015 the appeal was resolved, upholding the appeal and annulling the decision of the CNMC with regard to the amount of the fine, ordering the current CNMC to recalculate that amount in accordance with the provisions of law 16/89. The CNMC has issued its decision recalculating the aforementioned amount, reducing it to EUR 18.7 million and this decision was appealed against in the National High Court on 29 September 2016. On 27 July 2022, the appeal was dismissed and an application to submit a new appeal was filed against such decision, which was formally admitted on 1 June 2023. On 11 December 2023, the Supreme Court confirmed that the State Attorney had submitted an opposition to such appeal and that the Supreme Court shall issue its decision in due course. To date, the decision on the merits of the appeal is still pending. Based on the opinion of its legal advisers, the provision recorded in this regard at 31 December 2023 and 2022 amounted to EUR 18.7 million, recorded in "current provisions and other liabilities" of the accompanying consolidated balance sheet.

On 8 February 2012, the Board of the National Commission on Markets and Competition (CNMC in Spanish) imposed a fine of EUR 13.7 million on Cellnex Telecom, S.A. (formerly Abertis Telecom, S.A.U.) for having abused its dominant position, pursuant to article 2 of the Competition Act and article 102 of the Treaty on the Functioning of the European Union. The company allegedly abused its dominant position in wholesale service markets with access to infrastructure and broadcast centers of Cellnex Telecom, S.A. for broadcasting DTT signals in Spain, and retail service markets for transmitting and distributing DTT signals in Spain by narrowing margins. On 21 March 2012, the Group filed an appeal for judicial review against the decision of the CNMC with the National Appellate Court, also requesting a delay of payments with regard to the fine until the court passes a ruling on this matter. This delay was granted on 18 June 2012. On 20 February 2015 the National Appellate Court partially upheld the appeal, ordering the CNMC to recalculate the fine as it considered that the criteria used at the time by the CNMC were not appropriate. Notwithstanding the foregoing, on 26 May 2015, an appeal was filed with the Supreme Court against the judgement of the National Appellate Court on the grounds that it is not only about the recalculation of the amount but also that the Group did not break any competition rules. On 23 March 2018, the Supreme Court issued a judgment dismissing the appeal, and was awaiting the return of the file to the CNMC for the recalculation of the sanction. Following the corresponding calculation procedure, the CNMC ruled that the amount of the fine should not be amended. Cellnex Telecom, S.A., filed an appeal against such decision before the National Appellate Court. On 23 March 2023, such appeal was dismissed by the National Appellate Court. On 15 June 2023, Cellnex Telecom, S.A., filed an application to submit a new appeal. Such appeal has been unadmitted, and in January 2024 Cellnex Telecom S.A. has filed an appeal to declare the annulment of the decision declaring the non-admission as a previous step to filing an appeal for constitutional protection ("recurso de amparo") before the Constitutional Court. The filing of the appeal does not suspend the ruling of the National Appellate Court and, therefore, the CNMC may ask for the execution of the bank guarantee deposited in the National Appellate Court. The original guarantee was provided on 4 February 2020. With regard to these proceedings, on 31 December 2023 and 2022, the provision recognised based on the opinion of their legal advisers, amounted to EUR 13.7 million, registered in "current provisions and other liabilities" and "non-current provisions and other liabilities", respectively, of the accompanying consolidated balance sheet.

Moreover, and in the context of the spin-off of Abertis Telecom S.A.U. (now Abertis Telecom Satélites, S.A.U.) on 17 December 2013, Cellnex Telecom, S.A. assumed all rights and obligations that may arise from the aforementioned legal proceedings, as they relate to the spun-off business (terrestrial telecommunications). An agreement has therefore been entered into between Cellnex Telecom, S.A. and Abertis Telecom Satélites, S.A.U. stipulating that if the aforementioned amounts have to be paid, Cellnex Telecom, S.A. will be responsible for paying these fines. At 31 December 2023 and 2022, Cellnex Telecom, S.A. had provided three guarantees amounting to EUR 32.5 million to cover the disputed rulings with the CNMC explained above.

In relation to the digitalization and expansion of the terrestrial television networks in remote rural areas in Spain during the digital transformation process, the European Commission issued a decision on 19 June 2013 concluding that Retevisión-I, S.A.U. and other operators of platforms for transmitting terrestrial and satellite signals had received state aid, in the amount of EUR 260 million, that is contrary to the Treaty on the Functioning of the European Union. The ruling ordered Spain to recover the amount of the aid received. Retevisión-I, S.A.U. lodged an appeal on October 2013 against such decision which was dismissed on 26 November 2015. On 5 February 2017, a further appeal was filed. On 20 December 2017, the Court of Justice of the European Union (CJEU) issued a judgment by which it annulled the decisions of 19 June 2013 and 26 November 2015 aforementioned. After such annulment, the European Commission reopened its investigation and issues a new decision on 10 June 2021, concluding that the aid system was against the European Union's legislation and, therefore, the aid had to be recovered. Based on this, the governments of Extremadura, Catalonia, Valencia, Asturias and others initiated different proceedings to recover the aid, amounting to approximately EUR 100 million. The Group has already appealed such decisions and, in order to suspend the execution, it has set up escrow accounts for a total amount of approximately EUR 116 million (EUR 93.2 million as of 31 December 2022). See Note 13.b. On 5 November 2021, the Group filed an appeal before the General Court of the European Union requesting the annulment of the referred decision. On 10 June 2022, the General Court of the EU ended the written stage of the procedure, and the hearing took place on 5 October 2023. To date, the General Court of the European Union has still not ruled on such appeal, although it is expected during the first quarter of 2024. In the event that, in any of the aforementioned proceedings, there is a court ruling requesting the recovery of the amounts claimed, or any part thereof, by the respective Administration or Public Organism, following our advisors' criteria, the Supreme Court's requirements would undoubtfully be met in order to achieve the success of the legal claims that would be lodged by the respective company of the Cellnex Group based on the infringement of the elementary principles of unjust enrichment prohibition and contractor's indemnity. Consequently, it is not expected that the resolution of the procedures in progress will have a significant effect on the consolidated net assets of the Group to the extent that the aforementioned estimate of the actions to be exercised, the Group considers that it would entail the restitution of the amounts deposited in recovered "escrow" accounts.

b) Current and non-current employee benefit obligations

The detail of "Employee benefit obligations" at 31 December 2023 and 2022 is as follows:

						Thousands of Euros
		31 December 2023			31 December 2022	
	Non-current	Current	Total	Non-current	Current	Total
Defined benefit obligations	2,147	966	**3,113**	2,060	486	**2,546**
Employee benefit obligations	54,156	89,731	**143,887**	49,667	62,365	**112,032**
Employee benefit obligations	**56,303**	**90,697**	**147,000**	**51,727**	**62,851**	**114,578**

I) Current and non-current defined benefit obligations

The pension commitments and obligations are covered using insurance policies/separate entities, with the amounts not included in the balance sheet. Nevertheless, this heading includes the hedges (relevant obligations and assets) for which there is a continued legal obligation or implied obligation to meet the agreed benefits.

Together with the above obligations, the liability side of the accompanying balance sheet includes EUR 2,147 thousand (EUR 2,060 thousand in 2022) under "Non-current provisions" and EUR 966 thousand (EUR 486 thousand in 2022) under "Current provisions", relating to the measurement of the main employee commitments arising from certain non-current obligations related to employees' length of service with the Group. The amounts recognised in 2023 and 2022 for these obligations as a increase in staff costs were EUR 396 thousand and EUR 2,444 thousand (decrease) and, as a finance cost, were EUR 11 thousand and EUR 4 thousand, respectively.

In relation to the Group's defined benefit obligations with employees, the reconciliation of the opening and ending balances of the actuarial value of these obligations is as follows:

	Thousands of Euros	
	2023	2022
At 1 January	**2,546**	**3,724**
Current service cost	186	1,274
Interest cost	11	4
Actuarial losses/(gains)	396	(2,444)
Benefits paid	(26)	(12)
At 31 December	**3,113**	**2,546**

The reconciliation of opening and ending balances of the actuarial fair value of the assets tied to these obligations is as follows:

	Thousands of Euros	
	2023	2022
At 1 January	**1,651**	**2,829**
Sponsor contributions	593	(1,166)
Benefits paid	(26)	(12)
At 31 December	**2,218**	**1,651**

The actuarial assumptions (demographic and financial) used constitute the best estimates on the variables that will determine the ultimate cost of providing post-employment benefits.

The main actuarial assumptions used at the reporting date are as follows:

	2023	2022
Annual discount rate	3.50 %	3.50 %
Salary increase rate	9.79 %	5.53 %

II) Current and non-current employee benefit obligations

Long Term Incentive Plan ("LTIP")

Rolling Long-term Incentive Plan (2021-2023)

In December 2020, the Board of Directors approved the 2021-2023 LTIP. The beneficiaries include the CEO, the Deputy CEO, the Senior Management and other key employees (approximately 180 employees).

The amount to be received by the beneficiaries will be determined by the degree of fulfilment of the share price increase, calculated using the average price in the three months prior to 31 December 2020 (initial starting price of the period) and the average price in the three months prior to 31 December 2023 (final target price of the period), both weighted by the volume ("vwap").

The achievement of the objectives established in the 2021-2023 LTIP will be assessed by the Nominations, Remuneration and Sustainability Committee and payment of any accrued amounts, if applicable, will be following approval of the annual Consolidated Financial Statements of the Group as of and for the year ended 31 December 2023 by the Annual General Shareholders' Meeting.

For the 2021–2023 LTIP, the CEO must receive a 30% of his LTIP remuneration in shares and the outstanding 70% may be paid in options. The rest of the Senior Management must receive a 40% of their LTIP remuneration in shares and the outstanding 60% may be paid in options. The rest of Management must receive 70% of their LTIP remuneration in shares and the outstanding 30% may be paid in options. The rest of the beneficiaries must receive 100% of their LTIP remuneration in shares. The decision to receive the options part in additional shares or in cash rests in an agreement between the Group and the employee.

As of 31 December 2023, the estimated cost of the 2021-2023 LTIP amounts to approximately EUR 8.5 million.

Based on the best possible estimation of the related liability and taking into consideration all the available information, the Group has recognised a provision of EUR 8.5 million in reserves of the accompanying consolidated balance sheet as at 31 December 2023 (EUR 10.3 million in reserves as at 31 December 2022). The impact on the accompanying consolidated income statement for the year ended on 31 December 2023, amounted to EUR 1.8 (reversal) million (EUR 5.4 million in 2022).

Rolling Long-term Incentive Plan (2022-2024)

In December 2021, the Board of Directors approved the 2022-2024 LTIP. The beneficiaries include the CEO (subject to the approval of the General Shareholders meeting), the Deputy CEO, the Senior Management and other key employees (approximately 225 employees). The amount to be received by the beneficiaries will be determined by the degree of fulfillment of four metrics:

- With a weighting of 20%, achieving certain RLFCF per share (considering the perimeter signed as of the end of 2021 and in 2024 the perimeter will have to be adjusted in order to estimate the like-for-like RLFCF per share provided that the Company targets to execute further inorganic growth). Cellnex´s RLFCF per Share is calculated by dividing RLFCF of the period / Cellnex´s number of outstanding shares, with approximately 708 million shares considered (assuming approximately 27 million new shares issued and paid to CK Hutchison Holdings Limited).
- With a weighting of 30%, relative position among a peers group based on Total Shareholder Return. Peers group is form by: American Tower, SBA Communications, Crown Castle, Helios Towers, Vantage Towers, Inwit, Rai Way, MSCI World Index.
- With a weighting of 30%, absolute Total Shareholder Return. The degree of achievement of the share price increase will be calculated on the basis of the average price of the three months prior to the date of grant, volume weighted ("vwap").
- With a weighting of 20%, ESG metrics: i) 8% reaching an specific percentage of sourcing of renewable electricity of the Group, and ii) 12% is based on three parameters: a) the employee engagement at FY21 constant perimeter (based on the pulse survey), b) the reduction of the gender pay gap by 5% at FY21 constant perimeter, and c) achieving an specific percentage of foreign Directors at the Headquarters.

Additionally, under very exceptional performance of absolute Total Shareholder Return and relative position between top 2 companies of the peer group, a booster will be applied to the pay-out capped at a maximum of 5.0x (ranking first with respect the companies of the peer group, and being the share price approximately 115€/share). The achievement of the objectives established in the 2022-2024 LTIP will be assessed by the Nominations, Remunerations and Sustainability Committee and payment of any accrued amounts, if applicable, will be following approval of the annual Consolidated Financial Statements of the Group as of and for the period end on 31 December 2024, by the Annual General Shareholders' Meeting.

For all the beneficiaries of the 2022—2024 LTIP, 40% of this remuneration will initially be paid through granted shares and the remaining 60% through options, with an obligation to permanently hold shares depending on the job levelling of each employee. The decision to receive the options part in additional shares, in cash or pension benefits is an agreement between the Group and the employee.

As of 31 December 2023, the estimated cost of the 2022-2024 LTIP amounts to approximately EUR 10 million.

Based on the best possible estimation of the related liability and taking into consideration all the available information, the Group has recognised a provision of EUR 2.6 million and EUR 4.1 million in the long-term employee benefit obligations and reserves, respectively, of the accompanying consolidated balance sheet as at 31 December 2023 (EUR 1.4 million and EUR 2.2 million, respectively, as at 31 December 2022). The impact on the accompanying consolidated income statement for the year ended on 31 December 2023, amounted to EUR 3.0 million (EUR 3.6 million in 2022).

Rolling Long-term Incentive Plan (2023-2025)

In December 2022, the Board of Directors approved the 2023-2025 LTIP. The beneficiaries include the CEO (subject to the approval of the General Shareholders meeting), the Senior Management and other key employees (approximately 225 employees). The amount to be received by the beneficiaries will be determined by the degree of fulfillment of four metrics:

- With a weighting of 20%, achieving certain Free Cash Flow (FCF). Cellnex´s FCF is calculated as the recurring leveraged Free Cash Flow minus Expansion Capex and BTS Capex (which includes engineering services (WS + IS)). This is considered on a like-for-like basis as at December 2022. An adjustment of the scope will be required in 2025 to estimate the

FCF in comparable terms. This adjustment will be validated by an external auditor following an "agreed-upon procedures" assessment, as the Company may implement further inorganic growth projects.

- With a weighting of 30%, relative position among a peers group based on Total Shareholder Return. Peers group is form by: American Tower, SBA Communications, Crown Castle, Helios Towers, Vantage Towers, Inwit, Rai Way, MSCI World Index.

- With a weighting of 30%, absolute Total Shareholder Return. The degree of achievement of the share price increase will be calculated on the basis of the average price of the three months prior to the date of grant, volume weighted ("vwap").

- With a weighting of 20%, ESG metrics: i) 10% reaching an specific percentage of sourcing of renewable electricity of the Group, and ii) 10% is based on two parameters: a) the employee engagement at FY22 constant perimeter (based on the pulse survey), and b) achieving an specific percentage of foreign Directors at the Headquarters.

Therefore, the maximum incentive would only be paid out in the event of achieving a maximum metric performance scenario which, in terms of total shareholder return, would mean that Cellnex's return is equal to or greater than 119.7% over the incentive measurement period and ranks 1st or 2nd among its peers. The Company deems that this would constitute an excellent performance.

As of 31 December 2023, the estimated cost of the 2023-2025 LTIP amounts to approximately EUR 28.9 million.

Based on the best possible estimation of the related liability and taking into consideration all the available information, the Group has recognised a provision of EUR 5.8 million and EUR 3.9 million in the long-term employee benefit obligations and reserves, respectively, of the accompanying consolidated balance sheet as at 31 December 2023. The impact on the accompanying consolidated income statement for the year ended on 31 December 2023, amounted to EUR 9.6 million.

Engagement Plan (2023)

On 27 March 2023, the Board of Directors, at the proposal of the Appointments, Remuneration and Sustainability Committee, approved the establishment of an extraordinary multi-year engagement plan (2023-2025) for a small number of employees in the Group (approx. 80 employees), in order to promote and also acknowledge the involvement of this key talent through their leadership in achieving the Group's objectives.

The amount to be received by the beneficiaries is already defined and fixed. The essential requirements for the payment of the incentive plan are:

i. Meet the minimum level of achievement of the Group's financial targets linked to the MBO for each year,

ii. That the beneficiary is in a situation of effective provision of services for Cellnex (registered with Social Security) on the payment date.

This incentive will be fully delivered in Cellnex shares.

The plan is set for the period 2023, 2024 and 2025. One third of the total shares were delivered in September 2023, one third will be delivered in June 2024, and the last third in June 2025.

As of 31 December 2023, the estimated cost of the 2023-2025 Engagement Plan amounts to approximately EUR 4.7 million.

Based on the best possible estimation of the related liability and taking into consideration all the available information, the Group has recognised a provision of EUR 3.1 million in reserves of the accompanying consolidated balance sheet as at 31 December 2023.

Reorganisation Plan (2018 – 2019)

During the first quarter of 2018, the Group reached an agreement with the workers' representatives of Retevisión-I, S.A.U. and Tradia Telecom, S.A.U. regarding a collective redundancy procedure to conclude up to 175 employment contracts in 2018 and 2019 ("The Reorganisation Plan"), as detailed below.

On 27 February 2018, these group companies reached an agreement with the workers' legal representatives consisting of income plans for employees of 57 years of age or older as of 31 December 2017 and, on the other hand, lump-sum indemnity payments as a result of the voluntary termination of employment contracts for other employees not included in the annuity plan. The period during which employees could voluntarily participate in the annuity plan ended on 31 May 2018, whereas the period for claiming the lump-sum termination benefits started on 7 January 2019 and ended on 31 January 2019.

The provision for the workforce agreement was cashed out in 2018, 2019 and first months of 2020. Accordingly, efficiencies should crystalize from 2020 onwards.

This plan fits into the reorganisation process relating to the broadcasting business that is being undertaken by the Group's subsidiary companies. Under this plan, the Group is seeking to adapt its structure to the new business models, which have been widely modernised in recent years with the introduction of equipment, which can be maintained remotely, without the necessity to physically travel to the sites where the equipment is installed.

At 31 December 2018, a provision was recognised for this reorganisation procedure, with an estimated cost of EUR 55 million. As of 31 December 2020, the Reorganisation Plan was finalized.

The balance payable at 31 December 2023 associated with this collective redundancy procedure carried out by the Group represents expected payments related to this process, amounting to EUR 2.0 million and EUR 7.4 million recorded in the long and short term, respectively, of the accompanying consolidated balance sheet (EUR 10.5 million and EUR 0.2 million recorded in the long and short term, respectively, at 31 December 2022).

Reorganisation Plan (2022)

In December 2021 an agreement was reached with the workers' representatives of Retevisión-I, S.A.U., Tradia Telecom, S.A.U. and On Tower Telecom Infrastructuras, S.A.U. in relation to a collective redundancy procedure to terminate up to 208 employment contracts in the period from 2022 to 2025 as detailed below.

The agreement consists, on the one hand, of pre-retirement plans for employees of 57 or more years of age who, during the period from 2022 to 31 March 2025 are 57 years of age or older and have a length of service of 7 years and, on the other hand, lump-sum termination benefits as a result of the voluntary termination of their employment contracts for the rest of the employees not included in the pre-retirement plan. The voluntary participation period will begin on 17 January and end on 31 May 2022.

The workforce agreement will be executed in the period from 2022 to 2025. As a result, the opex efficiencies should start to be seen from 2025.

This plan is part of the evolution of the business model (with ever greater emphasis on Telecommunications Infrastructure Services as opposed to broadcasting which was the core business until a few years ago) and technological changes (associated with the development of LTE, mobile broadband and the development of internal management systems that improve efficiency). Therefore, in the last few years work has continued on renewing equipment and automating the network supervision processes, enabling a more centralised management geared towards scheduled actions as a result of preventive maintenance.

At 31 December 2021, a provision was recognised for this reorganisation procedure, with an estimated cost of EUR 81 million. During the year ended 31 December 2023, following execution of part of this agreement, contracts ended for 57 employees for a cost of EUR 19.2 million (80 employees for a cost of EUR 23.7 million in 2022).

The balance payable at 31 December 2023 associated with this reorganisation procedure carried out by the Group represents expected payments related to this process, amounting to EUR 31.5 million and EUR 22.9 million recorded in the long and short term, respectively, of the accompanying consolidated balance sheet (EUR 33.4 million and EUR 17.7 million recorded in the long and short term, respectively, at 31 December 2022).

Reorganisation Plan (2023 - 2026)

In May 2023 an agreement was reached with the workers' representatives of Cellnex Telecom, S.A. in relation to a collective redundancy procedure to terminate up to 55 employment contracts in the period from 2023 to 2026 as detailed below.

The agreement consists, on the one hand, of pre-retirement plans for employees who are 57 years or older during the period from 2023 to 31 December 2026 and have a length of service of 6 years and, on the other hand, incentivized redundancy plan, with a severance based on legal terms and prioritizing willfulness for the rest of employees not included in the pre-retirement plan.

The workforce agreement will be executed in the period from 2023 to 2026. As a result, the expenses efficiencies should start to be seen from 2026.

This Plan is linked to the new phase announced by the company in November 2022, focused on organic growth, based on focusing the business on the core business (TIS), not executing M&A and adapting the structure to the clustering of smaller countries for which fewer resources will be needed at the corporate level and shared services will be prioritised.

At 31 December 2023, a provision was recognised for this reorganisation procedure, with an estimated cost of EUR 20.6 million. During the year ended 31 December 2023, following execution of part of this agreement, contracts ended for 43 employees for a cost of EUR 9 million.

The balance payable at 31 December 2023 associated with this reorganisation procedure carried out by the Group represents expected payments related to this process, amounting to EUR 4.8 million and EUR 6.6 million recorded in the long and short term, respectively, of the accompanying consolidated balance sheet.

c) Provisions and other liabilities

The detail of “Provisions and other liabilities” at 31 December 2023 and 2022 is as follows:

						Thousands of Euros
	31 December 2023			31 December 2022 restated		
	Non-current	Current	Total	Non-current	Current	Total
Provisions for other responsibilities	194,842	235,237	**430,079**	533,727	12,000	**545,727**
Provision for asset retirement obligation	513,099	—	**513,099**	483,752	—	**483,752**
Provisions for sanctions in relation to the National Competition Committee	—	32,473	**32,473**	13,773	18,718	**32,491**
Cellnex Netherlands Put Option Liability	403,903	—	**403,903**	364,109	—	**364,109**
Deferred income and other liabilities	94,289	133,263	**227,552**	120,612	116,537	**237,149**
Deferred payment in relation to Omtel Acquisition	516,192	—	**516,192**	502,740	—	**502,740**
Total	**1,722,325**	**400,973**	**2,123,298**	**2,018,713**	**147,255**	**2,165,968**

i) Provisions for other responsibilities

In accordance with IFRS 3, Cellnex recognises contingent liabilities assumed in business combinations at the acquisition date even if it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. At 31 December 2023, the provisions for other responsibilities amounted to EUR 430,079 thousand (EUR 545,727 thousand at 2022 year-end). Regarding the Business Combinations executed during the previous years, certain risks associated with the business acquired have been assessed by the Group with the assistance of independent third party experts. Following this analysis and in accordance with IFRS 3.22-23, no provisions have been registered in 2023 and 2022 (see Note 6). During 2023, the Group has reversed provisions associated with Business Combinations of approximately EUR 12 million (EUR 97 million in 2022) as the risks became remote, expired or the amounts were settled. These provisions have been executed against income tax (see Note 18.b). The expectations of the Group are that the provisions recognised will either be settled or will expire within the coming years, based on the statute of limitation for the corresponding provision, in accordance with the tax legislation of each country, which is: EUR 79,627 thousand between 1 and 2 years, EUR 89,713 thousand between 2 and 3 years and EUR 25,502 thousand in more than 3 years.

ii) Provisions for asset retirement obligation

The heading also includes the contractual obligation to dismantle and decommission the mobile telecom infrastructures. (See Note 3.h.). As at 31 December 2023, the provision for asset retirement obligation, amounted to EUR 513,099 thousand (EUR 483,752 thousand at 2022 year-end, restated). As a result of the movement of the year a positive impact amounting to EUR 20 million has been recognized in “Depreciation, amortisation and results from disposals of fixed assets” caption of the accompanying consolidated income statement (EUR 108 million in 2022).

iii) Provisions for sanctions in relation to the National Competition Committee

Moreover, the heading includes the possible sanctions levied by the National Competition Committee (Note 19.a), which have been recorded in the consolidated balance sheet as of 31 December 2023 and 2022 for an amount of EUR 32.5 million as the cash flow outflow has been estimated as probable.

iv) Cellnex Netherlands Put Option Liability

Furthermore, during 2021, in relation to the T-Mobile Infra Acquisition (see Note 6 of the 2021 Consolidated Financial Statements), Cellnex, DIV and a Dutch foundation entered into an agreement, which sets forth the right of DIV to sell its 37.65% non-controlling interest to Cellnex, at a price to be calculated pursuant to said agreement (the "T-Mobile Infra Put Option"). If the T-Mobile Infra Put Option is exercised, the purchase price for the shares would be their fair value calculated according to certain formulae included in the T-Mobile Infra Put Option agreement, over a maximum period of 5 years. The T-Mobile Infra Put Option could be exercised over a maximum period of five years, and Cellnex may choose to pay the purchase price in case of an exercise either in cash or with Cellnex shares. The method used for the measurement of the T-Mobile Infra Put Option is based on the best estimate, at the measurement date, of the present value of the amount that must be paid when the put option is exercised (pursuant to "IAS 32 - Financial Instruments"). The estimate of the aforementioned amount could vary depending on the evolution of parameters related to market value, determined according to the option contract entered into by the parties, of the aforementioned non-controlling interest, but does not include other variable elements. The liability recognised for the aforementioned agreement was measured by calculating discounted cash flows on the basis of the percentage of ownership. Also, the measurement includes the related financial effect. Thus, at 31 December 2023 and 31 December 2022 the aforementioned liability was recognised at its fair value. At subsequent reporting dates, this amount could be increased on the basis of its fair value; there is no maximum amount for this value, since it depends on the market value of the ownership interest. The price of this acquisition is therefore uncertain and will undoubtedly be expected to be inflationary, given the favourable performance of such assets (see Note 14.f.). Thus, as at 31 December 2023, based on the best estimation of the T-Mobile Infra Put Option and taking into account all the available information, the Group has recognised a provision of EUR 403,903 thousand (EUR 364,109 thousand at 2022 year-end) for this item in “provisions and other liabilities long-term" of the accompanying consolidated balance sheet.

v) Deferred income and other liabilities

In addition, this item also mainly includes deferred income in certain subsidiaries in which, at the closing date, there was invoicing collected in advance, in accordance with the corresponding contractual conditions with customers, as well as amounts claimed from Group companies in ongoing litigation at the year end. The amounts were estimated based on the amounts claimed or stipulated in court rulings issued at the end of each year shown and appealed against by the aforementioned companies. At 31 December 2023, this heading amounted to EUR 227,552 thousand (EUR 237,149 thousand at 2022 year-end).

vi) Deferred payment in relation to Omtel Acquisition

Finally, in the context of the Omtel Acquisition (see Notes 2.h and 6 of the 2020 Consolidated Financial Statements), this amount includes the remaining balance of the total acquisition price, amounting to EUR 570 million, which will be paid, on the earlier of 31 December 2027 or upon the occurrence of certain events of default. The amount of the aforementioned deferred payment is updated to its present value, at an annual market discount rate of 2.65%, at each period end. Therefore, as of 31 December 2023, the present value of the deferred payment amounted to EUR 516,192 thousand (EUR 502,740 thousand at 2022 year-end). Thus, the impact on “financial costs” of the accompanying consolidated income statement for 2023 amounted to EUR 13,452 thousand (EUR 13,452 thousand in 2022).

The expectations of the Group are that the provisions and other liabilities detailed above, other than "provisions for other responsibilities", will either be settled or will expire within the coming years beyond to 2025.

20. Revenue and expenses

a) Operating income

The detail of operating income by item for the 2023 and 2022 financial years is as follows:

		Thousands of Euros
	2023	**2022**
Services (Gross)	3,808,059	3,251,155
Other operating income	245,147	247,467
Advances to customers (Note 13.b)	(3,983)	(3,442)
Operating income	**4,049,223**	**3,495,180**

"Services (Gross)" includes revenues from the three different customer focused units: Telecom Infrastructure Services (which include Engineering Services), Broadcasting Infrastructure and Other Network Services. It also includes the utility fee for an amount of EUR 149,290 thousand at 31 December 2023 (EUR 71,257 thousand in 2022) which consists of energy pass-through included within the service fee charged to our customers. “Other operating income” mainly includes income from re-charging costs related to activities for renting tower infrastructures for site rentals to third parties (pass-through). “Advances to customers” includes the amortization of amounts paid for sites to be dismantled and their corresponding dismantling costs, which are treated as advances to customers in relation to the subsequent services agreement entered into with the customer (mobile telecommunications operators). These amounts are deferred over the life of the service contract with the operator as they are expected to generate future economic benefits in existing infrastructures.

Contracted revenue

The contracted revenue "Backlog" represents management's estimate of the amount of contracted revenues, either through Master Service Agreements ("MSA") or through Master Lease Agreements ("MLA") of the Group's structures, that the Group expect will result in future revenue from certain existing contracts. This amount is based on a number of assumptions and estimates, including assumptions related to the performance of a number of the existing contracts at a particular date. It also incorporates fixed escalators but do not include adjustments for inflation. One of the main assumptions relates to the contract renewals, and in accordance with the accompanying Consolidated Financial Statements, contracts for services have renewable terms including, in some cases, "all or nothing" clauses and in some instances may be cancelled under certain circumstances by the customer at short notice without penalty.

The total amount, by line of business, of the Group's revenue expected from the service agreements (Telecom Infrastructure Services, Broadcasting Infrastructure and Other Network Services) entered into by the Group and that were in force at 31 December 2023 and 2022 are as follows:

Contracted revenue	Thousands of Euros 2023 Broadcasting infrastructure	Telecom Infrastructure Services	Other Network Services	Total (*)
Spain	220,907	233,779	72,965	527,651
Italy	—	621,123	—	621,123
Netherlands	—	89,051	—	89,051
France	—	633,454	—	633,454
United Kingdom	—	469,878	—	469,878
Switzerland	—	131,857	—	131,857
Ireland (1)	—	58,958	—	58,958
Portugal	—	140,988	—	140,988
Austria	—	79,072	—	79,072
Denmark	—	35,925	—	35,925
Sweden	—	61,898	—	61,898
Poland	—	403,592	—	403,592
Less than one year	220,907	2,959,575	72,965	3,253,447
Spain	315,805	788,207	105,013	1,209,025
Italy	—	2,348,302	—	2,348,302
Netherlands	—	309,786	—	309,786
France	—	2,850,254	—	2,850,254
United Kingdom	—	1,780,331	—	1,780,331
Switzerland	—	536,309	—	536,309
Ireland (1)	—	288,340	—	288,340
Portugal	—	558,476	—	558,476
Austria	—	316,289	—	316,289
Denmark	—	143,701	—	143,701
Sweden	—	238,851	—	238,851
Poland	—	1,634,208	—	1,634,208
Between one and five years	315,805	11,793,054	105,013	12,213,872
Spain	16,820	2,487,686	62,728	2,567,234
Italy	—	10,455,531	—	10,455,531
Netherlands	—	1,249,872	—	1,249,872
France	—	23,795,628	—	23,795,628
United Kingdom	—	10,807,146	—	10,807,146
Switzerland	—	4,290,747	—	4,290,747
Ireland (1)	—	1,036,335	—	1,036,335
Portugal	—	2,533,216	—	2,533,216
Austria	—	1,739,590	—	1,739,590
Denmark	—	773,483	—	773,483
Sweden	—	1,302,546	—	1,302,546
Poland	—	16,041,258	—	16,041,258
More than five years	**16,820**	**76,513,039**	**62,728**	**76,592,587**
Domestic	**553,532**	**3,509,671**	**240,707**	**4,303,910**
International	**—**	**87,755,997**	**—**	**87,755,997**
Total	**553,532**	**91,265,668**	**240,707**	**92,059,907**

(*) At 31 December 2023, the amount of contracted revenue does not include the impact of the infrastructures committed that have not yet been transferred to Cellnex at that date (see Note 8). If this effect were to be considered the contracted revenue of the Group as of 31 December, 2023 would increase to EUR 110 billion approximately, on a run rate basis.

(1) As detailed in Note 7, the Group is carrying out an asset portfolio assessment from an industrial perspective. As a result of such analysis Cellnex might decide to divest the Group's operations in Ireland. To the extent that as of 31 December 2023 (i) the assets are available for disposal at their condition at that date, (ii) the process to locate buyers at prices reasonable in relation to their fair value has already been initiated and authorized by Group management, and (iii), it is expected to complete the sale in 2024, the Group has classified the assets and their associated non-current liabilities in Ireland as "Non-current assets held for sale" at 31 December 2023.

Contracted revenue	Thousands of Euros			
	2022			
	Broadcasting infrastructure	Telecom Infrastructure Services	Other Network Services	Total (*)
Spain	181,258	222,610	86,871	490,740
Italy	—	673,677	—	673,677
Netherlands	—	131,439	—	131,439
France	—	689,002	—	689,002
United Kingdom	—	459,609	—	459,609
Switzerland	—	143,381	—	143,381
Ireland	—	56,825	—	56,825
Portugal	—	126,857	—	126,857
Austria	—	75,869	—	75,869
Denmark	—	33,477	—	33,477
Sweden	—	57,300	—	57,300
Poland	—	353,264	—	353,264
Less than one year	181,258	3,023,311	86,871	3,291,441
Spain	232,897	790,231	202,043	1,225,170
Italy	—	3,021,295	—	3,021,295
Netherlands	—	435,762	—	435,762
France	—	2,875,541	—	2,875,541
United Kingdom	—	1,613,410	—	1,613,410
Switzerland	—	514,116	—	514,116
Ireland	—	207,777	—	207,777
Portugal	—	498,730	—	498,730
Austria	—	303,477	—	303,477
Denmark	—	133,908	—	133,908
Sweden	—	219,434	—	219,434
Poland	—	1,389,473	—	1,389,473
Between one and five years	232,897	12,003,154	202,043	12,438,093
Spain	20,002	2,464,515	93,100	2,577,617
Italy	—	11,717,958	—	11,717,958
Netherlands	—	1,339,287	—	1,339,287
France	—	25,474,707	—	25,474,707
United Kingdom	—	9,244,353	—	9,244,353
Switzerland	—	4,269,164	—	4,269,164
Ireland	—	983,645	—	983,645
Portugal	—	2,455,970	—	2,455,970
Austria	—	1,744,993	—	1,744,993
Denmark	—	756,041	—	756,041
Sweden	—	1,242,406	—	1,242,406
Poland	—	14,004,166	—	14,004,166
More than five years	**20,002**	**75,697,205**	**93,100**	**75,810,307**
Domestic	**434,157**	**3,477,356**	**382,014**	**4,293,527**
International	**—**	**87,246,314**	**—**	**87,246,314**
Total	**434,157**	**90,723,671**	**382,014**	**91,539,841**

(*) At 31 December 2022, the amount of contracted revenue does not include the impact of the infrastructures committed that have not yet been transferred to Cellnex at that date (see Note 8). If this effect were to be considered the contracted revenue of the Group as of 31 December,2022 would increase to EUR 110 billion approximately, on a run rate basis.

b) Staff costs

The detail of staff costs by item is as follows:

	Thousands of Euros	
	2023	2022
Wages and salaries	(247,147)	(208,180)
Social Security contributions	(44,372)	(40,554)
Retirement fund and other contingencies and commitments	(26,753)	(4,021)
Other employee benefit costs	(15,712)	(17,628)
Staff costs	**(333,984)**	**(270,383)**

The average number of employees at the Cellnex Group, its subsidiaries and associates in 2023 and 2022, broken down by job category and gender, is as follows:

	2023			2022		
	Male	Female	Total	Male	Female	Total
Chief Executive Officer	1	—	**1**	1	—	**1**
Senior Management [1]	6	2	**8**	7	2	**9**
Middle management	299	118	**417**	318	98	**416**
Other employees	1,728	794	**2,522**	1,711	792	**2,503**
Average number of employees	**2,034**	**914**	**2,948**	**2,037**	**892**	**2,929**

The number of employees at the Cellnex Group at the end of the 2023 and 2022 financial years, broken down by job category and gender, was as follows:

	2023			2022		
	Male	Female	Total	Male	Female	Total
Chief Executive Officer	1	—	**1**	1	—	**1**
Senior Management [1]	11	2	**13**	6	2	**8**
Middle management	285	125	**410**	336	105	**441**
Other employees	1,686	756	**2,442**	1,746	822	**2,568**
Number of employees at year-end	**1,983**	**883**	**2,866**	**2,089**	**929**	**3,018**

At 31 December 2023 and 2022 the Board of Directors of the Parent Company was formed of 13 members, 6 of which were male and 7 were female (11 members in 2022, 5 of which were male, and 6 were female).

c) Other operating expenses

The detail of other operating expenses by item for the 2023 and 2022 financial years is as follows:

	Thousands of Euros	
	2023	2022
Repairs and maintenance	(111,246)	(91,969)
Utilities	(366,014)	(283,085)
Other operating costs	(307,378)	(283,464)
Other operating expenses	**(784,638)**	**(658,518)**

[1] The Chief Executive Officer is not included in the category of Senior Management disclosed. The breakdown of the Senior Management including the Chief Executive Officer is disclosed in Annex 6 of the Consolidated Management Report (GRI 405-1 Diversity of governance bodies and employees).

The detail of lease expense by class included in "Other operating costs" for the 2023 and 2022 financial years is as follows

	Thousands of Euros	
	2023	2022
Leases of low-value assets	—	(3)
Variable lease payments	(3,127)	(2,020)
Lease expense	**(3,127)**	**(2,023)**

At 31 December 2023 and 2022, the Group did not recognise gains or losses arising from sale and leaseback transactions by a significant amount.

d) Non-recurring and non-cash expenses

As of 31 December 2023 and 2022, the items "Staff costs" and "Other operating expenses" above, contains (i) certain expenses that are non-recurring, or (ii) certain expenses that do not represent a cash flow, as detailed below:

i. Donations, which relate to a financial contribution by Cellnex to different institutions (non-recurring item), amounted to EUR 1,126 thousand (EUR 1,832 thousand at 2022 year-end).

ii. Redundancy provision, which mainly includes the impact in 2023 and 2022 year-end derived from the reorganisation plans detailed in Note 19.b of these Consolidated Financial Statements (non-recurring item), amounted to EUR 29,942 thousand (EUR 3,367 thousand at 2022 year-end).

iii. LTIP remuneration, which corresponds to the LTIP remuneration accrued at the year-end, which is payable in Cellnex shares (See Note 19.b of these Consolidated Financial Statements, non-cash item), amounted to EUR 14,977 thousand (EUR 16,649 thousand at 2022 year-end), and extra compensation and benefits costs, which corresponds to extra non-conventional bonus for the employees (non-recurring item), amounted to EUR 7,326 thousand (EUR 418 thousand at 2022 year-end).

iv. Costs and taxes related to acquisitions and divestments, which mainly includes taxes and ancillary costs incurred during the business combination processes (non-recurring item), amounted to EUR 24,353 thousand (EUR 53,717 thousand at 2022 year-end).

e) Depreciation, amortisation and results from disposals of fixed assets

The detail of "Depreciation, amortisation and results from disposals of fixed assets" in the consolidated income statement for the 2023 and 2022 financial years is as follows:

	Thousands of Euros	
	2023	2022
Property, plant and equipment (Note 8)	(808,925)	(702,490)
Right-of-use assets (Note 16)	(665,189)	(618,330)
Intangible assets (Note 9)	(1,145,098)	(1,037,527)
Others	66,577	37,653
Total	**(2,552,635)**	**(2,320,694)**

As at 31 December 2023 and 2022, the "Others" line mainly includes the impact derived from the result of the disposal of fixed assets (see Note 7) and the impact derived from changes to the contractual obligation to dismantle and decommission the mobile telecom infrastructures, that arose from a revision in the timing or amount of the estimated decommissioning costs or from a change in the current market-based discount rate, in accordance with IFRIC 1 (see Note 19.c).

f) Net interest expense

The detail of net interest expense by item for the 2023 and 2022 financial years is as follows:

	Thousands of Euros	
	2023	2022
Finance income and interest from third parties	67,228	21,715
Changes in fair value of financial instruments	(8,365)	(77)
Equity swap	14,943	—
Exchange gains/(losses)	2,639	881
Total interest income	**76,445**	**22,519**

	Thousands of Euros	
	2023	2022
Interest expense on lease liabilities (Note 16)	(327,324)	(327,405)
Finance costs and interest arising from third parties	(169,877)	(57,005)
Bond interest expense	(238,711)	(235,857)
Arrangement expenses and Convertible Bond Accretion	(99,290)	(86,739)
Interest cost relating to provisions	(22,151)	(22,027)
Derivative financial instruments	—	(668)
Other finance costs	(26,941)	(21,777)
Total interest expense	**(884,294)**	**(751,478)**

21. Contingencies, commitments and obligations

a) Contingencies

As at 31 December 2023, the contingent liabilities of the Cellnex Group are those detailed in Note 19.a of the accompanying Consolidated Financial Statements.

b) Commitments and obligations

i) Agreements between Cellnex France Groupe, Bouygues Telecom and Phoenix France Infrastructures to dispose approximately 3,200 urban sites in France

As described in Note 7, in the first quarter of 2022, the Group entered into two agreements with the aim to fulfil the disposals required by the FCA as a condition for the approval of the Hivory Acquisition (see Note 6 of the 2022 Consolidated Financial Statements).

Firstly, Cellnex France and Phoenix France Infrastructures (in the presence of Bouygues Telecom) entered into a business transfer agreement which sets forth the terms and conditions under which Cellnex France will sell to Phoenix France Infrastructures (or to any company controlled by Phoenix France Infrastructures) 2,000 sites located in very dense areas of France. The sale will be carried out at a price to be calculated pursuant to the agreement which takes into account the profit generated by such sites, for an expected total amount of approximately EUR 690 million (EUR 600 million, net of taxes). The effectiveness of this agreement was subject to the French regulatory approvals the last of which was obtained in October 2022. The sale is structured in five lots of sites and its completion is expected to take place during 2023 and 2024. During 2023, the sale of 1,127 sites to Phoenix France Infrastructures has been carried out for a price of approximately EUR 384 million, with an impact in “Depreciation, amortization and results from disposals of fixed assets” (see Note 20.e.) of the accompanying consolidated income statement.

In addition, Hivory, Cellnex France Groupe and Phoenix Tower France II (a company of the Phoenix Tower International group, formerly known as PTI Alligator BidCo) entered into a share purchase agreement which sets forth the terms and conditions under which Hivory will transfer to Phoenix Tower France II 1,226 sites located in very dense areas of France. The effectiveness of this agreement was subject to the French regulatory approvals the last of which was obtained in October 2022. During 2023. the sale has been carried out at a price of approximately EUR 275 million (EUR 235 million, net of taxes), without significant impact in the accompanying consolidated income statement.

As of 31 December 2023, the sales of the lots five and six, totalling approximately 850 sites, were still pending and its completion is expected to take place during 2024 with an associated expected cash in of EUR 360 million.

ii) Disposal of the private networks business

On 10 November 2023, the Group reached an agreement pursuant to which it would sell to Boldyn Networks its private networks business unit which largely includes Edzcom, a 100% owned subsidiary of the Group in Finland that specializes in connectivity solutions for private networks in industrial complexes and environments. The agreed price amounts to approximately EUR 31 million. The Group completed the sale on 29 February 2024.

As mentioned in Note 7, the Group is carrying out an asset portfolio assessment in order to find opportunities that allow increasing the profitability of the base of operations, creating value through the arbitrage of multiples and simplifying the Group's structure as well as concentrating management bandwidth. The uses will be dedicated to the repayment of debt with a short-term maturity and higher cost.

iii) Other purchase commitments

As at 31 December 2023, the purchase commitments for tangible and intangible assets are those detailed in Notes 8 and 9 of the accompanying Consolidated Financial Statements.

22. Environmental information

Group’s key objective is to generate sustained value in the short, medium and long term, through responsible management of the business, incorporating the interests and expectations of the Parent Company’s stakeholders. References to countries in this section correspond to the operations of the Group in the relevant geography.

In this regard, in 2021, the Board of Directors approved the Group's Environmental, Social and Governance (ESG) Policy and the Environment and Climate Change Policy, both updated in 2023. These policies outline Cellnex's commitment to the application of best practices in the countries in which the Group operates and based on international benchmark standards. It is the Group’s policy to pay maximum attention to environmental protection and conservation, and it seeks to adopt the necessary measures to minimize the environmental impact of the infrastructure and the telecommunications networks that it manages and ensure the maximum degree of integration into the surrounding area.

Within Cellnex's Environmental, Social and Governance Policy (ESG), three basic principles are established whose application is transversal in all lines of action and commitments, where one of the principles is the Environment and Climate Change: the protection and preservation of the environment, preserving the surroundings and its biodiversity, in which the Group's activities are carried out, through the use of renewable energies, mitigating and adapting to climate change, and contributing to sustainable development through the efficient use of resources.

Additionally, within the environmental management system already implemented and certified under ISO 14001 standard. Cellnex periodically updates the identification and evaluation of its environmental aspects, risks and opportunities related to the Group’s activity and the derived environmental impacts, as well as the significance criteria. The most significant impacts are extracted from these evaluations, to which end a monitoring system is established and actions are planned to mitigate them.

The Group has worked to assess the risks and opportunities derived from climate change, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). These risks and opportunities are included in the Environment and Climate Change functional unit in order to form part of the company's general risk management. Thus, the potential impact of a risk and the probability of its occurrence are evaluated, considering the substantial impacts, based on the following areas: i) Economic: (in the income statement and / or investments), ii) operational (level of processes' interruption and of the effect on third parties) and iii) reputation (media impact and possible liability action), and where the assessment of the impact varies from low, medium, important and critical. After the impact assessment, the likelihood of the risk occurring must be assessed.

Additionally, the Group has carried out a climate scenario analysis, as recommended by the TCFD, which allows the Group to understand and define the level of resilience against different future states related to climate change. In 2023, for physical risks, a RCP 8.5 scenario was used, and for transitional risks, NGFS Climate Scenarios were used. Based on these scenarios, Cellnex has defined a series of time horizons, which are determined by the probabilities and the reaction time by Cellnex (short, medium and long term). The results obtained from the analysis allow Cellnex to anticipate possible impacts and inform and influence its strategy and commercial objectives, thus further increasing its resilience and having the necessary tools to face possible future climate risks.

As a result of the climate-related risk assessments performed, some climate risks have been identified in relation with potential future regulation, reputation, acute physical (floods, storms, fires), among others. Furthermore, in 2022 Cellnex developed a Climate Change Adaptation Plan, through a vulnerability analysis of the infrastructures to climate change. The main objective of the Cellnex Climate Change Adaptation Plan is to prevent or reduce present and future damage from climate change. Two periods were analysed under a RCP 8.5 scenario: 2011-2040 and 2041-2070. The variables analysed were: temperature, precipitation, wind, storm surge, sea level rise, flooding, fires and landslides. The climatic variable that primarily affects all assets at both horizons is temperature, affecting only 2% of Cellnex’s assets in the period 2011-2040. The main financial impact of the physical risk is associated, on the one hand, with the increase in the cooling needs of site equipment, as a result of the increase in temperatures and, therefore, of the associated indirect costs. On the other hand, the financial impact of the risk related to the increase in the sea level, has been estimated based on the costs of reconstruction and relocation of the assets potentially affected by these coastal phenomena. The potential annualized economic impact has been estimated between EUR 11 thousand in OpEx and EUR 1,575 thousand for revenues, which has been calculated assuming an increase in our electricity consumption for cooling needs of around 85.626 MWh in 2030 and the three electricity price scenarios. The annualized impact on assets value loss it is estimated around EUR 25,956 thousand.

Owing to the nature of Cellnex’s business, the most important material environmental aspect is energy. In this context, the Group monitors its energy consumption to achieve maximum efficiency and the lowest possible impact on the environment and hence on society. From an economic point of view, in the majority of contracts with the MNO and costumers, the energy costs are passed through to them since the Group only manage the necessary infrastructure and access to energy, and transparently pass energy costs on to customers. Considering pass through costs up to 70%, the difference between the annual energy costs compared to future ones is estimated. This value varies depending on the scenario contemplated: EUR 11,952 thousand under Delayed transition scenario and EUR 9,192 thousand under Net Zero 2050 scenario. However, Cellnex's current situation reflects a higher pass-through, up to 84%, plus an additional 7% of Cellnex hedged consumption. This implies that in the next analysis of this risk, the estimated financial impact will be lower than the one currently calculated.

The risk of increase in energy prices has also been assessed. Cellnex is hedged against most of the energy price inflation given the Pass though figure that enables the company to translate the majority of the electricity cost to the client. Expected energy consumption in 2025 will be additionally secured, since: 100% is either passed-through (1) (c.94%) or forward hedged (2) (c.6%). Considering pass through costs up to 70% reflecting that much of the energy price increase is paid by the client, the difference between the annual energy costs compared to future ones is estimated. This value varies depending on the scenario contemplated: EUR 11,952 thousand under Delayed transition scenario and EUR 9,192 thousand under Net Zero 2050 scenario.

Risk from potential sanctions from stricter climate and environmental legislation has been assessed. This risk is associated with Cellnex Telecom's compliance with EU regulation 517/2014 of the European Parliament and of the Council of April 16, 2014 on fluorinated greenhouse gases, which provides that by 2030 fluorinated greenhouse gas emissions will be reduced by 2/3 in EU compared to 2014 levels. This is relevant to Cellnex because cooling consumption represents around 6.4% of electricity consumption (on average). Failure by Cellnex Telecom to comply with replacement of refrigerant gas obligations could imply economic sanctions deriving from such regulations. The financial impact has been calculated annually based on the potential total impact that non-compliance sanctions could have on the company. An annualized liability has been calculated from now to 2030 and from now to 2050 considering the actual impact as zero. The cost based on the financial impact position of this risk is estimated between EUR 32.908 thousand and EUR 61.115 thousand, based on sanctions that could be considered a future potential liability in TIS and Data Centres.

Financial impacts for climate opportunities have been analysed. For the opportunity to reduce operating costs related to energy consumption, the financial implications are associated with the potential economic savings derived from energy reduction measures (electricity and fuel) associated with the company's SBTs. The implementation of these actions generates energy savings and therefore cost savings in our electricity and fuel consumption. In order to estimate the possible financial implications in the future, the reduction measures contemplated in the strategic transition plan for saving fuel and electricity consumption have been applied. Based on the projections in fuel and electricity prices of the NGFS scenarios, the potential savings derived from the reduction in energy consumption have been analysed on an annual basis. These savings vary depending on the scenario contemplated between EUR 228 thousand for the Net Zero 2050 scenario, EUR 214 thousand for the current policies scenario and EUR 218 thousand for the delayed transition scenario. The impact on CapEx linked to energy efficiency and renewable energy are EUR 3.972 thousand and EUR 3.433 thousand, respectively.

The Group considers that in the context of its operations it complies with applicable environmental protection laws and the Company has procedures designed to encourage and ensure such compliance. For the years ended 31 December 2023 and 2022, the Group did not account for any provision to address potential environmental risks since it considered that there were no significant contingencies associated with potential lawsuits, indemnities or other items, as its operations comply with environmental protection laws and as procedures are in place to foster and ensure compliance.

Finally, potential contingencies, indemnities and other environmental risks which the Group could incur are sufficiently covered by its third-party environmental liability insurance, in accordance with current legislation, of EUR 20 million.

Further information on the environmental performance of the Group is disclosed in chapter "5. Environment" of the accompanying Consolidated Management Report.

23. Segment reporting

The Group's business segment information included in this note is presented in accordance with the disclosure requirements set forth in IFRS 8, Operating Segments. This information is structured, firstly following a geographic distribution and secondly, by business segment.

Cellnex has recently expanded its business in Europe and its strategic objectives include the continuation of this growth initiative through the acquisition of assets and businesses, along with other growth opportunities both in the countries in which it is currently present and others. In this regard, as the Group continues to acquire sites in existing markets and is continuing to expand into new ones, the Group Management manages the results obtained by geographical location.

In addition, the business segments described below were established based on the organisational structure of the Cellnex Group prevailing as at 31 December 2023 and have been used by Group management to analyse the financial performance of the different operating segments.

The Group has organised its business into three different customer focused units, supported by an operations division and central corporate functions. Income from the provision of services relates mainly to:

- Telecom Infrastructure Services: this is the Group's largest segment by turnover. It provides a wide range of integrated network infrastructure services to enable access to the Group's telecom infrastructure by MNOs, other wireless telecommunications, broadband network operators, among others, allowing such operators to offer their own services to their customers. Telecom Infrastructure Services are generated from a number of sources: i) annual base fee from telecommunications customers (both anchor and secondary tenants), ii) escalators or inflation as the annual update of the base fee and, iii) New colocations and associated revenues (which include new third party colocations as well as further initiatives carried out in the period such as special connectivity projects, indoor connectivity solutions based on DAS, mobile edge computing, fiber backhauling, site configuration changes as a result of 5G rollout, housing of different clients of broadcasters and Engineering Services, that corresponds to works and studies such as adaptation, engineering and design services on request of its customers, which represent a separate income stream and performance obligation). The perimeter, therefore the number of tenants, may also be increased as a result of both acquisitions and BTS programs executions.

The services that the Group provides to its customers include infrastructure support services, which in turn include the access of infrastructure networks to telecommunications operators or broadcasters that use wireless technologies. The Group acts as a neutral carrier for mobile network operators and other telecommunications operators that normally require complete access to the infrastructure network to provide services to the end customers.

Additionally the consolidated income statement for the period includes income from re-charging costs related to infrastructure services activities for mobile telecommunications operators to third parties.

- Broadcasting Infrastructure: this is the Group's second largest segment by turnover. Corresponding to broadcasting services in Spain, where it is the only operator offering nationwide coverage of the digital terrestrial television ("DTT") service (source: CNMC). Its services consist of the distribution and transmission of television and radio signals, the operation and maintenance of broadcasting networks, the provision of connectivity for media content and over-the-top ("OTT") broadcasting services and other services. Through the provision of broadcasting services in Spain, the Group has developed unique know-how that has helped to develop other services within its portfolio.

- Other Network Services: the Group provides the infrastructure required to develop a connected society by providing network services such as data transport, security and control, Smart communication networks including Internet of Things ("IoT"), Smart services, managed services and consulting, as well as optic fiber services. As a telecom infrastructure operator, the Group can facilitate, streamline and accelerate the deployment of these services through the efficient connectivity of objects and people, in both rural and urban environments, helping to build territories enabled by genuine Smart infrastructure services. This constitutes a specialized business that generates relatively stable cash flows with potential for further growth.

  The Group classifies Other Network Services into five groups: (i) connectivity services; (ii) PPDR services; (iii) operation and maintenance; (iv) Smart Cities/IoT ("Internet of Things"); and (v) other services.

Methodology and bases for Segment Reporting

The segmental reporting below is based on monthly reports drawn up by Group management and is generated by the same information system used to obtain all the accounting data at Group level.

Operating income of the corresponding segment corresponds to the ordinary revenues directly attributable to each segment and do not include interest income or dividends.

The majority of assets employed and underlying costs are derived from a shared network common to all operating business units. An allocation of such assets and costs to the business areas is not performed as part of the normal financial information reporting process used by the Group's Management for decision-making, and Management is of the opinion that additional segmental reporting would not provide meaningful information for decision making.

The Management Committees are the maximum decision making authority. These committees evaluate the Group's performance based on the operating profit of each company, which are not the same as the above business areas.

The assets and liabilities of each segment at 31 December 2023 and 2022 are as follows:

Thousands of Euros

31 December 2023

	Spain [1]	Italy	France	UK	Switzerland	Portugal	Austria	Poland	Netherlands	Other countries	Total
Intangible assets	272,085	3,681,149	6,644,485	6,010,515	1,439,945	1,331,463	954,526	2,137,327	1,196,265	1,031,927	**24,699,687**
Right-of-use assets	309,296	662,888	875,441	390,494	244,999	124,922	76,750	246,242	99,143	70,642	**3,100,817**
Tangible fixed assets	831,049	1,715,422	5,000,286	1,138,672	258,249	549,950	256,902	1,518,930	146,403	251,012	**11,666,875**
Other non-current assets	539,611	74,543	151,825	54,423	5,216	63,141	116,603	61,767	40,531	47,517	**1,155,177**
Total non-current assets	**1,952,041**	**6,134,002**	**12,672,037**	**7,594,104**	**1,948,409**	**2,069,476**	**1,404,781**	**3,964,266**	**1,482,342**	**1,401,098**	**40,622,556**
Total current assets	**1,488,913**	**170,777**	**276,893**	**127,579**	**62,957**	**27,012**	**21,087**	**186,940**	**44,495**	**73,843**	**2,480,496**
Non-current assets held for sale	**—**	**—**	**123,199**	**—**	**—**	**—**	**—**	**—**	**—**	**1,138,993**	**1,262,192**
TOTAL ASSETS	**3,440,954**	**6,304,779**	**13,072,129**	**7,721,683**	**2,011,366**	**2,096,488**	**1,425,868**	**4,151,206**	**1,526,837**	**2,613,934**	**44,365,244**
Borrowings and bond issues	16,397,336	—	551,636	—	577,637	—	—	—	279,283	—	**17,805,892**
Lease liabilities	232,201	285,455	817,727	106,055	222,912	85,890	60,076	187,340	72,146	48,360	**2,118,162**
Other non-current liabilities	1,006,358	704,237	1,380,071	1,101,687	297,127	245,964	240,038	263,090	322,211	202,321	**5,763,104**
Total non-current liabilities	**17,635,895**	**989,692**	**2,749,434**	**1,207,742**	**1,097,676**	**331,854**	**300,114**	**450,430**	**673,640**	**250,681**	**25,687,158**
Borrowings and bond issues	896,900	—	—	—	8,905	70	(236)	—	777	(22)	**906,394**
Lease liabilities	41,436	165,343	238,583	38,477	21,691	16,267	23,954	96,726	36,236	17,544	**696,257**
Other current liabilities	(7,792,414)	638,749	4,374,773	2,659,830	196,340	626,952	225,123	568,258	(95,181)	232,174	**1,634,604**
Total current liabilities	**(6,854,078)**	**804,092**	**4,613,356**	**2,698,307**	**226,936**	**643,289**	**248,841**	**664,984**	**(58,168)**	**249,696**	**3,237,255**
Liabilities associated with non-current assets held for sale	**—**	**—**	**31,225**	**—**	**—**	**—**	**—**	**—**	**—**	**262,813**	**294,038**
TOTAL LIABILITIES	**10,781,817**	**1,793,784**	**7,394,015**	**3,906,049**	**1,324,612**	**975,143**	**548,955**	**1,115,414**	**615,472**	**763,190**	**29,218,451**

[1] In addition to the Spanish business, it also includes the Corporation and the Cellnex Finance company.

Thousands of Euros

31 December 2022 restated

	Spain [1]	Italy	France	UK restated	Switzerland	Portugal	Austria	Poland	Netherlands	Other countries	Total
Intangible assets	277,901	3,858,399	7,312,641	6,123,898	1,421,456	1,405,208	992,372	2,069,512	1,238,748	1,949,074	**26,649,209**
Right-of-use assets	332,137	712,430	999,791	418,887	254,591	117,631	90,366	220,258	83,959	117,687	**3,347,737**
Tangible fixed assets	885,692	1,605,244	4,571,681	861,440	227,934	515,896	225,546	1,233,886	147,598	422,844	**10,697,761**
Other non-current assets	486,589	68,370	109,166	68,595	4,549	45,719	123,352	40,399	31,202	50,731	**1,028,672**
Total non-current assets	**1,982,319**	**6,244,443**	**12,993,279**	**7,472,820**	**1,908,530**	**2,084,454**	**1,431,636**	**3,564,055**	**1,501,507**	**2,540,336**	**41,723,379**
Total current assets	**1,113,946**	**194,257**	**269,663**	**148,929**	**42,150**	**66,752**	**17,843**	**216,492**	**36,466**	**115,128**	**2,221,626**
Non-current assets held for sale	**—**	**—**	**51,427**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**51,427**
TOTAL ASSETS	**3,096,265**	**6,438,700**	**13,314,369**	**7,621,749**	**1,950,680**	**2,151,206**	**1,449,479**	**3,780,547**	**1,537,973**	**2,655,464**	**43,996,432**
Borrowings and bond issues	15,916,522	—	322,195	674,177	555,778	—	—	—	278,638	26	**17,747,336**
Lease liabilities	238,768	392,015	950,415	129,478	232,232	80,615	77,489	178,909	50,966	78,817	**2,409,704**
Other non-current liabilities	990,329	717,085	1,530,108	1,287,115	280,738	254,536	247,045	314,387	336,576	405,946	**6,363,865**
Total non-current liabilities	**17,145,619**	**1,109,100**	**2,802,718**	**2,090,770**	**1,068,748**	**335,151**	**324,534**	**493,296**	**666,180**	**484,789**	**26,520,905**
Borrowings and bond issues	132,196	—	—	8,614	2,696	70	(236)	—	158	(146)	**143,352**
Lease liabilities	58,390	131,020	169,644	43,349	20,119	13,995	19,764	66,617	25,680	27,573	**576,151**
Other current liabilities	(7,317,905)	694,420	4,543,103	1,665,742	179,126	658,289	197,869	402,064	(52,455)	574,557	**1,544,810**
Total current liabilities	**(7,127,319)**	**825,440**	**4,712,747**	**1,717,705**	**201,941**	**672,354**	**217,397**	**468,681**	**(26,617)**	**601,984**	**2,264,313**
Liabilities associated with non-current assets held for sale	**—**	**—**	**21,814**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**21,814**
TOTAL LIABILITIES	**10,018,300**	**1,934,540**	**7,537,279**	**3,808,475**	**1,270,689**	**1,007,505**	**541,931**	**961,977**	**639,563**	**1,086,773**	**28,807,032**

[1] In addition to the Spanish business, it also includes the Corporation and the Cellnex Finance Company.

Segmental reporting is set out below:

	Spain [1]	Italy	France	UK	Switzerland	Portugal	Austria	Poland	Netherlands	Other countries	Total (*)
											Thousands of Euros
											2023
Operating income	611,184	796,557	794,179	659,293	165,808	149,128	82,997	484,629	142,067	163,381	**4,049,223**
Operating expenses	(280,443)	(236,067)	(106,807)	(205,916)	(18,837)	(17,529)	(14,213)	(162,008)	(38,348)	(42,348)	**(1,122,516)**
Depreciation and amortization	(195,075)	(455,858)	(677,066)	(373,907)	(142,725)	(125,395)	(78,381)	(304,599)	(88,415)	(111,214)	**(2,552,635)**
Net Interest	13,720	(117,478)	(263,009)	(216,825)	(47,366)	(33,365)	(23,837)	(63,529)	(21,536)	(34,624)	**(807,849)**
Profit of companies accounted for using the equity method	(93)	—	—	—	—	—	—	—	(2,542)	—	**(2,635)**
Income tax	(42,866)	16,432	37,865	57,610	7,884	4,527	2,781	23,527	8,880	3,949	**120,589**
Consolidated net profit	**106,427**	**3,586**	**(214,838)**	**(79,745)**	**(35,236)**	**(22,634)**	**(30,653)**	**(21,980)**	**106**	**(20,856)**	**(315,823)**
Attributable non-controlling interest	(126)	—	(5,833)	—	(9,831)	—	—	(2)	(3,379)	568	**(18,603)**
Net profit attributable to the Parent Company	**106,553**	**3,586**	**(209,005)**	**(79,745)**	**(25,405)**	**(22,634)**	**(30,653)**	**(21,978)**	**3,485**	**(21,424)**	**(297,220)**

(*) Corresponds to the contribution of each country segment to the Group's consolidated income statement. Therefore, these figures may include the impact of the intercompany transactions that have been carried out during the year ended on 31 December 2023. Additionally, this income statement by country may incorporate all of the non-recurring and non-cash items detailed in section 20.d of the Consolidated Financial Statements.

(1) In addition to the Spanish business, it also includes the Corporation and the Cellnex Finance company.

	Spain [1]	Italy	France	UK	Switzerland	Portugal	Austria	Poland	Netherlands	Other countries	Total (*)
											Thousands of Euros
											2022
Operating income	565,951	735,022	749,440	386,203	157,520	129,008	78,774	412,578	130,108	150,576	**3,495,180**
Operating expenses	(261,754)	(208,554)	(102,324)	(132,163)	(19,997)	(17,633)	(13,362)	(114,791)	(36,395)	(37,197)	**(944,170)**
Depreciation and amortization	(184,963)	(451,219)	(716,695)	(272,456)	(91,833)	(95,711)	(73,830)	(270,328)	(55,455)	(108,204)	**(2,320,694)**
Net Interest	(146,476)	(114,142)	(233,532)	(78,043)	(35,466)	(21,732)	(18,220)	(46,141)	(12,514)	(22,693)	**(728,959)**
Profit of companies accounted for using the equity method	95	—	—	—	—	—	—	—	(4,334)	**—**	**(4,239)**
Income tax	13,966	13,253	47,515	132,625	(6,193)	1,580	8,119	3,155	(31,696)	7,622	**189,946**
Consolidated net profit	**(13,181)**	**(25,640)**	**(255,596)**	**36,166**	**4,031**	**(4,488)**	**(18,519)**	**(15,527)**	**(10,286)**	**(9,896)**	**(312,936)**
Attributable non-controlling interest	(170)	—	(7,191)	—	(689)	—	—	(1,144)	(6,684)	—	**(15,878)**
Net profit attributable to the Parent Company	**(13,011)**	**(25,640)**	**(248,405)**	**36,166**	**4,720**	**(4,488)**	**(18,519)**	**(14,383)**	**(3,602)**	**(9,896)**	**(297,058)**

(*) Corresponds to the contribution of each country segment to the Group's consolidated income statement. Therefore, these figures may include the impact of the intercompany transactions that have been carried out during the year ended on 31 December 2022. Additionally, this income statement by country may incorporate all of the non-recurring and non-cash items detailed in section 20.d of the consolidated financial statements of 2022 financial year.

(1) In addition to the Spanish business, it also includes the Corporation and the Cellnex Finance company.

The Group has two customers that exceed 10% of its total revenue. The total income from these customers for the year ended on 31 December 2023 amounted to EUR 1,599,386 thousand. During 2022 financial year, the Group had two customers that exceeded 10% of its revenue and the amount ascended to EUR 1,246,507 thousand.

The information by business segment is set out below:

Thousands of Euros				
				2023
	Broadcasting infrastructure	Telecom Infrastructure Services	Network Services and others	Total
Services (Gross)	230,027	3,439,603	138,429	**3,808,059**
Other income	—	245,147	—	**245,147**
Advances to customers	—	(3,983)	—	**(3,983)**
Operating income	**230,027**	**3,680,767**	**138,429**	**4,049,223**

Thousands of Euros				
				2022
	Broadcasting infrastructure	Telecom Infrastructure Services	Network Services and others	Total
Services (Gross)	223,497	2,915,604	112,054	**3,251,155**
Other income	—	247,467	—	**247,467**
Advances to customers	—	(3,442)	—	**(3,442)**
Operating income	**223,497**	**3,159,629**	**112,054**	**3,495,180**

There have been no significant transactions between segments during 2023 and 2022.

24. Related parties

a) Directors and Senior Management

The remuneration earned by the Parent Company's Directors as at 31 December 2023 and 2022 was as follows:

i. The members of the Board of Directors received EUR 2,337 thousand for exercising the duties in their capacity as directors of Cellnex Telecom, S.A. (EUR 2,069 thousand in 2022).

ii. For performing senior management duties, the CEO[(1)]:

   a. received EUR 1,300 thousand, corresponding to fixed remuneration (EUR 1,300 thousand in 2022).

   b. accrued EUR 1,782 thousand corresponding to annual variable remuneration, estimated assuming 129.6% of accomplishment (EUR 1,576 thousand in 2022 assuming 121% of accomplishment).

   c. did not receive remuneration for the achievement of the multi-annual objectives established in the "Long Term Incentive Plan" that consolidated in December 2023 (EUR 0 thousand 2022). See Note 19.b.

   Note: The provision accrued for all the LTIPs in progress, for the year ended on 31 December 2023 amounted to EUR 2,730 thousand (EUR 3,033 thousand in 2022). See Note 19.b.

iii. In addition, the Chief Executive Officer of Cellnex Telecom, S.A. received, as other benefits, contributions made to cover pensions and other remuneration in kind in the amount of EUR 325 thousand and EUR 63.4 thousand, respectively (EUR 325 thousand and EUR 33.6 thousand in 2022).

iv. Mr Marco Patuano signed an entry bonus amounting to EUR 3.5 million. This bonus will be paid 30%, in cash, in March 2024 and the remaining 70% will be paid, in shares, on the third year of his appointment as CEO of Cellnex.

v. The previous CEO's non compete accrual amounted to EUR 2,600 thousand, of which EUR 1,300 thousand were paid during the first half of 2023. It was calculated according to the parameters that were duly approved at the General Shareholders' Meeting on 28 April 2022.

Cellnex defines Senior Management as executives that perform management duties and report directly to the Chief Executive Officer. Fixed and variable remuneration for the year ended on 31 December 2023 for members of Senior Management amounted to EUR 10,547 thousand[(2)] (EUR 5,822 thousand 2022) and did not receive remuneration for the achievement of the multi-annual objectives established in all the “Long Term Incentive Plan” that consolidates in December 2023 (EUR 0 thousand in 2022). Note: The accrual of the provisions for all the LTIPs in progress, for the year ended on 31 December 2023 amounted to EUR 3,764 thousand (EUR 4,811 thousand in 2022). In addition, EUR 2,267 thousand was accrued for "non-compete" due to the exit of certain members of Senior Management.

In addition, members of Senior Management received, as other benefits, contributions made to cover pensions and other remuneration in kind to the amount of EUR 347.4 thousand and EUR 132 thousand, respectively (EUR 500 thousand and EUR 190 thousand in 2022).

The Parent Company has taken out executives and directors civil liability policy for the members of the Board of Directors, the Chief Executive Officer and all the Senior Management of the Cellnex Telecom group at a cost amounting to EUR 1,266 thousand at 31 December 2023 (EUR 926 thousand in 2022).

[(1)] Please note that in these amounts are combined the remuneration received by the CEO at Cellnex. I.e. the amount received by Mr. Tobías Martínez Gimeno until 3 June 2023 and the amount received by Mr. Marco Patuano from 4 June 2023 to 31 December 2023.

[(2)] Please note that the increase in this amount compared to the prior year is due to the increase in the number of Executive Committee members to be taken into account in 2023 (from 8 to15 members), the overlap of some members of the Executive Committee for some months, and the fact that it includes the exit conditions of some members of the Executive Committee.

b) Other disclosures on Directors

In accordance with the article 229 of the Spanish Limited Liability Companies Law, the directors have reported that neither they nor any persons related to them are involved in any situations that may lead to a direct or indirect permanent conflict with the Parent Company’s interests that could not be managed, if occurs, with the appropriate measures.

c) Associates companies

As of 31 December 2023 and 2022 the Group does not hold balances for significant amounts with associates companies.

For its part, during 2023 and 2022, no significant transactions have been undertaken with associates companies.

d) Other related parties

Other related parties, include shareholders (and their subsidiaries) of Cellnex Telecom, S.A. that exercise significant influence over it, those with a right to appoint a director and those with a stake above 3% (see Note 14.a).

Schema Gamma (formerly ConnecT Due) is controlled by Sintonia, a subholding company wholly-owned by Edizione and, in turn, Sintonia is the largest shareholder of Mundys. As a result, as of the date of the accompanying Consolidated Financial Statements, Edizione, together with its group of companies, is considered a related party to the Group.

In addition to the dividends paid to shareholders, the breakdown of the balances held and transactions performed with significant shareholders is as follows:

I) Services rendered and received

During the year ended 31 December 2023 and 2022 no significant transactions with related parties have been undertaken.

The Group carries out all its transactions with related parties on an arm's length basis. Also, given that transfer prices are adequately documented, the Group's Directors consider that there are no significant risks that could give rise to material liabilities in the future.

II) Others

As of 31 December 2023 and 2022, the Group does not hold balances for significant amounts with related parties.

25. Other disclosures

The remuneration of the auditors for 2023 and 2022 is as follows:

Thousands of Euros

	2023				2022			
	Audit of financial statements (*)	Other auditor services	Total auditor services	Non-auditor services	Audit of financial statements (*)	Other auditor services	Total auditor services	Non-auditor services
Deloitte, S.L.	1,634	108	**1,742**	**103**	1,489	223	**1,712**	**91**
Rest of Deloitte	1,953	55	**2,008**	**111**	1,932	47	**1,979**	**138**
Total	**3,587**	**163**	**3,750**	**214**	**3,421**	**270**	**3,691**	**229**

(*) Includes the limited review of the consolidated interim financial statements of the Group as of 30 June 2023 and 2022.

Please note that during 2023 and 2022 the auditors have not provided services of a tax nature.

26. Post balance sheet events

i) Disposal of the private network business

As further explained in Note 21 ii), on 29 February 2024 the Group completed the sale of its private network business.

ii) Bond maturing in January 2024 repayment

On January 2024 the maturing EUR 750,000 thousand bond redemption has been repaid with existing cash.

iii) New Financing for Cellnex Nordics

On January 2024 Cellnex Nordics signed a EUR 80,000 thousand 5-year facility to fund the future capex requirements. Drawdowns from such facility can also be made in DKK or SEK.

27. Explanation added for translation to English

These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group (see Note 2.a). Certain accounting practices applied by the Group that conform to that regulatory framework may not conform with other generally accepted accounting principles and rules.

Madrid, 29 February 2024.

APPENDIX I. Subsidiaries included in the scope of consolidation at 31.12.2023

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor
Direct ownership:							
Cellnex Italia, S.p.A.	Vía Cesare Giulio Viola, 43 CAP 00148 Roma	4,556,908	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Netherlands, BV	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	489,323	70%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex UK Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	3,906,629	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex France Groupe, S.A.S.	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	6,533,431	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Telecom España, S.L.U.	Juan Esplandiú, 11-13 28007 Madrid	827,951	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Switzerland AG	Thurgauerstrasse, 136 8152 Opfikon	648,906	72%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cignal Infrastructure Services (2)	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	179,319	100%	Cellnex Telecom, S.A.	Full consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
CLNX Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, San Antonio 1050 121 Lisboa	1,208,432	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Finance Company, S.A.	c/Juan Esplandiú, 11-13, 28007 Madrid	903,323	100%	Cellnex Telecom, S.A.	Full consolidation	Group Finance Company	Deloitte
Cellnex Austria Gmbh	Schubertring 6, 1010 Vienna	953,209	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Ireland Limited (2)	Suite 311 Q House, 76 Furze Road Sandyford Industrial Estate, Dublin 18, D18 YV50	511,181	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Poland sp z.o.o.	Plac Marsz. Józefa Pilsudskiego 1 00-078 Warsaw	3,060,691	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Nordics SL	Juan Esplandiu 11-13, 08007 Madrid	526,772	51%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Holdco 1 UK Limited (2)	Cellnex Holdo 1 UK Limited	21,598	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Digital Infrastructure Vehicle SCSp SICAV-RAIF	5, Heienhaff in L-1736 Senningerberg	115,147	21%	Cellnex Telecom, S.A.	See Note 6 of 2021 annual consolidated statements	Investment vehicle	—

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor
Indirect ownership interest:							
Retevision-I, S.A.U.	c/ Juan Esplandiú, 11-13 28007 Madrid	182,504	100%	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Tradia Telecom, S.A.U.	Paseo de la Zona Franca 105 (Torre Llevant), 08038-Barcelona	165,983	100%	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Telecom Infraestructuras, S.A.U.	c/ Juan Esplandiú, 11-13 28007 Madrid	459,010	100%	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Metrocall, S.A.	c/ Juan Esplandiú, 11-13 28007 Madrid	42,625	60%	Cellnex Telecom España, S.L.U.	Full consolidation	Implementation, management and exploitation of the mobile network in Madrid's subway	Deloitte
Adesal Telecom, S.L.	Ausias March 20, Valencia	2,959	60%	Tradia Telecom, S.A.U.	Full consolidation	Provision of related services for terrestrial telecommunications concessions and operators	Deloitte
Zenon Digital Radio, S.L. (1)	Paseo de la Zona Franca 105 (Torre Llevant), 08038-Barcelona	2,571	100%	Tradia Telecom, S.A.U.	Full consolidation	Provision of telecommunications equipments	—
Xarxa Oberta de Comunicació i Tecnologia de Catalunya, S.A.	Paseo de la Zona Franca 105 (Torre Llevant), 08038-Barcelona	32,795	100%	Tradia Telecom, S.A.U.	Full consolidation	Construction and operation of optic fiber telecommunications infrastructure	Deloitte
MBA Datacenters, S.L.	Paseo de la Zona Franca 105 (Torre Llevant), 08038-Barcelona	18,233	100%	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Nextcell, S.r.L.	via Cesare Giulio Viola 43, Roma (RM)	—	100%	Cellnex Italia, S.p.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Retower, S.R.L	Via Ruggero Fauro n. 4 CAP 00197 Roma	—	100%	Cellnex Italia, S.p.A.	Full consolidation	Building equipment contractors industry	—

Company	Registered office	Ownership interest: Cost (Thousands of Euros)	Ownership interest: %	Company holding the interest	Consolidation method	Activity	Auditor
Towerlink Netherlands, B.V. (1)	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	63,634	70%	Cellnex Netherlands, BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Shere Masten B.V. (1)	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	278,085	70%	Cellnex Netherlands, BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Breedlink BV (1)	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	599	70%	Cellnex Netherlands, BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Alticom BV (1)	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	132,127	70%	Cellnex Netherlands, BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
On Tower Netherlands, B.V (1)	Axelsestraat, 58, 4537 AL, Terneuzen, the Netherlands	42,876	70%	Cellnex Netherlands, BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Springbok Mobility	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	2,600	70%	Cellnex France Groupe, S.A.S.	Full consolidation	Provision of related services for terrestrial telecommunications concessions and operators	Deloitte
Cignal Infrastructure Netherlands BV (1)	Waldorpstraat 80, 2521 CD The Hague, The Netherlands	396,500	70%	Cellnex Netherlands, BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Cellnex France, S.A.S.	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	1,168,341	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Towerlink France, SAS	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	260,020	100%	Cellnex France, S.A.S	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Nexloop France, S.A.S	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	82,110	51%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower France SAS	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	2,354,549	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte

Company	Registered office	Ownership interest: Cost (Thousands of Euros)	Ownership interest: %	Company holding the interest	Consolidation method	Activity	Auditor
Compagnie Foncière ITM 1 (1)	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	504	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Hivory, SAS	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	4,442,906	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cellnex France Infrastructures, S.A.S.	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	8,670	51%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cellnex UK Midco Ltd	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	210,503	100%	Cellnex UK, Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Watersite Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	29,138	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Radiosite Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	31,272	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Towerlink UK Ltd	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	19,160	100%	Cellnex UK, Limited	Full consolidation	Fixed and mobile telecommunications services provider	—
Cellnex Connectivity Solutions Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	143,473	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cellnex UK Consulting Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	2,548	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower UK, Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	3,851,302	100%	Cellnex UK, Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower UK 1, Limited (1)	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	214,166	100%	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	—

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor
On Tower UK 3, Limited (1)	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	—	100%	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	—
On Tower UK 4, Limited (1)	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	—	100%	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	—
On Tower UK 5, Limited (1)	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	—	100%	Cellnex UK, Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Cellnex UK In-Building Solutions Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	4,931	100%	Cellnex UK, Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Cignal Infrastructure UK Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	868,119	100%	Cellnex UK, Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Swiss Towers AG	Thurgauerstrasse, 136 8152 Opfikon	867,229	72%	Cellnex Switzerland AG	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Swiss Infra Services SA	Thurgauerstrasse 136, 8152 Opfikon	1,131,344	72%	Swiss Towers AG	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Grid Tracer AG (1)	Thurgauerstrasse, 136 8152 Opfikon	59	40%	Swiss Towers AG	Full consolidation	Internet of Things	—
OMTEL, Estructuras de Comunicaçoes, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, Arroios 1050 121 Lisboa	577,233	100%	CLNX Portugal, S.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, Arroios 1050 121 Lisboa	532,501	100%	CLNX Portugal, S.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Infratower SA	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, Arroios 1050 121 Lisboa	205,496	100%	CLNX Portugal, S.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Towerlink Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, Arroios 1050 121 Lisboa	4,000	100%	CLNX Portugal, S.A.	Full consolidation	Fixed and mobile telecommunications services provider	Deloitte

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor
Cignal Infrastructure Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, 1050 121 Lisboa	53	100%	CLNX Portugal, S.A.	Full consolidation	Fixed and mobile telecommunications services provider	Deloitte
Hivory Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, 1050 121 Lisboa	71,386	100%	CLNX Portugal, S.A.	Full consolidation	Fixed and mobile telecommunications services provider	Deloitte
Cellcom Ireland Limited (In liquidation process) (2)	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	—	100%	Cignal Infrastructure Limited	Full consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Shannonside Communications Limited (In liquidation process) (2)	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	—	100%	Cignal Infrastructure Limited	Full consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
On Tower Ireland Limited (2)	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	624,597	100%	Cellnex Ireland Limited	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Rock Solid Transmission Limited (In liquidation process) (2)	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	—	100%	Cignal Infrastructure Limited	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Wayworth Limited (In liquidation process)(2)	Suite 311 Q House, 76 Furze Road Sandyford Industrial Estate, Dublin 18, D18 YV50	—	100%	Cignal Infrastructure Limited	Full consolidation	Provision of communication sites used by Mobile Network Operators	—
Ukkoverkot Oy (2)	Gräsäntörmä 2, 02200 Espoo, Finland	6,855	100%	Cellnex Holdco 1 UK Limited	Full Consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Edzcom Oy (2)	Gräsäntörmä 2, 02200 Espoo, Finland	14,773	100%	Ukkoverkot Oy	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
On Tower Austria Gmbh	Brünner Straβe 52, 1210 Vienna	932,883	100%	Cellnex AustriaGmbh	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Cellnex Denmark ApS	Ørestads Boulevard 114, 4th floor, 2300 Copenhagen S	351,973	51%	Cellnex Nordics, S.L.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
OnTower Denmark Aps	Scandiagade 8, 2450 København SV	463,044	51%	Cellnex Denmark, Aps	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor
Towerlink Poland, S.p.z.o.o.	Konstruktorska 4, Warsaw 02-673, Poland	1,619,283	100%	Cellnex Poland, S.p.z.o.o	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Poland, S.p.z.o.o.	Wynalazek 1, 02-677 Warszawa	1,520,921	100%	Cellnex Poland, S.p.z.o.o	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cignal Infrastructure Poland sp. z.o.o.	Warsaw, at Plac Marszałka Józefa Piłsudskiego 1, 00-078 Warsaw	18,818	100%	Cellnex Poland, S.p.z.o.o	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Remer Sp. z o.o.	ul. Komitetu Obrony Robotników 45D, 02-146 Warsaw	11,619	100%	Cellnex Poland, S.p.z.o.o	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cellnex Sweden AB	Box 162 85, 103 25 Stockholm	615,292	51%	Cellnex Nordics, S.L.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Sweden, AB	Box 7012, 121 07 Stockholm-Globen	728,134	51%	Cellnex Sweden AB	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
The Broadcast Group B.V.	Axelsestraat 58, 4537AL Terneuzen, The Netherlands	9,903	70%	Cellnex Netherlands, BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Broadcast Technology B.V.	Axelsestraat 58, 4537AL Terneuzen, The Netherlands	—	70%	The Broadcast Group B.V.	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Broadcast Management&Operations B.V.	Axelsestraat 58, 4537AL Terneuzen, The Netherlands	—	70%	The Broadcast Group B.V.	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Broadcast Innovations B.V.	Axelsestraat 58, 4537AL Terneuzen, The Netherlands	—	70%	The Broadcast Group B.V.	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Cellnex Newco 4 France SAS	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	—	100%	Cellnex Holdco 1 UK Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	—

Company	Registered office	Ownership interest: Cost (Thousands of Euros)	Ownership interest: %	Company holding the interest	Consolidation method	Activity	Auditor
Cellnex Newco 2 UK Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	—	100%	Cellnex Holdco 1 UK Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	—
XNLC Telecom 3 S.L	Paseo de la Zona Franca 105, 08038 Barcelona	—	100%	Cellnex Holdco 1 UK Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	—

(1) These companies have not submitted their financial statements for auditing as they are not required to do so.

(2) These companies have been classified as "Non-current assets held for sale" detailed in Note 7.

This appendix forms an integral part of Note 2.h., Note 7 and Note10 to the 2023 Consolidated Financial Statements with which it should be read.

APPENDIX I. Subsidiaries included in the scope of consolidation at 31.12.2022

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor
Direct ownership:							
Cellnex Italia, S.p.A.	Vía Cesare Giulio Viola, 43 CAP 00148 Roma	4,555,310	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Netherlands, BV	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	488,455	70%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex UK Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	3,906,811	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex France Groupe, S.A.S.	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	6,472,965	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Telecom España, S.L.U.	Juan Esplandiú, 11-13 28007 Madrid	821,355	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Switzerland AG	Thurgauerstrasse, 136 8152 Opfikon	619,544	72%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cignal Infrastructure Services	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	178,636	100%	Cellnex Telecom, S.A.	Full consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Ukkoverkot Oy	Gräsäntörmä 2, 02200 Espoo, Finland	25,766	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
CLNX Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, San Antonio 1050 121 Lisboa	1,206,942	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Finance Company, S.A.	c/Juan Esplandiú, 11-13, 28007 Madrid	1,000,060	100%	Cellnex Telecom, S.A.	Full consolidation	Group Finance Company	Deloitte
Cellnex Sweden AB	Box 162 85, 103 25 Stockholm	633,002	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Austria Gmbh	Schubertring 6, 1010 Vienna	953,035	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Ireland Limited	Suite 311 Q House, 76 Furze Road Sandyford Industrial Estate, Dublin 18, D18 YV50	499,000	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Poland sp z.o.o.	Plac Marsz. Józefa Pilsudskiego 1 00-078 Warsaw	2,542,405	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Denmark ApS	Ørestads Boulevard 114, 4th floor, 2300 Copenhagen S	350,005	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Digital Infrastructure Vehicle SCSp SICAV-RAIF	5, Heienhaff in L-1736 Senningerberg	113,410	21%	Cellnex Telecom, S.A.	See Note 6	Investment vehicle	—

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor
Indirect ownership interest:							
Retevision-I, S.A.U.	c/ Juan Esplandiú, 11-13 28007 Madrid	182,504	100%	Cellnex Telecom España, S.LU.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Tradia Telecom, S.A.U.	Paseo de la Zona Franca 105 (Torre Llevant), 08038-Barcelona	165,983	100%	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Telecom Infraestructuras, S.A.U.	c/ Juan Esplandiú, 11-13 28007 Madrid	459,010	100%	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Metrocall, S.A.	c/ Juan Esplandiú, 11-13 28007 Madrid	42,625	60%	Cellnex Telecom España, S.L.U.	Full consolidation	Implementation, management and exploitation of the mobile network in Madrid's subway	Deloitte
Adesal Telecom, S.L.	Ausias March 20, Valencia	2,959	60%	Tradia Telecom, S.A.U.	Full consolidation	Provision of related services for terrestrial telecommunications concessions and operators	Deloitte
Zenon Digital Radio, S.L. (1)	Paseo de la Zona Franca 105 (Torre Llevant), 08038-Barcelona	2,571	100%	Tradia Telecom, S.A.U.	Full consolidation	Provision of telecommunications equipments	0
Xarxa Oberta de Comunicació i Tecnologia de Catalunya, S.A.	Paseo de la Zona Franca 105 (Torre Llevant), 08038-Barcelona	32,795	100%	Tradia Telecom, S.A.U.	Full consolidation	Construction and operation of optic fiber telecommunications infrastructure	Deloitte
MBA Datacenters, S.L.	Paseo de la Zona Franca 105 (Torre Llevant), 08038-Barcelona	18,018	100%	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	0
Nextcell, S.r.L.	via Cesare Giulio Viola 43, Roma (RM)	3,800	100%	Cellnex Italia, S.p.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Retower, S.R.L	Via Ruggero Fauro n. 4 CAP 00197 Roma	1,731	100%	Cellnex Italia, S.p.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	0
Towerlink Netherlands, B.V. (1)	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	63,634	70%	Cellnex Netherlands, BV	Full consolidation	Terrestrial telecommunications infrastructure operator	0

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor
Shere Masten B.V. (1)	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	278,085	70%	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Breedlink BV (1)	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	599	70%	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Alticom BV (1)	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	132,127	70%	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
On Tower Netherlands, B.V (1)	Axelsestraat, 58, 4537 AL, Terneuzen, the Netherlands	42,876	70%	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Springbok Mobility	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	2,600	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Provision of related services for terrestrial telecommunications concessions and operators	Deloitte
Cignal Infrastructure Netherlands BV (1)	Waldorpstraat 80, 2521 CD The Hague, The Netherlands	396,500	70%	Cellnex Netherlands, BV	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Cellnex France, S.A.S.	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	1,168,341	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Towerlink France, SAS	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	260,000	100%	Cellnex France, S.A.S	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Nexloop France, S.A.S	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	31,110	51%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower France SAS	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	2,354,549	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Compagnie Foncière ITM 1 (1)	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	504	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	—

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor
Hivory, SAS	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	4,442,906	100%	Cellnex France Groupe, S.A.S. / Hivory II, SAS	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cellnex France Infrastructures, S.A.S.	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	1,020	51%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cellnex UK Midco Ltd	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	333,106	100%	Cellnex UK Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Watersite Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	29,764	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Radiosite Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	31,942	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
London Connectivity Partnership Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	1	100%	Cellnex UK Midco Ltd	Full consolidation	Fixed and mobile telecommunications services provider	—
Cellnex Connectivity Solutions Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	146,550	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cellnex UK Consulting Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	2,603	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower UK, Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	3,773,662	100%	Cellnex UK, Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower UK 1, Limited [(1)]	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	207,031	100%	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	—
On Tower UK 2, Limited [(1)]	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	11,247	100%	On Tower UK 1, Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	—

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor
On Tower UK 3, Limited (1)	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	1	100%	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	—
On Tower UK 4, Limited (1)	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	178	100%	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	—
On Tower UK 5, Limited (1)	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	1	100%	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Cellnex UK In-Building Solutions Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	3,758	100%	Cellnex UK Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	—
Cignal Infrastructure UK Limited	Level 4, R+, 2 Blagrave Street, Reading, RG1 1AZ, United Kingdom	841,494	100%	Cellnex UK Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Swiss Towers AG	Thurgauerstrasse, 136 8152 Opfikon	739,869	72%	Cellnex Switzerland AG	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Swiss Infra Services SA	Thurgauerstrasse 136, 8152 Opfikon	830,684	72%	Swiss Towers AG	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Grid Tracer AG (1)	Thurgauerstrasse, 136 8152 Opfikon	51,411	40%	Swiss Towers AG	Full consolidation	Internet of Things	—
OMTEL, Estructuras de Comunicaçoes, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, Arroios 1050 121 Lisboa	564,233	100%	CLNX Portugal, S.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, Arroios 1050 121 Lisboa	527,009	10%	CLNX Portugal, S.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Infratower SA	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, Arroios 1050 121 Lisboa	205,496	100%	CLNX Portugal, S.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Towerlink Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, Arroios 1050 121 Lisboa	4,000	100%	CLNX Portugal, S.A.	Full consolidation	Fixed and mobile telecommunications services provider	Deloitte

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Company holding the interest	Consolidation method	Activity	Auditor
Cignal Infrastructure Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, 1050 121 Lisboa	50	100%	CLNX Portugal, S.A.	Full consolidation	Fixed and mobile telecommunications services provider	Deloitte
Hivory Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, 1050 121 Lisboa	71,386	100%	CLNX Portugal, S.A.	Full consolidation	Fixed and mobile telecommunications services provider	Deloitte
Cellcom Ireland Limited (In liquidation process)	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	—	100%	Cignal Infrastructure Limited	Full consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Shannonside Communications Limited	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	2,079	100%	Cignal Infrastructure Limited	Full consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
On Tower Ireland Limited	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	612,667	100%	Cellnex Ireland Limited	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Rock Solid Transmission Limited	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	3,574	100%	Cignal Infrastructure Limited	Full consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Wayworth Limited (1)	Suite 311 Q House, 76 Furze Road Sandyford Industrial Estate, Dublin 18, D18 YV50	2,563	100%	Cignal Infrastructure Limited	Full consolidation	Provision of communication sites used by Mobile Network Operators	—
Edzcom Oy	Gräsäntörmä 2, 02200 Espoo, Finland	4,500	100%	Ukkoverkot Oy	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
On Tower Austria Gmbh	Brünner Straβe 52, 1210 Vienna	933,220	100%	Cellnex Austria Gmbh	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte

Company	Registered office	Ownership interest: Cost (Thousands of Euros)	Ownership interest: %	Company holding the interest	Consolidation method	Activity	Auditor
OnTower Denmark Aps	Scandiagade 8, 2450 København SV	437,170	100%	Cellnex Denmark, Aps	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Towerlink Poland, S.p.z.o.o.	Konstruktorska 4, Warsaw 02-673, Poland	1,528,613	100%	Cellnex Poland, S.p.z.o.o	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Poland, S.p.z.o.o.	Wynalazek 1, 02-677 Warszawa	919,615	70%	Cellnex Poland, S.p.z.o.o	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cignal Infrastructure Poland sp. z.o.o.	Warsaw, at Plac Marszałka Józefa Piłsudskiego 1, 00-078 Warsaw	5,269	100%	Cellnex Poland, S.p.z.o.o	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Remer Sp. z o.o.	ul. Komitetu Obrony Robotników 45D, 02-146 Warsaw	10,701	100%	Cellnex Poland, S.p.z.o.o	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Sweden, AB	Box 7012, 121 07 Stockholm-Globen	726,445	100%	Cellnex Sweden AB	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte

(1) These companies have not submitted their financial statements for auditing as they are not required to do so.

This appendix forms an integral part of Note 2.h., Note 7 and Note10 to the 2023 Consolidated Financial Statements with which it should be read.

APPENDIX II. Associates included in the scope of consolidation at 31.12.2023

Company	Registered office	Ownership interest Cost (Thousands of Euros)	%	Assets	Liabilities	Income	Profit/(loss)	Company holding the interest	Consolidation method	Activity	Auditor
INDIRECT SHAREHOLDINGS											
Through Retevisión and Tradia Telecom											
Torre de Collserola, S.A.	Ctra. de Vallvidrera al Tibidabo, s/n. Barcelona	2,022	41.75 %	16,270	11,542	4,254	28	Retevision-I, S.A.U.	Equity method	Construction and operation of terrestrial telecommunications infrastructure	Deloitte
Consorcio de Telecomunicaciones avanzadas, S.A. (COTA)	C/ Uruguay, parcela 13R, nave 6, Parque Empresarial Magalia, Polígono Industrial Oeste Alcantarilla (Murcia)	304	29.50 %	2,277	390	1,974	458	Tradia Telecom, S.A.U.	Equity method	Provision of related services for terrestrial telecommunications concessions and operators	Other auditors
Nearby Sensors, S.L.	Calle Berruguete, 60-62 08035 Barcelona	236	13.18 %	945	1,122	562	(180)	Tradia Telecom, S.A.U.	Equity method	Software and IT development app; development of network telecommunication systems	—
Nearby Computing, S.L.	Travessera de Gracia 18, 3º 3ª, 08021, Barcelona,	2,082	22.63 %	3,457	4,445	1,716	(954)	Tradia Telecom, S.A.U.	Equity method	Software and IT development app; development of network telecommunication systems	—

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APPENDIX II. Associates included in the scope of consolidation at 31.12.2022

Company	Registered office	Ownership interest Cost (Thousands of Euros)	Ownership interest %	Assets	Liabilities	Income	Profit/(loss)	Company holding the interest	Consolidation method	Activity	Auditor
INDIRECT SHAREHOLDINGS											
Through Retevisión and Tradia Telecom											
Torre de Collserola, S.A.	Ctra. de Vallvidrera al Tibidabo, s/n. Barcelona	2,022	41.75 %	15,718	11,026	4,108	2	Retevision-I, S.A.U.	Equity method	Construction and operation of terrestrial telecommunications infrastructure	Deloitte
Consorcio de Telecomunicaciones avanzadas, S.A. (COTA)	C/ Uruguay, parcela 13R, nave 6, Parque Empresarial Magalia, Polígono Industrial Oeste Alcantarilla (Murcia)	304	29.50 %	2,764	512	1,963	452	Tradia Telecom, S.A.U.	Equity method	Provision of related services for terrestrial telecommunications concessions and operators	Other auditors
Nearby Sensors, S.L.	Calle Berruguete, 60-62 08035 Barcelona	236	13.18 %	1,111	616	381	281	Tradia Telecom, S.A.U.	Equity method	Software and IT development app; development of network telecommunication systems	—
Nearby Computing, S.L.	Travessera de Gracia 18, 3º 3ª, 08021, Barcelona,	1,290	22.63 %	1,823	740	403	(358)	Tradia Telecom, S.A.U.	Equity method	Software and IT development app; development of network telecommunication systems	—

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