
# 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

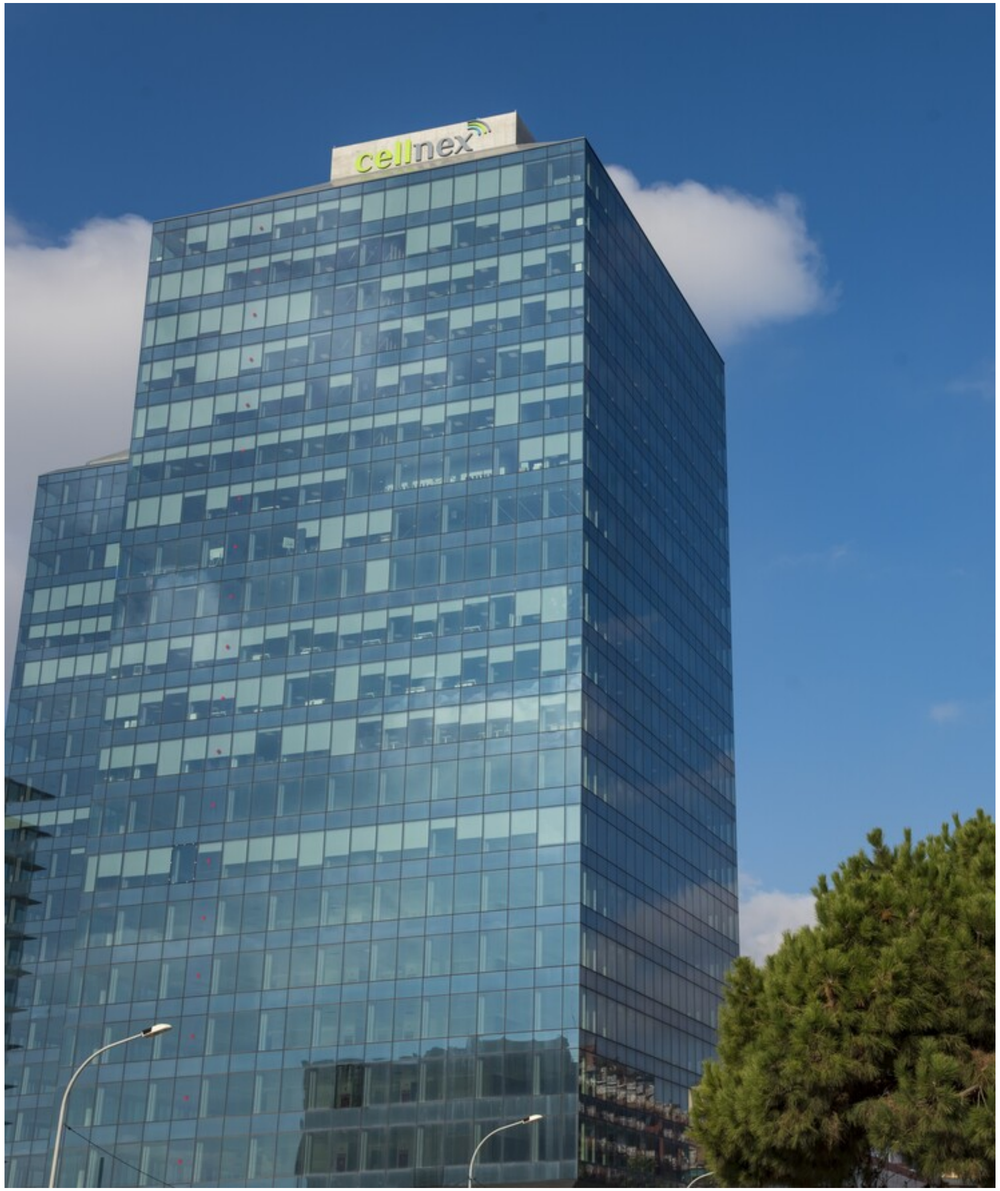
Continue carrying out awareness campaigns regarding any updates related to ethics and compliance

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:

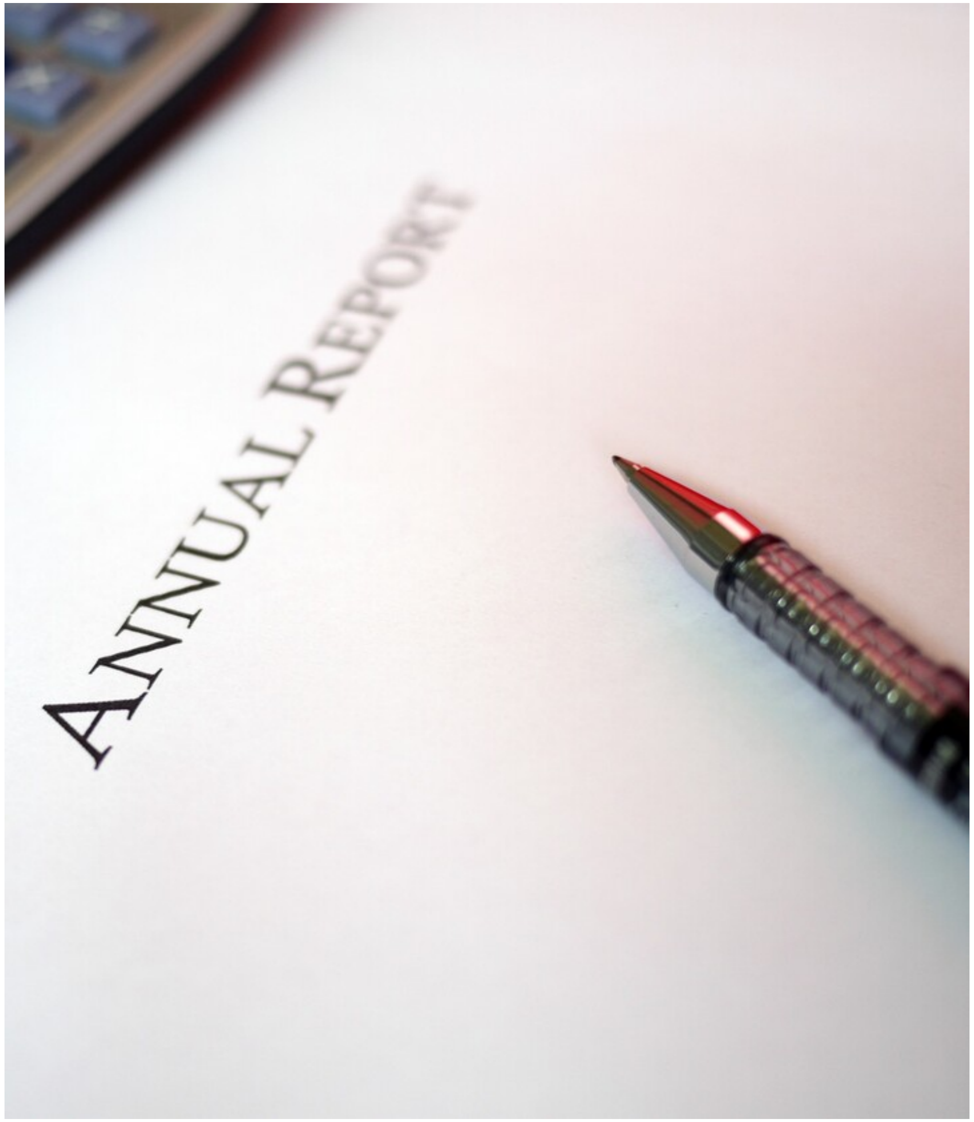
1. To redesign the functioning of the Board of Directors by creating the new Capital Allocation Committee and to adapt specific competencies and other matters relating to the functioning of the Board of Directors and its Committees; and
2. To take the opportunity to adapt the wording, without introducing 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)<br>**3** Proprietary<br>**1** Executive (CEO) | **7** Nationalities | Experience and knowledge of the sector |
| **ARMC**<br>**4** Independent directors<br>**1** Proprietary director<br>Chair x3 x1 | **NRSC**<br>**4** Independent directors<br>**1** Proprietary director<br>Chair x2 x2 | **CAC**<br>**3** Independent directors<br>**2** Proprietary directors<br>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.

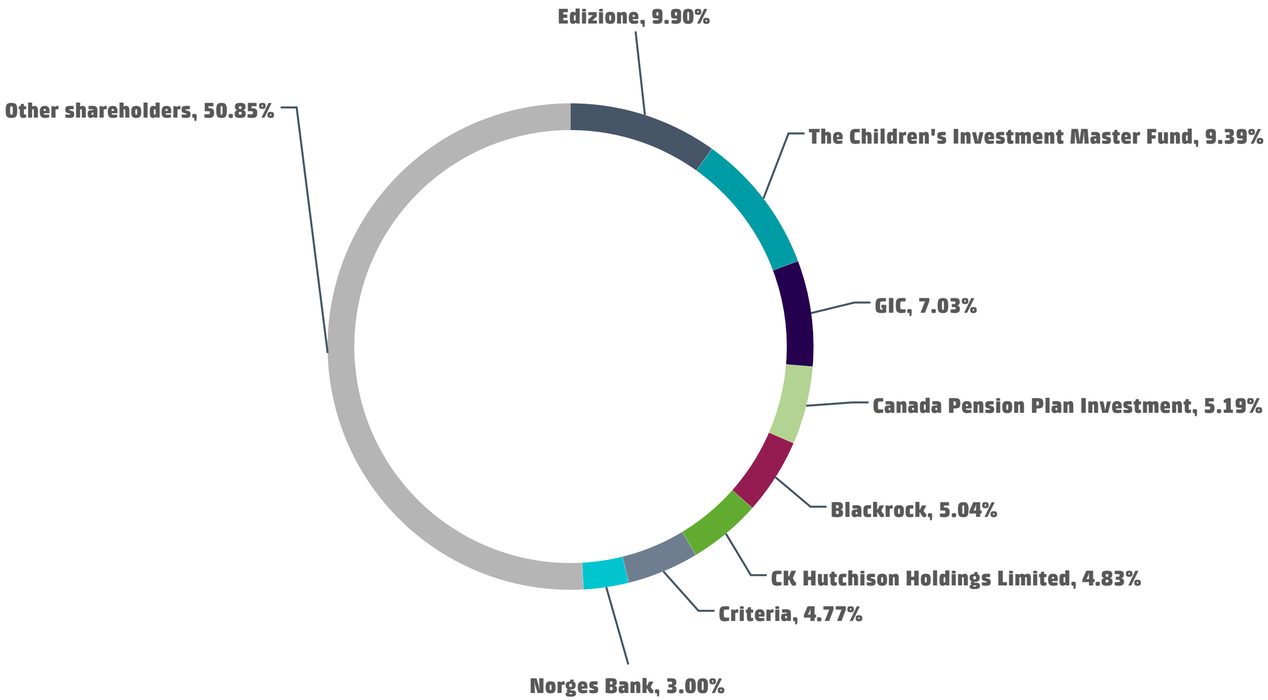
In accordance with Article 529 nonies of the Spanish Companies Law, the Board of Directors carries out an annual assessment of the functioning of the Board and its committees. Based on the results of the assessment, an Action Plan is drawn up for the following year, which is approved by the Board of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

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

## Crime Prevention Model

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.

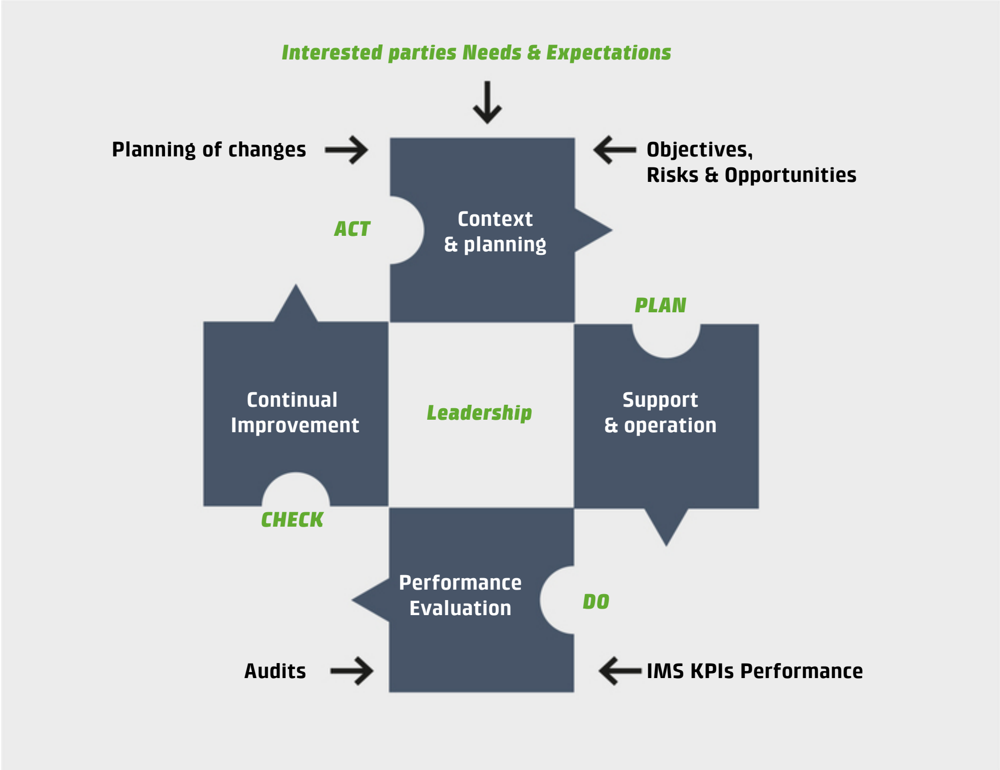
# 2.2 Global Management System

## 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***

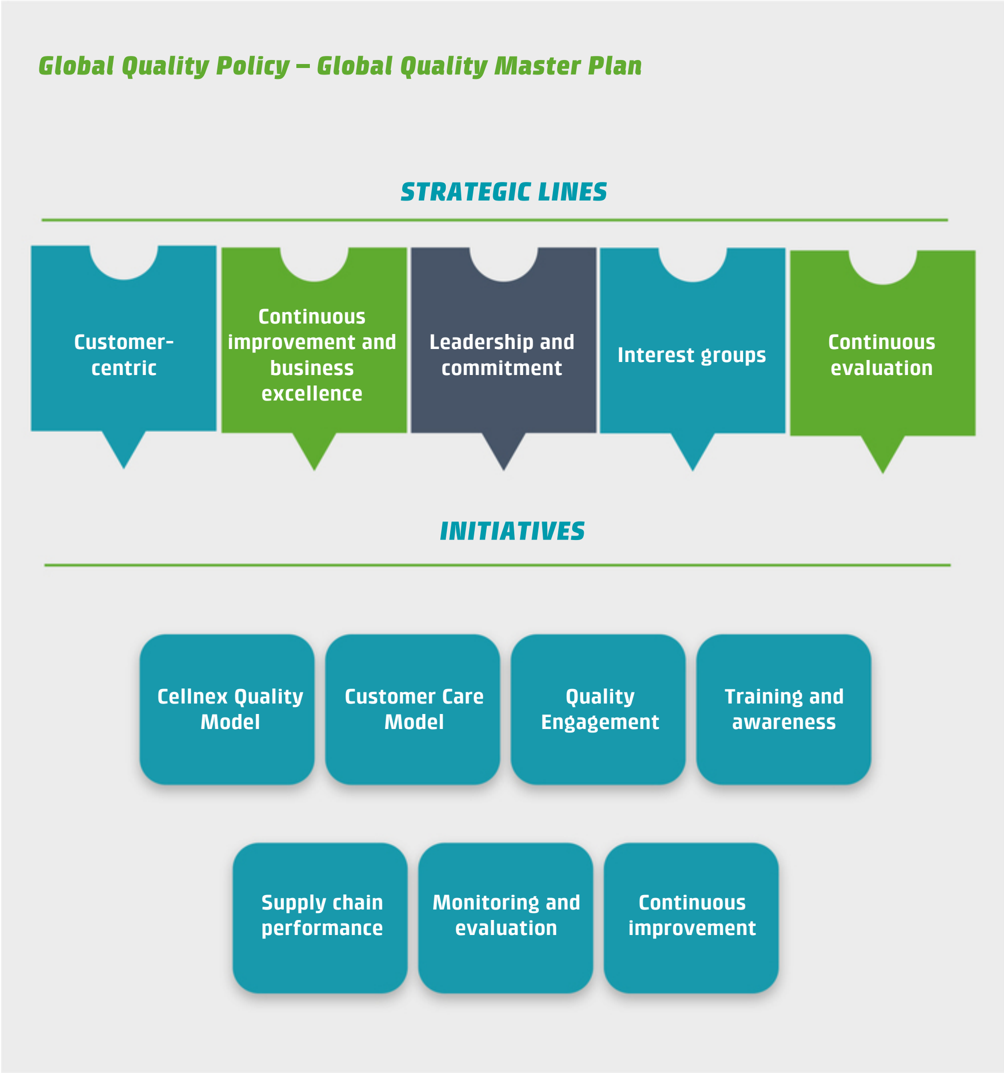

**We bring value through innovative, efficient, neutral and quality management and the drive and development of our staff team**

**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.

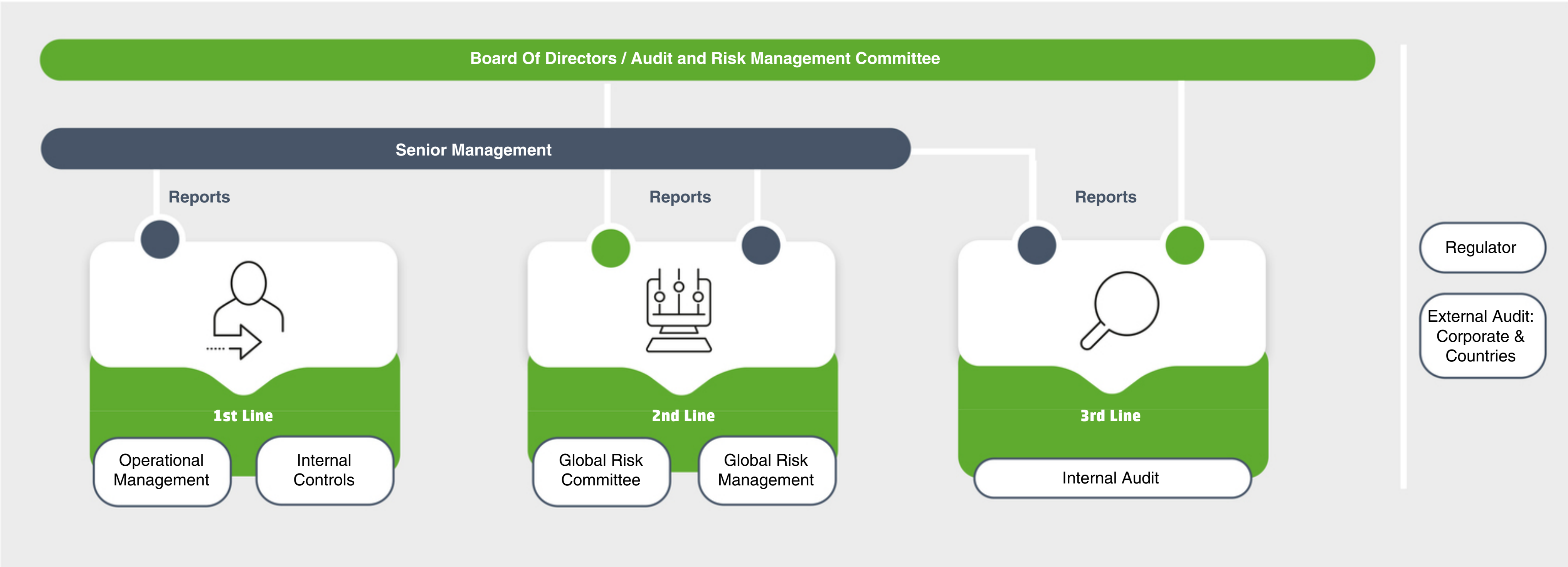
**3. Define risk responses**: Definition of a response to address or mitigate these risks in order to achieve acceptable risk levels. The possible responses are framed in the following options: avoid, transfer, accept and reduce. If the answer is reduce, define internal controls where possible.

**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


| | | | | |
|---|---|---|---|---|
| **Discover, recognise and describe** risks that may affect assets, processes or systems or their results | Once the risks have been identified, the **probability and impact** of each one is determined to obtain the criticality of the risk for the business | Establish an **action plan** to address or modify these risks to achieve acceptable risk levels. In this step, it is important to create risk mitigation strategies, prevention plans and contingency plans. | Define the **control methodology** and establish model deployment monitoring and **KRI** | **Continuous improvement** Continuous **risk monitoring** and review process |


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).

[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.

## 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 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.

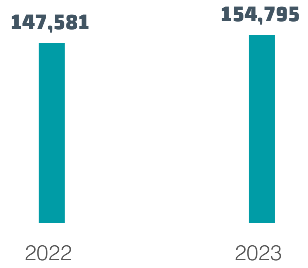
## Business indicators

**+6.4% new PoPs**

**vs. FY 2022 and strong progress on BTS programs**

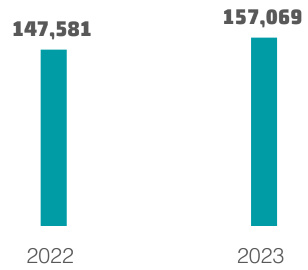
### PoPs - Total

**+c. 5%**



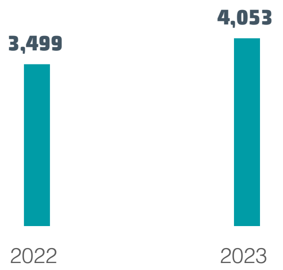

### PoPs - Organic Growth

**+c. 6%**



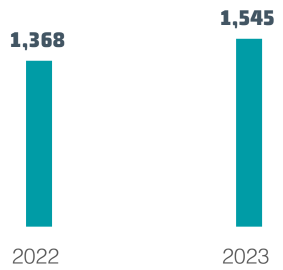

### Revenues (€Mn)

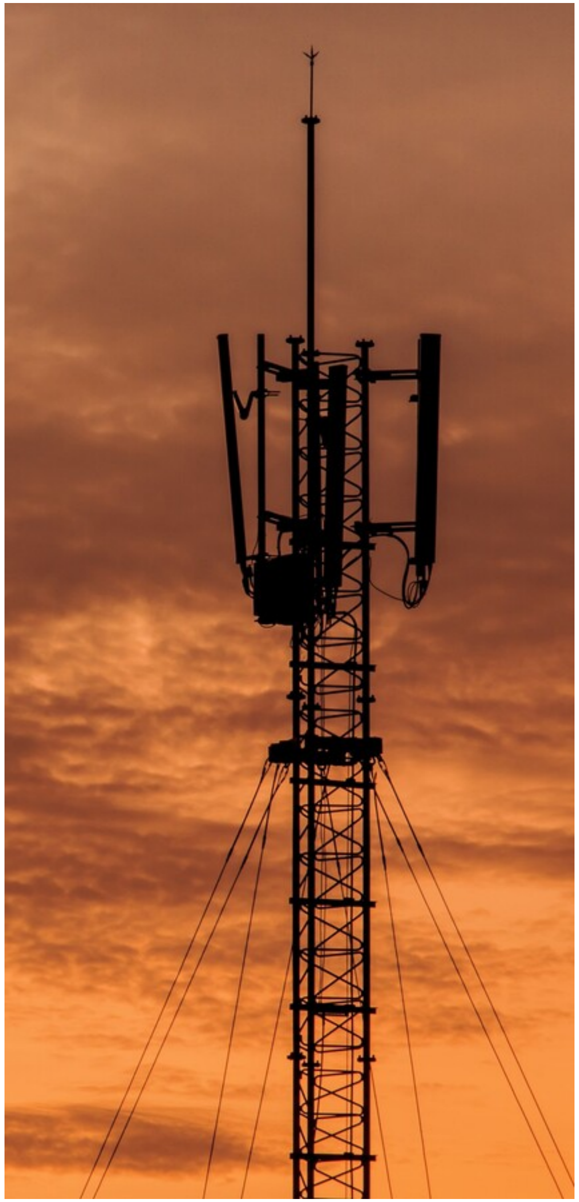
**+c. 16%**




### 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)

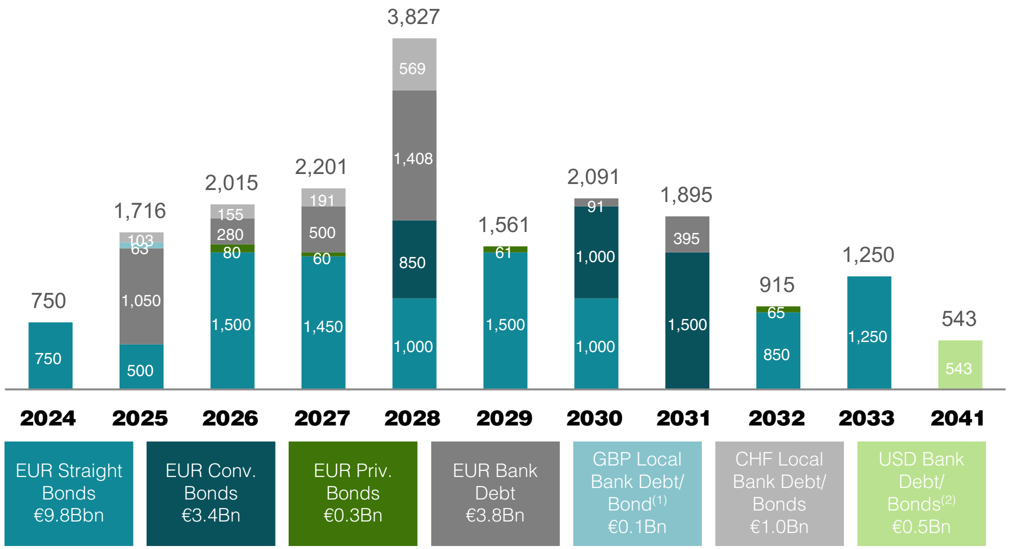
Cellnex's borrowing is represented by a combination of loans, credit facilities and bond issues. At 31 December 2023, the total limit of loans and credit facilities available was EUR 7,553,300 thousand (EUR 7,178,743 thousand as at 31 December 2022), of which EUR 3,958,010 thousand in credit facilities 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.

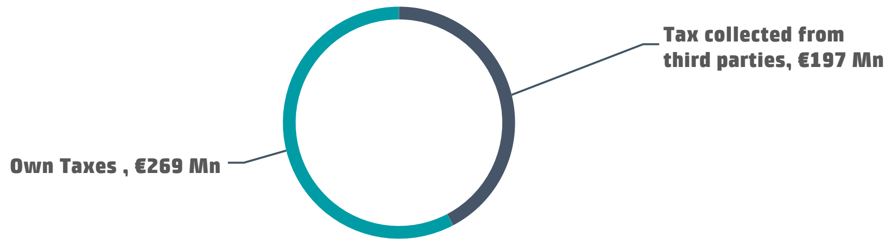
See Section 18 of the Consolidated Financial Statements for further information regarding tax inspections and litigations.

## 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** |

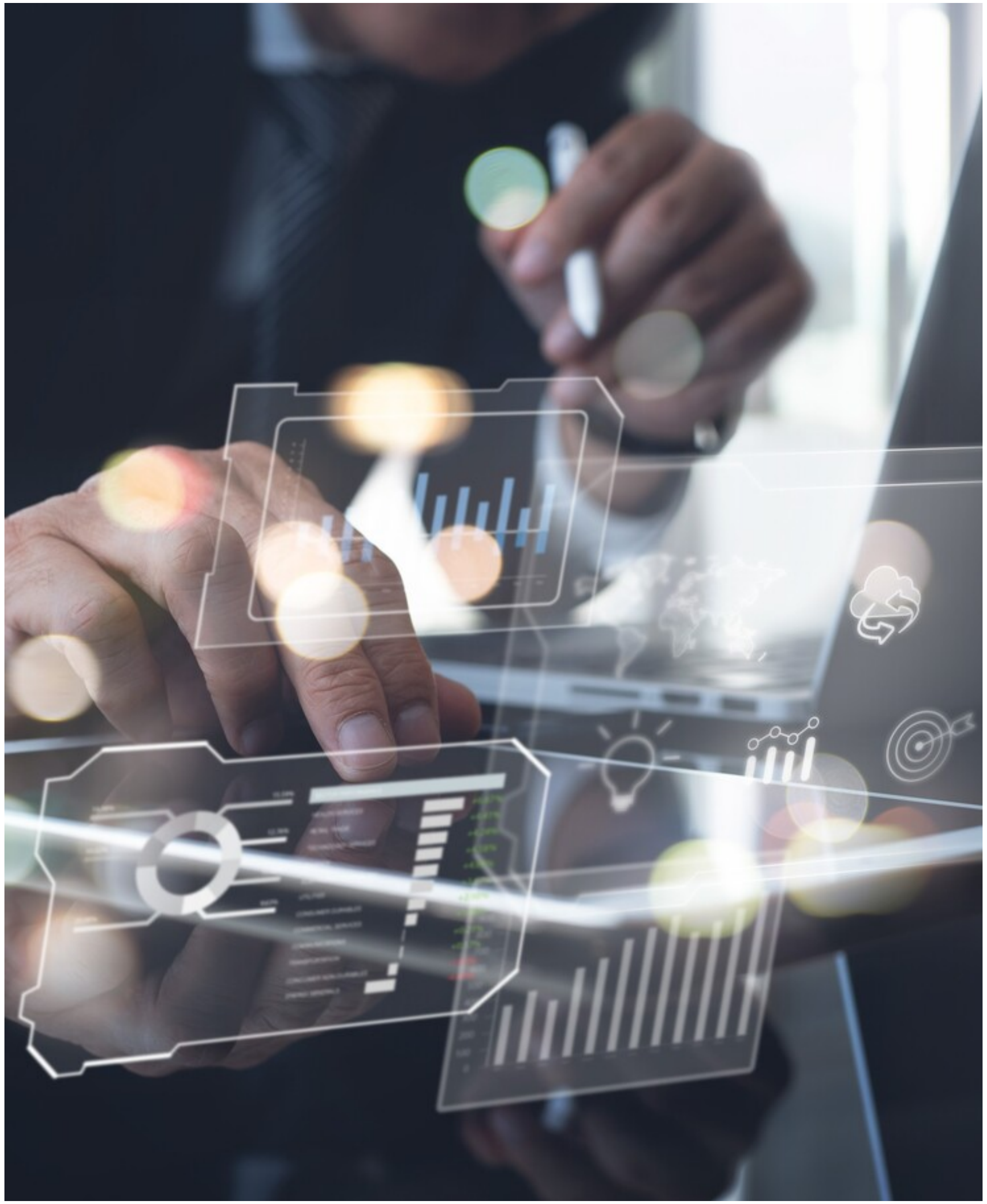
(1) Includes taxes that incur an actual cost for the Group (basically includes payments of income tax, local taxes, various rates and employers' social security contributions).

(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).

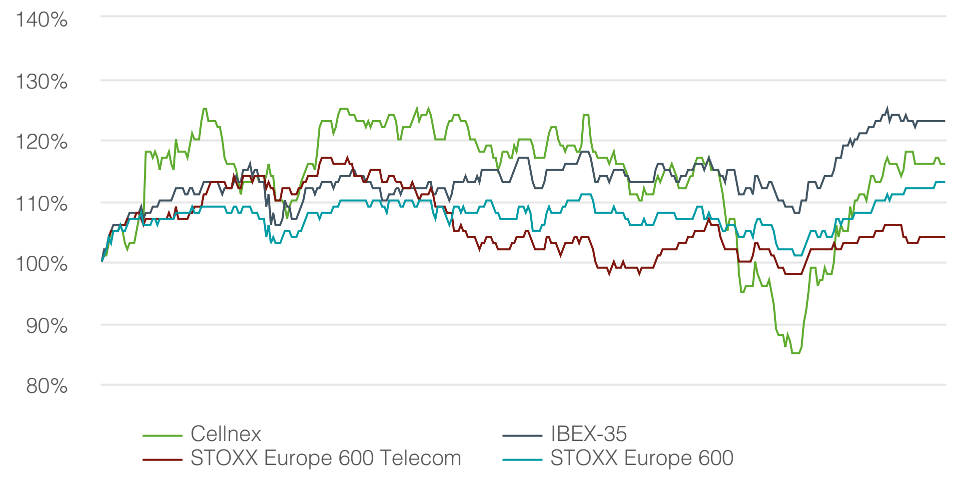
Cellnex's share price increased +16% during 2023, closing at EUR 35.66 per share. The average volume traded has been approximately 1,722 thousand shares a day. The IBEX 35, STOXX Europe 600 and the STOXX Europe 600 Telecom were down by +23%, +11% and +2% over the same period.

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**

**950,688**

**0.135% of its share capital**

## 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.

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

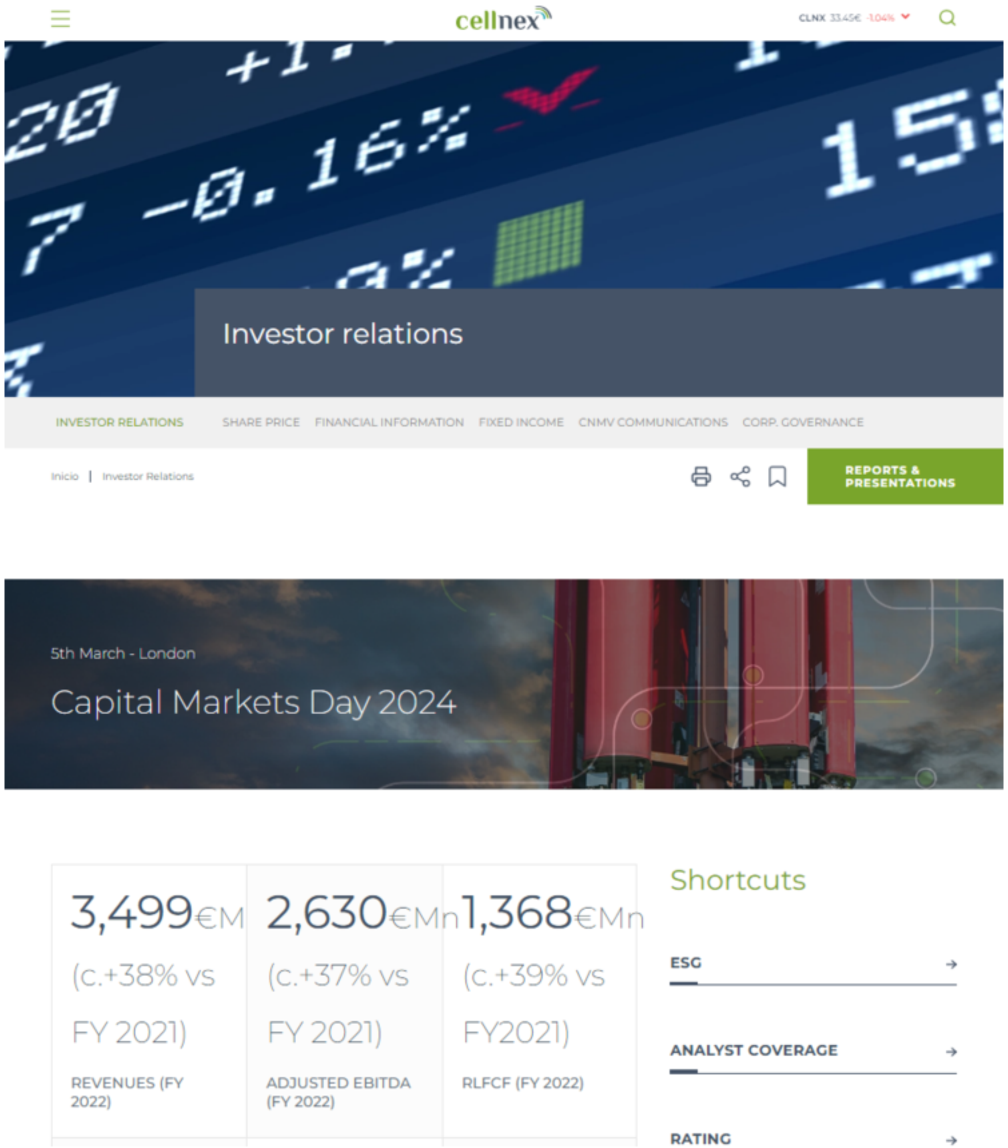
**Cellnex provides various *communication channels* to its shareholders**

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<br>A Division of S&P Global<br>**79**<br>Max: 100<br>Min: 0 | **Corporate Sustainability Assessment (CSA)- S&P Global**<br><br>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<br>**A**<br>Max: AAA<br>Min: CCC | **MSCI ESG Rating**<br><br>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<br>DISCLOSURE INSIGHT ACTION<br>**A**<br>Max: A<br>Min: D- | **CDP Climate Change**<br><br>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<br>**78**<br>Max: 100<br>Min: 0 | **Bloomberg Gender Equality Index**<br><br>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<br>**11.4**<br>Max: 0<br>Min: +40 | **Sustainalytics ESG Risk Rating**<br><br>Consolidated as a low-risk ESG company for the fourth consecutive year and bringing the company closer to negligible risk (-1.2).<br>This year 2024 is the third year that Cellnex has been included in Sustainalytics Top Rated ESG Companies List. | FTSE4Good<br>FTSE Russell<br>**4.3**<br>Max: 5<br>Min: 0 | **FTSE4Good**<br><br>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<br>**EE**<br>Max: EEE<br>Min: F | **Standard Ethics Rating**<br><br>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<br>Public Disclosure 2021<br>**A**<br>Max: A<br>Min: E | **GRESB Public Disclosure**<br><br>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.

## 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%.

## 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