Cellnex Telecom, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements and Interim Consolidated Directors' Report for the six-month period ended 30 June 2022 (prepared in accordance with IAS 34, Interim Financial Reporting), together with Report on Limited Review

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

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Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

REPORT ON LIMITED REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Cellnex Telecom, S.A.
at the request of the Board of Directors,

Report on the Interim Condensed Consolidated Financial Statements

Introduction

We have performed a limited review of the accompanying interim condensed consolidated financial statements ("the interim financial statements") of Cellnex Telecom, S.A. ("the Parent") and Subsidiaries ("the Group"), which comprise the condensed consolidated balance sheet as at 30 June 2022, and the condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and explanatory notes thereto for the six-month period then ended. The Parent's directors are responsible for preparing these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of interim condensed financial information, in conformity with Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of Review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with the audit regulations in force in Spain and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

Conclusion

Based on our limited review, which under no circumstances may be considered to be an audit of financial statements, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2022 are not prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of interim condensed financial statements, pursuant to Article 12 of Royal Decree 1362/2007.

Emphasis of Matters

We draw attention to explanatory Note 2-a to the accompanying interim financial statements, which indicates that the aforementioned accompanying interim financial statements do not include all the information that would be required for a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and, therefore, the accompanying interim financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2021. Our conclusion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

The accompanying interim consolidated directors' report for the six-month period ended 30 June 2022 contains the explanations which the Parent's directors consider appropriate about the significant events that took place in that period and their effect on the interim financial statements presented, of which it does not form part, and about the information required under Article 15 of Royal Decree 1362/2007. We have checked that the accounting information in the interim consolidated directors' report is consistent with that contained in the interim financial statements for the six-month period ended 30 June 2022. Our work was confined to checking the interim consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Cellnex Telecom, S.A. and Subsidiaries.

Other Matters

This report was prepared at the request of the Board of Directors of Cellnex Telecom, S.A. in relation to the publication of the half-yearly financial report required by Article 119 of the Consolidated Spanish Securities Market Law, approved by Legislative Royal Decree 4/2015, of 23 October, and implemented by Royal Decree 1362/2007, of 19 October.

DELOITTE, S.L.

Iván Rubio Borrallo

27 July 2022

Cellnex Telecom, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements and Consolidated Interim Directors' Report for the 6-month period ended on 30 June 2022 (prepared in accordance with IAS 34 "Interim financial reporting").

Translation of a report originally issued in Spanish and of interim condensed consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 26). In the event of a discrepancy, the Spanish-language version prevails.

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CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AT 30 JUNE 2022

(Thousands of Euros)

	Notes	30 June 2022	31 December 2021 (*)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	Note 7	9,172,905	8,215,373
Intangible assets	Note 8	23,665,081	24,397,200
Right-of-use assets	Note 16	3,136,758	3,280,079
Investments in associates	Note 9	19,430	3,265
Financial investments	Note 10	25,382	26,406
Derivative financial instruments	Note 11	135,710	30,116
Trade and other receivables	Note 12	54,501	50,830
Deferred tax assets	Note 18	682,110	673,024
Total non-current assets		**36,891,877**	**36,676,293**
CURRENT ASSETS			
Inventories		4,998	2,765
Trade and other receivables	Note 12	1,248,377	1,152,079
Receivables from associates	Note 23	111	384
Financial investments	Note 10	3,371	3,151
Derivative financial instruments	Note 11	—	77
Cash and cash equivalents	Note 13	2,469,425	3,926,578
Total current assets		**3,726,282**	**5,085,034**
Non-current assets held for sale	Note 6	243,274	—
TOTAL ASSETS		**40,861,433**	**41,761,327**

This consolidated balance sheet at 30 June 2022 must be read together with the Notes included on pages 9 to 80.

(*) Restated figures. Certain amounts included in the consolidated balance sheet at 31 December 2021 do not relate to those included in the consolidated financial statements for the year ended 31 December 2021, and reflect the adjustments described in Note 4.

Translation of interim condensed consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2.a and 26). In the event of a discrepancy the Spanish-language version prevails.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AT 30 JUNE 2022

(Thousands of Euros)

	Notes	30 June 2022	31 December 2021 (*)
NET EQUITY			
Share capital and attributable reserves			
Share capital	Note 14.a	169,832	169,832
Treasury shares	Note 14.a	(344,001)	(60,802)
Share premium	Note 14.b	14,568,942	14,580,762
Reserves	Note 14.c	(974,637)	(133,426)
Loss for the period		(170,328)	(360,099)
		13,249,808	**14,196,267**
Non-controlling interests	Note 14.f	925,541	1,633,652
Total net equity		**14,175,349**	**15,829,919**
NON-CURRENT LIABILITIES			
Bank borrowings and bond issues	Note 15	15,895,549	14,914,060
Lease liabilities	Note 16	2,188,883	2,336,225
Derivative financial instruments	Note 11	6,466	11,832
Provisions and other liabilities	Note 19.c	1,983,709	2,104,379
Employee benefit obligations	Note 19.b	53,731	70,453
Deferred tax liabilities	Note 18	3,682,741	3,806,712
Total non-current liabilities		**23,811,079**	**23,243,661**
CURRENT LIABILITIES			
Bank borrowings and bond issues	Note 15	712,602	719,995
Lease liabilities	Note 16	528,005	495,820
Employee benefit obligations	Note 19.b	61,923	70,634
Payables to associates	Note 23	204	69
Trade and other payables	Note 17	1,504,388	1,401,229
Total current liabilities		**2,807,122**	**2,687,747**
Liabilities associated with non-current assets held for sale	Note 6	67,883	—
TOTAL NET EQUITY AND LIABILITIES		**40,861,433**	**41,761,327**

This consolidated balance sheet at 30 June 2022 must be read together with the Notes included on pages 9 to 80.

(*) Restated figures. Certain amounts included in the consolidated balance sheet at 31 December 2021 do not relate to those included in the consolidated financial statements for the year ended 31 December 2021, and reflect the adjustments described in Note 4.

Translation of interim condensed consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2.a and 26). In the event of a discrepancy the Spanish-language version prevails.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
CORRESPONDING TO THE 6-MONTH PERIOD ENDED ON 30 JUNE 2022

(Thousands of Euros)

	Notes	30 June 2022	30 June 2021 (*)
Services		1,576,038	1,018,088
Other operating income		112,420	41,214
Operating income	**Note 20.a**	**1,688,458**	**1,059,302**
Staff costs	Note 20.b	(133,397)	(98,931)
Other operating expenses	Note 20.c	(319,404)	(208,693)
Change in provisions		(5,255)	3,296
Losses on fixed assets	Notes 7 and 8	144	(33)
Depreciation and amortisation	Notes 7, 8 and 16	(1,131,938)	(677,596)
Operating profit		**98,608**	**77,345**
Financial income		13,673	6,959
Financial costs		(200,366)	(176,169)
Interest expense on lease liabilities		(169,264)	(85,076)
Net financial loss		**(355,957)**	**(254,286)**
Profit of companies accounted for using the equity method	Note 9	1,665	13
Loss before tax		**(255,684)**	**(176,928)**
Income tax	Note 18	74,723	95,813
Consolidated net loss		**(180,961)**	**(81,115)**
Attributable to non-controlling interests	Note 14.f	(10,633)	(14,191)
Net loss attributable to the Parent Company		**(170,328)**	**(66,924)**
Earnings per share (in euros per share):			
Basic	Note 14.e	(0.25)	(0.13)
Diluted	Note 14.e	(0.17)	(0.07)

This consolidated income statement corresponding to the 6-month period ended on 30 June 2022 must be read together with the Notes included on pages 9 to 80.

(*) June 2021 figures have not been restated, as described in Note 4.

Translation of interim condensed consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2.a and 26). In the event of a discrepancy the Spanish-language version prevails.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME CORRESPONDING TO THE 6-MONTH PERIOD ENDED ON 30 JUNE 2022

(Thousands of Euros)

	Notes	30 June 2022	30 June 2021 (*)
LOSS FOR THE PERIOD		**(180,961)**	**(81,115)**
Income and expenses recognised directly in net equity, transferable to the consolidated income statement:			
Changes in cash flow hedges of the Parent Company and fully consolidated companies	Note 11	52,203	(17,726)
Hedges of net investments in foreign operations of the Parent Company and fully consolidated companies	Note 11	(2,344)	9,297
Net gains (losses) at fair value (gross of taxes) of financial instruments at fair value		(8,502)	—
Foreign exchange differences	Note 14	(120,981)	95,847
Tax effect		(13,871)	4,432
Total income and expenses recognised directly in net equity		**(93,495)**	**91,850**
Income transferred to the consolidated income statement:			
Changes in cash flow hedges of the Parent Company and fully consolidated companies	Note 11	5,369	(3,439)
Tax effect		(1,342)	860
Total income transferred to the consolidated income statement		**4,027**	**(2,579)**
Total consolidated comprehensive profit / (loss)		**(270,429)**	**8,156**
Attributable to:			
- Parent Company shareholders		(260,504)	16,070
- Non-controlling interests		(9,925)	(7,914)
Total consolidated comprehensive profit / (loss)		**(270,429)**	**8,156**

This consolidated statement of comprehensive income corresponding to the 6-month period ended on 30 June 2022 must be read together with the Notes included on pages 9 to 80.

(*) June 2021 figures have not been restated, as described in Note 4.

Translation of interim condensed consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2.a and 26). In the event of a discrepancy the Spanish-language version prevails.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN NET EQUITY CORRESPONDING TO THE 6-MONTH PERIOD ENDED ON 30 JUNE 2022

(Thousands of Euros)

	Notes	Share capital	Treasury shares	Share premium	Reserves	Profit for the period	Non-controlling interests	Net equity
At 1 January 2021		**121,677**	**(8,078)**	**7,769,936**	**267,802**	**(133,100)**	**914,504**	**8,932,741**
Comprehensive income for the period		—	—	—	82,994	(66,924)	(7,914)	**8,156**
Distribution of 2020 losses		—	—	—	(133,100)	133,100	—	**—**
Treasury shares	Note 14.a	—	(2,606)	—	—	—	—	**(2,606)**
Change in scope	Note 2.h	—	—	—	(338,934)	—	729,151	**390,217**
Final dividend	Note 14.f	—	—	(11,820)	—	—	—	**(11,820)**
Capital increase	Note 12.a	48,155	—	6,843,229	—	—	—	**6,891,384**
Employee remuneration payable in shares	Note 19.b	—	—	—	2,994	—	—	**2,994**
Other		—	—	—	(14,157)	—	—	**(14,157)**
At 30 June 2021		**169,832**	**(10,684)**	**14,601,345**	**(132,401)**	**(66,924)**	**1,635,741**	**16,196,909**
At 1 January 2022 (*)		**169,832**	**(60,802)**	**14,580,762**	**(133,426)**	**(360,099)**	**1,633,652**	**15,829,919**
Comprehensive income for the period		—	—	—	(90,176)	(170,328)	(9,925)	**(270,429)**
Distribution of 2021 losses		—	—	—	(360,099)	360,099	—	**—**
Treasury shares	Note 14.a	—	(283,199)	—	—	—	—	**(283,199)**
Change in scope	Note 2.h	—	—	—	(371,950)	—	(714,226)	**(1,086,176)**
Final dividend	Note 14.f	—	—	(11,820)	—	—	—	**(11,820)**
Capital increase - non-controlling interests		—	—	—	—	—	14,945	**14,945**
Employee remuneration payable in shares	Note 19.b	—	—	—	(10,708)	—	—	**(10,708)**
Other		—	—	—	(8,278)	—	1,095	**(7,183)**
At 30 June 2022		**169,832**	**(344,001)**	**14,568,942**	**(974,637)**	**(170,328)**	**925,541**	**14,175,349**

This consolidated statement of changes in net equity corresponding to the 6-month period ended on 30 June 2022 must be read together with the Notes included on pages 9 to 80.

(*) Restated figures. Certain amounts included in this consolidated statement of changes in net equity for the year ended on 31 December 2021 do not relate to those included in the consolidated financial statements for the year ended on 31 December 2021, and reflect the adjustments described in Note 4.

Translation of interim condensed consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2.a and 26). In the event of a discrepancy the Spanish-language version prevails.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS CORRESPONDING TO THE 6-MONTH PERIOD ENDED ON 30 JUNE 2022

(Thousands of Euros)

	Notes	30 June 2022	30 June 2021 (*)
Profit/(loss) for the year before tax		**(255,684)**	**(176,928)**
Adjustments to profit-			
Depreciation	Note 20.e	1,131,938	677,596
Gains/(losses) on derecognition and disposals of non-current assets	Notes 7 and 8	(144)	33
Changes in provisions		5,255	(3,296)
Interest and other income		(13,673)	(6,959)
Interest and other expenses		369,630	261,245
Share of results of companies accounted for using the equity method	Note 9	(1,665)	(13)
Other income and expenses		1,582	1,523
Changes in current assets/current liabilities-			
Inventories		(2,188)	(3,189)
Trade and other receivables		(88,217)	(135,465)
Other current assets and liabilities		84,497	128,494
Cash flows generated by operations			
Interest paid		(335,481)	(201,829)
Interest received		11,243	417
Income tax received/(paid)		(37,457)	(9,638)
Non-recurring Income tax paid	Note 18	(7,342)	(78,400)
Current provisions, employee benefit obligations and others		(27,477)	9,628
Total net cash flow from operating activities (I)		**834,817**	**463,219**

This consolidated cash flow statement corresponding to the 6-month period ended on 30 June 2022 must be read together with the Notes included on pages 9 to 80.

(*) June 2021 figures have not been restated, as described in Note 4.

Translation of interim condensed consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2.a and 26). In the event of a discrepancy the Spanish-language version prevails.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS CORRESPONDING TO THE 6-MONTH PERIOD ENDED ON 30 JUNE 2022

(Thousands of Euros)

	Notes	30 June 2022	30 June 2021 (*)
Business combinations and changes in the scope of consolidation	Notes 2.h and 5	(1,164,555)	(5,352,210)
Purchases of property, plant and equipment and intangible assets	Notes 7 and 8	(1,378,073)	(721,153)
Payments for financial investments and associates		(32,935)	(3,086)
Dividends received		—	—
Total net cash flow from investing activities (II)		**(2,575,563)**	**(6,076,449)**
Issue of equity instruments, Acquisition of Treasury Shares and Dividends paid	Note 14	(299,082)	6,836,460
Proceeds from issue of bank borrowings	Note 15	32,498	146,430
Bond issue	Note 15	982,525	3,563,984
Repayment and redemption of bank borrowings	Note 15	(131,414)	(279,855)
Net repayment of other borrowings	Note 15	(610)	46
Net payment of lease liabilities	Note 16	(325,013)	(229,964)
Dividends to non-controlling interests		—	—
Total net cash flow from financing activities (III)		**258,904**	**10,037,101**
Foreign exchange differences (IV)		**24,689**	**(12,855)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS (I)+(II)+(III)+(IV)		**(1,457,153)**	**4,411,016**
Cash and cash equivalents at beginning of year	**Note 13**	**3,926,578**	**4,652,027**
Cash and cash equivalents at end of year	**Note 13**	**2,469,425**	**9,063,043**

This consolidated cash flow statement corresponding to the 6-month period ended on 30 June 2022 must be read together with the Notes included on pages 9 to 80.

(*) June 2021 figures have not been restated, as described in Note 4.

Cellnex Telecom, S.A. and Subsidiaries

Notes to the interim condensed consolidated financial statements for the 6-month period ended on 30 June 2022

1. General information

Cellnex Telecom, S.A., (hereinafter, the “Parent Company” or “Cellnex”) was incorporated in Barcelona, Spain, on 25 June 2008. Its registered office is at Calle Juan Esplandiú nº 11 in Madrid, Spain. On 1 April 2015, it changed its name to Cellnex Telecom, S.A. The Parent Company’s name has not changed in this year neither in the previous one.

The Parent Company’s corporate purpose, as set out in its bylaws, includes:

- The establishment and operation of all kinds of telecommunication infrastructures and/or networks, as well as the provision, management, marketing and distribution, for its own benefit or for the benefit of third parties, of all types of services based on or through such infrastructures and/or networks.

- The planning, technical assistance, management, organisation, coordination, supervision, maintenance and conservation of such installations and services under any type of contractual arrangement allowed by law, especially administrative concessions.

The Parent Company may undertake these activities directly or indirectly through the ownership of shares or equity investments in companies with a similar corporate purpose or in any other manner allowed by law.

The main location in which the Group operates is Europe.

Cellnex Telecom, S.A. is the parent of a group of companies engaged in the management of terrestrial telecommunications infrastructures (hereinafter, the “Group” or “Cellnex Group”).

These interim condensed consolidated financial statements for the 6-month period ended on 30 June 2022 have been subject to a limited review by the statutory auditor of the Parent Company in accordance with the provisions of Royal Decree 1362/2007, of 19 October. Additionally, those consolidated financial statements corresponding to the financial year ended on 31 December 2021 were duly audited, with a favorable opinion being issued.

2. Basis of presentation

a) Basis of presentation

These interim condensed consolidated financial statements of Cellnex Telecom, S.A. and Subsidiaries for the period ended 30 June 2022, which have been based on the accounting records kept by the Parent Company and by the other companies that make up the Group, were signed by the Directors of the Parent at the meeting of the Board of Directors held on 27 July 2022.

These interim condensed consolidated financial statements were prepared by the Directors of Cellnex in accordance with the provisions of IAS 34 “Interim financial reporting”, and all of the obligatory accounting principles and rules and measurement bases. Accordingly, they present a true and fair view of the equity and consolidated financial position of the Cellnex Group at 30 June 2022, as well as the results of its operations, the consolidated changes in net equity and the consolidated cash flows during the interim period ended on that date.

As has been indicated, this interim condensed consolidated financial information has been prepared in accordance with IAS 34 “Interim financial reporting”, meaning that these interim condensed consolidated financial statements do not include all the information and disclosures that would be required for the complete consolidated financial statements prepared in accordance with the International Financial Reporting Standards adopted by the European Union, and must be read together with the 2021 Consolidated Financial Statements, drawn up in accordance with the existing International Financial Reporting

Standards (IFRS) adopted by the European Union, which were approved by the shareholders of the Parent Company on 28 April 2022.

b) Adoption of IFRSs

The accounting policies adopted when preparing these interim condensed consolidated financial statements are consistent with those followed when preparing the Group's consolidated annual financial statements for the financial year ended on 31 December 2021, with the exception of the adoption of any new standards and interpretations effective from 1 January 2022 and which, if any, have been considered by the Group when preparing these interim condensed consolidated financial statements.

(I) Standards and Interpretations effective during the present year

During the 6-month period ended on 30 June 2022, the new accounting standards which are detailed below have entered into force:

New standards, amendments and interpretations		Obligatory Application in Annual Reporting Periods Beginning On or After:
Approved for use in the European Union		
Amendment to IFRS 3. Reference to the Conceptual Framework (published in May 2020)	IFRS 3 is updated to align the definitions of assets and liabilities in a business combination with those contained in the conceptual framework. In addition, certain clarifications are introduced regarding the recording of contingent assets and liabilities.	1 January 2022
Amendment to IFRS 16. Income obtained before intended use (published in May 2020)	The amendment prohibits deducting from the cost of property, plant and equipment any income obtained from the sale of the items produced while the entity is preparing the asset for its intended use. The income from the sale of such samples, together with the production costs, should be recorded in the income statement.	1 January 2022
Amendment to IAS 37. Onerous contracts - Cost of fulfilling a contract (published in May 2020)	The amendment explains that the direct cost of fulfilling a contract comprises the incremental costs of fulfilling that contract and an allocation of other costs that are directly related to the fulfillment of the contract.	1 January 2022
Improvements to IFRS Cycle 2018 - 2020 (published in May 2020)	Minor amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	1 January 2022

The Group has applied the aforementioned standards and interpretations since their entry into force, which has not given rise to any significant change in its accounting policies.

(II) Standards and interpretations issued but not yet in force

At the date of formal preparation of these interim condensed consolidated financial statements, the following standards, amendments and interpretations had been published by the International Accounting Standards Board (IASB) but had not come into force, either because their effective date is subsequent to the date of the consolidated financial statements or because they had not yet been adopted by the European Union.

New standards, amendments and interpretations		Obligatory Application in Annual Reporting Periods Beginning On or After:
Approved for use in the European Union		
Amendments to IAS 1 - Disclosure of Accounting Policies (issued in February 2021)	Amendments that enable entities to appropriately identify the information on material accounting policies that should be disclosed in the financial statements.	1 January 2023
Amendments to IAS 8 - Definition of Accounting Estimates (issued in February 2021)	Amendments and clarifications of the definition of a change in accounting estimate.	1 January 2023
IFRS 17 - Insurance contracts and their modifications (published in May 2017 and June 2020, respectively)	It replaces IFRS 4 and includes the principles of registration, valuation, presentation and breakdown of insurance contracts in order for the entity to provide relevant and reliable information that allows users of financial information to determine the effect that the contracts of insurance they have in the financial statements.	1 January 2023
Not yet approved for use in the European Union		
Amendment to IAS 1 - Classification of liabilities as current or non-current (published in January 2020)	Clarifications regarding the presentation of liabilities as current or non-current	1 January 2023
Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued in May 2021)	Clarifications on how entities should recognise deferred taxes arising in transactions such as leases and obligations in relation to the dismantling assets.	1 January 2023
Amendments to IFRS 17 - Insurance contracts - Initial application of IFRS 17 and IFRS 9. Comparative information (issued in December 2021)	Amendments of the requirements for transition of IFRS 17 for the insurance companies compliant with IFRS 17 and IFRS 9 for the first time at the same time.	1 January 2023

The application of new standards, amendments and interpretations will be considered by the Group once they have been ratified and adopted, as the case may be, by the European Union. In any case, the Parent Company's Directors have assessed the potential impact of applying these standards in the future and consider that their entry into force will not have a material effect on the Group's consolidated financial statements.

c) Presentation currency of the Group

These interim condensed consolidated financial statements are presented in euros, as this is the currency of the main economic area in which the Group operates.

In relation to financial information of foreign companies whose functional currency is different from the presentation currency of the interim condensed consolidated financial statements, and is presented on a date other than the closing date of these accompanying interim condensed consolidated financial statements, it is translated to euros using the following exchange rates: i) PLN = 4.651 to EUR 1 in relation to the Iliad Poland Acquisition (see Note 5) and ii) PLN = 4.522 to EUR 1 in relation to the Polkomtel Acquisition (see Note 5).

d) Responsibility for the information provided and accounting estimates and judgements made

The preparation of these interim condensed consolidated financial statements requires, as established by IAS 34, the Directors of the Parent Company and the consolidated entities to make certain estimates and judgements in order to quantify certain assets, liabilities, revenue, costs and commitments recorded in them, which do not differ significantly from those taken into account in the preparation of the 2021 Consolidated Financial Statements set out in its Note 2.d. In this regard, as established by IAS 34, the Income Tax expense has been estimated using the tax rate that it is thought will be applicable to the expected total earnings for the year, i.e., the estimated annual average effective tax rate applied to the earnings before taxes from the interim period.

During the 6-month period ended on 30 June 2022, no significant changes have occurred in the estimations made at the 2021 year end.

Coronavirus Pandemic

Global economic conditions have rapidly deteriorated in 2020 and 2021 as a result of the Coronavirus Pandemic which began in China in late 2019 and subsequently spread globally, significantly affecting the European markets where the Group operates as of the date of these interim condensed consolidated financial statements, as well as the global economy, impacting global growth. During 2022, while the actions of the central banks in response to the Coronavirus Pandemic, however, allowed an overall context of favourable financing conditions and the macro-financial outlook for the global economy improved mainly as a result of vaccines having been rolled out, some vulnerabilities continue to remain, such as the weak financial situation of some segments of households and companies, the growing public indebtedness of the low profitability of entities. Moreover, the appearance and spread of new COVID-19 variants may result in the reintroduction of containment measures. While the Coronavirus Pandemic has not had a significant effect on the Group's business, financial condition or results of operations nor in prior periods neither as of 30 June 2022 and, therefore, has not had a significant effect on the interim condensed consolidated financial statements for the period ended 30 June 2022, its future evolution will depend on future developments, which are uncertain and cannot be predicted, including future economic conditions, and the actions to contain it or treat its impact, among others.

During the crisis brought about by the pandemic, maintaining connectivity was more important than ever before, not only with respect to the many entertainment options offered through streaming services or social media, but also by catering for the curricular needs of millions of students, providing information and maintaining employment, family and interpersonal relationships through instant audiovisual communication. Telecommunications infrastructure plays a vital role in this regard. Cellnex, as an operator of such infrastructure, managed to ensure the continuity of uninterrupted 24/7 service to more than 200 million people throughout Europe. For this reason, Cellnex's operations were not especially affected by the Coronavirus Pandemic neither a significant impact has resulted on the leases entered into by the Group, so they have not had to be modified or renegotiated.

Brexit

In general terms, the long term effects of Brexit on the financial statements as a whole are still uncertain. In this regard, the increase in public debt, the fall in growth rates and any monetary policy measure that might be adopted in the future in the credit markets could affect the Group's businesses. One change in any of these factors could affect the Group's ability to access the capital markets and the terms and conditions under which it might access them.

In this context, it should also be noted that the nature of the Group's business means that in each territory it acts, to all extents and purposes, autonomously of other subsidiaries or the parent, in the sense that interterritorial commercial operations are not a key aspect of the business. In this connection, any risk associated with competition restrictions or disadvantages arising from potential transactions between the UK and other geographies is limited.

Notwithstanding, the Group's plans for mitigating the potential risks associated with Brexit focus mainly on the risk relating to Cellnex's exposure to the pound sterling, the most notable tools for which are the designation of cash flow hedging instruments and hedges of net investments in foreign operations. These hedges were implemented through both derivative financial instruments (e.g., currency swaps) and loans in pounds sterling that act as a natural hedge of the investment in the United Kingdom (see Note 11).

Russian invasion of Ukraine

Adverse economic conditions may be further accentuated in the markets where the Group operates and in others due to the full-scale invasion of Ukraine launched by Russia on 24 February 2022. As a result of the invasion, the European Union (the “EU”), EU member states, Canada, Japan, the United Kingdom and the United States, among others, have developed and continue to develop coordinated sanctions and export-control measure packages. The uncertain nature, magnitude and duration of Russia’s war in Ukraine and potential effects of it and of actions taken by Western and other states and multinational organisations in response thereto (including, amongst other things, sanctions, export-control measures, travel bans and asset seizures) as well as of any Russian retaliatory actions (including, amongst other things, restrictions on oil and gas exports and cyber-attacks), on the world economy and markets, have contributed to increased market volatility and uncertainty. Such geopolitical risks may have a material adverse impact on macroeconomic factors which could affect the Group’s business, results of operations, cash flows, financial condition and prospects.

In addition, both the military conflict between Russia and Ukraine and the associated sanctions are contributing to further increases in the prices of energy, oil and other commodities, and further disrupting supply chains. This has led to a significant increase in costs that will put pressure on business margins and ultimately affect the evolution of investment. Such an increase in commodity prices adds to a context of already extraordinarily high inflation rates, in Spain, in the rest of the European markets where the Group operates and in most developed countries. In this situation, central banks have started to abandon the low interest rate environment, increasing or discussing the possibility of increasing interest rates progressively in order to address and reduce inflation, which could trigger an environment of increased risk aversion, a tightening of financial conditions globally, reduced economic growth and/or result in regional or global recessions. Inflationary pressures could further increase if the Russian invasion of Ukraine is prolonged, escalates or expands (including if additional countries become involved), if additional economic sanctions or other measures are imposed, or if volatility in commodity prices or disruptions to supply chains worsen.

Events such as the above could severely affect macroeconomic conditions and financial markets and exacerbate the risk of regional or global recessions or “stagflation” (i.e. recession or reduced rates of economic growth coupled with high inflation rates).

The conflict has not had a significant effect on the Group’s results for the 6-month period ended as of 30 June 2022 and, additionally, the Group has considered the uncertainty caused by the current situation and, as a conclusion, to date they have not affected the estimates that were being made and, consequently, they have not affected the book value of the assets (especially considering 2021 impairment test headroom as described in Notes 7 and 8) and liabilities as well as certain financial risks (see Note 15). The future evolution will depend on future developments, which are highly uncertain and cannot be predicted, including future economic conditions, and the actions to contain it or treat its impact, among others.

e) Comparative information

In accordance with International Accounting Standard (IAS) 34 regarding “Interim Financial Reporting”, adopted by the European Union, the Management of the Parent Company presents the balance sheet corresponding to the closing date of the immediately preceding financial year (31 December 2021) together with the consolidated balance sheet at 30 June 2022, solely and exclusively for comparative purposes. Moreover, next to each of the items of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in net equity and the consolidated cash flow statement, the consolidated figures corresponding to the 6-month period ended on 30 June 2022 are presented along with those corresponding to the 6-month period ended on 30 June 2021.

f) Materiality

In deciding what information to disclose in the Notes on the various items of the interim condensed consolidated financial statements or other matters, the Group, in accordance with IAS 34, assessed materiality in relation to these interim condensed consolidated financial statements for the 6-month period ended on 30 June 2022.

g) Consolidation principles

The consolidation principles considered in the interim condensed consolidated financial statements are consistent with those applied in the 2021 Consolidated Financial Statements, which are detailed in Note 2.g thereto.

h) Changes in the scope of consolidation

The most significant changes in the scope of consolidation and in the companies included in it during the 6-month period ended on 30 June 2022 were as follows:

Acquisitions and incorporations

Name of the Company	Company with direct shareholding and % acquired/maintained		Consolidation method
Acquisitions/incorporations:			
On Tower Poland [(1)]	Cellnex Poland	10%	Full
On Tower France [(2)]	Cellnex France Groupe	30%	Full
Hivory Portugal, S.A. [(3)]	CLNX Portugal	100%	Full

[(1)] 02/03/2022; [(2)] 02/03/2022; [(3)] 31/03/2022.

I) Acquisition of an additional stake in On Tower Poland

In the first quarter of 2022, Cellnex Poland and Iliad Purple entered into an agreement pursuant which, among others, Cellnex (through Cellnex Poland, of which Cellnex owns 100%) acquired an additional 10% interest of the share capital of On Tower Poland, for an amount of approximately PLN 615 million (with a Euro value of EUR 131 million as of the date of completion), exclusive of taxes. This price implies the same valuation of On Tower Poland applied at the closing of the Iliad Poland Acquisition. Pursuant to this acquisition, Cellnex Poland held 70% of On Tower Poland as of 30 June 2022. As a result of the above, the indirect stake that Cellnex holds in On Tower Poland has increased from 60% to 70% as at 30 June 2022.

Since the aforementioned transaction did not modify the controlling position in On Tower Poland, it has been treated as an equity transaction carried out with a non-controlling interest (see Note 14). This accounting treatment is supported by the guidance in paragraph 23 of IFRS 10 to recognise any adjustments related to changes in the parent's ownership interest that do not result in the parent losing or gaining control over a subsidiary as ownership transactions.

II) Acquisition of an additional stake in On Tower France, S.A.S.

In the first quarter of 2022, Cellnex France Groupe, Iliad, On Tower France and Free Mobile entered into an agreement pursuant which Cellnex (through Cellnex France Groupe, of which Cellnex owns 100%) acquired an additional 30% interest of the share capital of On Tower France, S.A.S ("On Tower France") from Iliad, S.A. ("Iliad"), for an amount of EUR 950 million, exclusive of taxes (the price of this acquisition has been very inflationary, given the performance of such assets). Pursuant to this acquisition, Cellnex France Groupe held 100% of On Tower France as of 30 June 2022. As a result of the above, the indirect stake that Cellnex holds in On Tower France has increased from 70% to 100% as at 30 June 2022. Additionally, at the same date, Cellnex France Groupe, Iliad, On Tower France and Free Mobile entered into another agreement pursuant which Cellnex has enhanced the build-to-suit programmes with 2,000 new sites (additional to the minimum 2,500 sites already committed) (see Note 5 of the consolidated financial statements ended as of 31 December 2019) until 2027, with an Enterprise Value of EUR 639 million.

Since the aforementioned transaction did not modify the controlling position in On Tower France, it has been treated as an equity transaction carried out with a non-controlling interest (see Note 14). This accounting treatment is supported by the guidance in paragraph 23 of IFRS 10 to recognise any adjustments related to changes in the parent's ownership interest that do not result in the parent losing or gaining control over a subsidiary as ownership transactions.

III) Acquisition of Hivory Portugal

In addition to the transaction closed with MEO in the second half of 2021 (see Notes 2.h and 6 of the 2021 Consolidated Financial Statements), in the second quarter of 2022, Cellnex has acquired, (through its fully owned subsidiary CLNX Portugal) 100% of the share capital of Hivory Portugal S.A. ("Hivory Portugal"), another portfolio of 102 sites in Portugal. The transaction involves an estimated total consideration (Enterprise Value) of approximately EUR 70 million.

The transaction was completed in the first half of 2022 following the receipt of customary regulatory authorizations. Thus, Hivory Portugal has been fully consolidated within the Cellnex Group as of the acquisition date, such that as at 30 June 2022 the value of all of its assets and liabilities has been included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the period ended on 30 June 2022. The transaction has been accounted for as an asset acquisition rather than as a business combination, as these assets and liabilities acquired are a residual vestige from a previous transaction accounted as a Business Combination under IFRS 3 (see Infratower Acquisition in Note 6 of the 2021 Consolidated Financial Statements), where inputs and processes were identified, a purchase price allocation exercised was performed.

Transactions between companies in the scope of consolidation

Furthermore, in the 6-month period ended on 30 June 2022, the following transactions were performed between companies in the scope of consolidation, which, accordingly, did not have an impact on these consolidated financial statements:

Selling/ Spun-off company	Buying/ Resulting company	Comments	Date
Mergers:			
CK Hutchison Italia, S.r.L.	Cellnex Italia, S.p.A.	Merger by absorption of Cellnex Italia, S.p.A. (absorbing company), with CK Hutchison Italia S.r.L. (absorbed company).	01/04/2022

3. Accounting policies and financial risk and capital management

The accounting policies and valuation standards used when preparing these interim condensed consolidated financial statements are consistent with those used when preparing the 2021 Consolidated Financial Statements, and which are detailed therein, except for the new standards applied from 1 January 2022 which are set out in Note 2.b.

Moreover, during the 6-month period ended on 30 June 2022, the Group has continued managing its activities by taking into account the financial risk and capital management policy set out in Note 5 of the 2021 Consolidated Financial Statements.

The fair value of the financial instruments that are negotiated in active markets are based on market prices at the balance sheet date. The quoted market price used for the financial assets is the current bidder price.

The fair value of the financial instruments which are not quoted on an active market are determined using valuation techniques. The Group uses a variety of methods and uses hypothesis based on market conditions existing at each balance sheet date, incorporating the concept of transfer, such that the credit risks is considered.

4. Matters arising from the completion of the business combinations of the 2021 year end

The comparative financial information for 2021 has been restated, in accordance with IFRS 3, as a result of the completion of the purchase price allocation for the Hutchison Italy Acquisition, T-Mobile Infra Acquisition, Iliad Poland Acquisition and Polkomtel Acquisition (see Note 5).

The reconciliation of the key figures of the Group's consolidated balance sheet and consolidated statement of changes in net equity for the year ended 31 December 2021, obtained before and after the completion of the purchase price allocation for the acquisitions mentioned above, is shown below:

Consolidated balance sheet at 31 December 2021

Thousands of Euros

	31 December 2021 Approved	Impact of IFRS 3 (see Note 5)	31 December 2021 Restated
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7,632,307	583,066	8,215,373
Goodwill	5,980,071	41,255	6,021,326
Other intangible assets	19,033,653	(657,779)	18,375,874
Right-of-use assets	3,282,641	(2,562)	3,280,079
Investments in associates	3,265	—	3,265
Financial investments	26,406	—	26,406
Derivative financial instruments	30,116	—	30,116
Trade and other receivables	50,830	—	50,830
Deferred tax assets	673,024	—	673,024
Total non-current assets	**36,712,313**	**(36,020)**	**36,676,293**
CURRENT ASSETS			
Inventories	2,765	—	2,765
Trade and other receivables	1,152,079	—	1,152,079
Receivables from associates	384	—	384
Financial investments	3,151	—	3,151
Derivative financial instruments	77	—	77
Cash and cash equivalents	3,926,578	—	3,926,578
Total current assets	**5,085,034**	**—**	**5,085,034**
TOTAL ASSETS	**41,797,347**	**(36,020)**	**41,761,327**

			Thousands of Euros
	31 December 2021 Approved	Impact of IFRS 3 (see Note 5)	31 December 2021 Restated
NET EQUITY			
Share capital and attributable reserves			
Share capital	169,832	—	169,832
Treasury shares	(60,802)	—	(60,802)
Share premium	14,580,762	—	14,580,762
Reserves	(130,330)	(3,096)	(133,426)
Profit for the year	(351,365)	(8,734)	(360,099)
	14,208,097	**(11,830)**	**14,196,267**
Non-controlling interests	1,633,591	61	1,633,652
Total net equity	**15,841,688**	**(11,769)**	**15,829,919**
NON-CURRENT LIABILITIES			
Bank borrowings and bond issues	14,914,060	—	14,914,060
Lease liabilities	2,306,190	30,035	2,336,225
Derivative financial instruments	11,832	—	11,832
Provisions and other liabilities	2,124,609	(20,230)	2,104,379
Employee benefit obligations	70,453	—	70,453
Deferred tax liabilities	3,805,049	1,663	3,806,712
Total non-current liabilities	**23,232,193**	**11,468**	**23,243,661**
CURRENT LIABILITIES			
Bank borrowings and bond issues	719,995	—	719,995
Lease liabilities	529,894	(34,074)	495,820
Employee benefit obligations	70,634	—	70,634
Payables to associates	69	—	69
Trade and other payables	1,402,874	(1,645)	1,401,229
Total current liabilities	**2,723,466**	**(35,719)**	**2,687,747**
TOTAL NET EQUITY AND LIABILITIES	**41,797,347**	**(36,020)**	**41,761,327**

Consolidated statement of changes in net equity for the year ended 31 December 2021

Thousands of Euros

Total Net Equity at 31/12/2021	Share capital	Treasury shares	Share premium	Reserves	Profit for the year	Non-controlling interests	Net equity
Net Equity before IFRS 3 impact	**169,832**	**(60,802)**	**14,580,762**	**(130,330)**	**(351,365)**	**1,633,591**	**15,841,688**
Impact of IFRS 3	—	—	—	(3,096)	(8,734)	61	**(11,769)**
Net Equity after IFRS 3 impact	**169,832**	**(60,802)**	**14,580,762**	**(133,426)**	**(360,099)**	**1,633,652**	**15,829,919**

Note: The amounts for the adjustments to equity are shown net of the related tax effects, if any, including the amounts both for fully consolidated companies as well as for those accounted for using the equity method, as applicable.

Finally, in relation with the effects in the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows, as the differences between the provisional and the final purchase price allocation has been considered not material, the comparative information regarding the 30 June 2021 has not been restated.

5. Business combinations

The Group typically acquires telecommunications infrastructures from telecommunications carriers or other infrastructure operators and subsequently integrates those infrastructures into its existing network. The financial results of the Group's acquisitions have been included in the accompanying interim condensed consolidated financial statements for the period ended 30 June 2022 from the date of respective acquisition. The date of acquisition, and by extension the point at which the Group begins to recognize the results of an acquisition, may be dependent upon, among other things, the receipt of contractual consents, the commencement and extent of contractual arrangements, the timing of the transfer of title or rights to the assets as well as the customary regulatory approvals, which may be accomplished in phases.

As a first step, Cellnex carries out a review of the acquisitions made to determine if they constitute to a business combination in accordance with IFRS 3 and the ESMA guidelines or if they correspond to a purchase of assets, irrespective whether the acquisition takes place in the form of the purchase of a group of elements that constitutes a business, or through the purchase of the share capital of an entity.

In the case of a business combination, the identifiable assets acquired and the identifiable liabilities and contingencies assumed in a business combination are initially measured at their acquisition-date fair value, regardless of the scope of non-controlling interests. The excess of the acquisition cost over the fair value of the Group's share in the identifiable net assets acquired is recognised as goodwill. If the acquisition cost is lower than the fair value of the acquired subsidiary's net assets, the difference is recognised directly in the consolidated income statement for the financial year.

Given the complexity of purchase price allocation process, the Group generally performs it with the participation of an independent third-party expert, and, in some cases, there is a reassessment of the allocation process during the period of one year since the business combination is completed, as permitted by IFRS 3. As in previous business combinations completed by the Group, the potential value of the sites is mainly derived from the characteristics and quality of the physical locations, which translates into a certain expectation of increasing their "customer ratio". This can be attributed to certain sets of intangible assets, of which each individual element is necessary to realise the full value. Thus, the fair value amount of the acquired net assets includes the valuation of the intangible assets identified that individually meet the identifiability criteria of IAS 38 (Intangible Assets) and consists of "Customer Network Services Contracts" and "Network Location" as defined in Note 3. b) ii) of the 2021 Consolidated Financial Statements, and provisions related with certain risks of the transaction and the acquired business that meet the recognition criteria according to IFRS3. Additionally, as required by IFRS 3, IAS 12 and the other applicable standards, the deferred tax liabilities arising from the business combination were recognised as the differences between the carrying amount and the tax base calculated pursuant to the tax legislation in each jurisdiction of the respective operations. Finally, the goodwill mainly includes the net recognition of any deferred taxes resulting from the higher fair value attributed to the net assets acquired in comparison with the tax bases.

The main measurement assumptions and valuation techniques used in the purchase price allocation process in the context of a business combinations are as follows:

a. Property, plant and equipment are measured using the cost approach. This approach recognises that a prudent investor would not ordinarily pay more for an asset than the cost to reproduce or replace it new. Utilization of the cost approach results in a concept referred to as Depreciated Replacement Cost New ("DRCN"), which is an indicator of fair value provided that all elements of depreciation and obsolescence are addressed. Property, plant and equipment was measured taking into account the technical data of each site and the estimate of the standard facilities and infrastructure associated with them, as applicable. The elements necessary for calculating fair value include, inter alia, the type of site, height, dismantling date and whether the item is indoors or outdoors.

b. Intangible assets, which are mostly Customer Network Services Contracts and Network Location intangibles, were measured using the Multi-Period Excess Earnings method. This is a technique used as part of the "Income Approach" and is similar to the discounted cash flow method, except that it also takes into account the use of other assets in the generation of the projected cash flows of a specific asset in order to isolate the economic benefit generated by the intangible asset in question. The contribution to the overall cash flows of other assets such as non-current assets, working capital, labour and other intangible assets is estimated by means of the capital expenditure relating to contributory assets. The assumptions taken into account for the measurement of the aforementioned intangible assets included, inter alia, the prior years' profit or loss of the acquired businesses with no loss of customers, the contractual terms and conditions agreed upon with the anchor customer of the acquired assets, comparative estimates with benchmark entities in the industry, future revenue projections based on business plans, costs based on the customer's contribution to revenue and discount rates in line with the estimates of the weighted average cost of capital assuming a risk margin. In this regard, the projected time spans used for the business combinations are longer than 20 years, but no terminal values representing perpetual cashflows are taken into account at the end of the projected period.

c. In the case of liabilities, the payables associated with working capital are generally measured at their nominal amount, which is generally considered to be a good approximation of fair value due to their nature and because the payables are settled at short term. For transactions that involve the assumption of provisions for contingencies or other obligations, the payables are measured taking into account the amount estimated to be necessary to settle the obligation and the associated probability of the event that generates the obligation occurring. The business combinations that include the assumption of financial liabilities were recognised at fair value, which was calculated taking into consideration a market participant yield at the measurement date.

The most noteworthy assumptions included in the aforementioned valuations are the weighted average cost of capital (WACC) and the compound annual growth rate (CAGR). The WACC rates calculated for the business combinations in 2021 were as follows: CK Hutchison Sweden 5.25%; Iliad Poland 6.00%; T-Mobile Infra 4.80%; CK Hutchison Italy 6.00%; Polkomtel 6.25% and Hivory 5.50%. The CAGRs fluctuate in range from 1.30% to 5.00%. T-Mobile Infra and Iliad Poland at the low end of the range and the other business combinations are at the medium-high end of the range.

As a result of the business combinations performed during 2021, and following a prudent approach, the vast majority of the difference between the book value of the assets acquired and the purchase price paid has been assigned to assets subject to deprecation or amortization. Thus, the resulting goodwill corresponds in the vast majority to the net deferred tax recognized resulting from the higher fair value attributed to the net assets acquired in comparison with their tax bases. Furthermore, provision for other responsibilities captures mainly provisions for contingent liabilities (whose risk of cash outflow is no probable) made during the Purchase Price Allocation process which are a result of present obligations arising from past events, where the fair value can be reliably measured.

Business combinations for 2022

During the 6-month period ended on 30 June 2022, no relevant business combinations have been carried out.

Business combinations for 2021

The initial accounting for the business combination involving the Iliad Poland Acquisition, T-Mobile Infra Acquisition, Hutchison Italy Acquisition and Polkomtel Acquisition described in Note 6 of the consolidated financial statements for the 2021 financial year, are now considered to have been completed, since one year has elapsed since its date of acquisition (in accordance with IFRS 3). Therefore, the Group modified the values used in the 31 December 2021 consolidated financial statements, as further information became available, allowing it to carry out a more accurate evaluation of the purchase price allocation process (see Note 4). However, as described in Note 4, the comparative consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows for the 6-month period ended as of 30 June 2021 has not been materially different due to the above consideration, thus, has not been restated.

As regards the business combinations regarding Infratower Acquisition and Hivory Acquisition, described in Note 6 of the 2021 Consolidated Financial Statements, considering that IFRS 3 allows the reassessment of the allocation process during a period of one year, as at the date of these interim condensed consolidated financial statements, these business combinations are still provisional. Regardless not having restated the comparative financial information in this interim financial information as of 30 June 2022 for these business combinations, Cellnex will reassess the aforementioned situation with regard to the consolidated financial statement as of 31 December 2022.

Hutchison Italy Acquisition

The breakdown of the net assets acquired and goodwill generated by the Hutchison Italy Acquisition, at the completion date, is as follows:

	Thousands of Euros
Total acquisition price	3,400,070
Fair value of the net assets acquired	2,833,172
Resulting goodwill	**566,898**

The review of the purchase price allocation of the Hutchison Italy Acquisition gave rise to a EUR 56,842 thousand increase in goodwill following the recognition of a lower revaluation of other intangible assets (“Customer Network Services Contracts” and “Network Location”) which ultimately amounted to EUR 2,509,335 thousand (EUR 2,859,135 thousand in the 2021 consolidated financial statements), and a step up in property plant, and equipment resulting from an accurate appraisal of fixed assets, which ultimately amounted to EUR 884,243 thousand (EUR 651,646 thousand in the 2021 consolidated financial statements). The review also gave rise to a decrease in both Right-of-use-assets and Lease liabilities, after adapting the calculations to the Group's criteria, as described in Note 16 of this interim condensed consolidated financial statements and Note 3 of the consolidated financial statements of 2021 Consolidated Financial Statements, which ultimately amounted to EUR 321,811 thousand (EUR 342,892 thousand in the 2021 Consolidated Financial Statements), and EUR 288,460 thousand (EUR 309,541 thousand in the 2021 consolidated financial statements), respectively.

The fair value at the date of acquisition of the assets and liabilities of the acquired business has been determined according to the measurement assumptions and valuation techniques aforementioned. With regards to the Hutchison Italy Acquisition, the Group decided to perform a purchase price allocation with the participation of an independent third party expert, Kroll Advisory, S.L. (formerly Duff & Phelps, S.L.U.), whose final PPA report was issued on 28 June 2022 and the report did not contain any limitations. The assets and liabilities arising from the Hutchison Italy Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	Carrying value	Revaluation
Other intangible assets	2,509,335	715,441	1,793,894
Right-of-use-assets	321,811	321,811	—
Property, plant and equipment	884,243	600,143	284,100
Trade and other receivables short term	19,511	19,511	—
Cash and cash equivalents	76,976	76,976	—
Lease liabilities long term	(220,638)	(220,638)	—
Provisions and other liabilities long term	(38,531)	(13,030)	(25,501)
Lease liabilities short term	(67,822)	(67,822)	—
Provisions and other liabilities short term	(905)	(905)	—
Trade and other payables	(46,951)	(46,951)	—
Net deferred tax assets /(liabilities)	(603,857)	543	(604,400)
Net assets acquired	**2,833,172**	**1,385,079**	**1,448,093**
Total acquisition price	3,400,070	3,400,070	
Cash and cash equivalents	(76,976)	(76,976)	
Cash outflow in the acquisition	**3,323,094**	**3,323,094**	

Iliad Poland Acquisition

The breakdown of the net assets acquired and goodwill generated by the Iliad Poland Acquisition, at the completion date, is as follows:

	Thousands of Euros
Total acquisition price [(1)]	1,458,114
Fair value of the net assets acquired	1,227,492
Resulting goodwill	**230,622**

[(1)] Corresponds to the total amount paid by On Tower Poland for the 100% of the telecommunications passive infrastructures business unit of P4, containing an initial portfolio of approximately 7,428 sites (including the initial 6,911 sites and 517 additional sites completed before the Iliad Poland Completion Date. The Group has a 60% stake in On Tower Poland (see Note 2.h). Additionally, the total acquisition price considers the cash paid by On Tower Poland (PLN 6,712,476 thousand) plus the impact of a natural hedge (as disclosed in Note 11), which has been treated as a cash flow hedge of a highly probable transaction in accordance with the provisions of IAS 39, which converts to EUR 1,458,114 thousand.

The review of the purchase price allocation of the Iliad Poland Acquisition gave rise to a EUR 2,573 thousand decrease in both Right-of-use-assets and Lease liabilities, after adapting the calculations to the Group's criteria, as described in Note 16 of this interim condensed consolidated financial statements and Note 3 of the consolidated financial statements of 2021 year end, which ultimately amounted to EUR 109,475 thousand (EUR 112,048 thousand in the 2021 Consolidated Financial Statements), and EUR 109,300 thousand (EUR 111,873 thousand in the 2021 Consolidated Financial Statements), respectively. In addition, the acquisition price has increased slightly by EUR 100 thousand, as a result of the completion of this business combination.

The fair value at the date of acquisition of the assets and liabilities of the acquired business has been determined according to the measurement assumptions and valuation techniques aforementioned. With regards to the Iliad Poland Acquisition, the Group decided to perform a purchase price allocation with the participation of an independent third party expert, Kroll Advisory, S.L. (formerly Duff & Phelps, S.L.U.), whose final PPA report was issued on 15 March 2022 and the report did not contain any limitations. The assets and liabilities arising from the Iliad Poland Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	Carrying value	Revaluation
Other intangible assets	1,017,954	—	1,017,954
Right-of-use-assets	109,475	—	109,475
Property, plant and equipment	226,090	—	226,090
Trade and other receivables short term	21	—	21
Cash and cash equivalents	33,787	—	33,787
Lease liabilities long term	(76,104)	—	(76,104)
Provisions and other liabilities long term	(18,647)	—	(18,647)
Lease liabilities short term	(33,196)	—	(33,196)
Trade and other payables	(31,888)	—	(31,888)
Net assets acquired	**1,227,492**	**—**	**1,227,492**

Total acquisition price	1,458,114
Cash in from other shareholders	(533,993)
Cash and cash equivalents	(33,787)
Cash outflow in the acquisition	**890,334**

T-Mobile Infra Acquisition

The breakdown of the net assets acquired and goodwill generated by the T-Mobile Infra Acquisition, at the completion date, is as follows:

	Thousands of Euros
Total acquisition price [1]	396,500
Fair value of the net assets acquired	206,602
Resulting goodwill	**189,898**

[1] Corresponds to the fair value of 25.10% of Cellnex Netherlands shares plus the initial contribution in DIV.

The review of the purchase price allocation of the T-Mobile Infra Acquisition gave rise to a EUR 8,550 thousand increase in goodwill following the recognition of a lower revaluation of other intangible assets (“Customer Network Services Contracts” and “Network Location”) which ultimately amounted to EUR 572,700 thousand (EUR 584,100 thousand in the 2021 consolidated financial statements), and an increase in both Right-of-use-assets and Lease liabilities, after adapting the calculations to the Group's criteria, as described in Note 16 of this interim condensed consolidated financial statements and Note 3 of the consolidated financial statements of 2021 Consolidated Financial Statements, which ultimately amounted to EUR 91,982 thousand (EUR 68,108 thousand in the 2021 Consolidated Financial Statements), and EUR 79,475 thousand (EUR 55,601 thousand in the 2021 consolidated financial statements), respectively.

The fair value at the date of acquisition of the assets and liabilities of the acquired business has been determined according to the measurement assumptions and valuation techniques aforementioned. With regards to the T-Mobile Infra Acquisition, the Group decided to perform a purchase price allocation with the participation of an independent third party expert, Kroll Advisory, S.L. (formerly Duff & Phelps, S.L.U.), whose final PPA report was issued on 24 May 2022 and the report did not contain any limitations. The assets and liabilities arising from the T-Mobile Infra Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	Carrying value	Revaluation
Other intangible assets	572,700	154,646	418,054
Right-of-use-assets	91,982	91,982	—
Property, plant and equipment	90,626	52,018	38,608
Trade and other receivables short term	9,104	9,104	—
Cash and cash equivalents	5,053	5,053	—
Bank borrowings and derivative financial instruments long term	(250,000)	(250,000)	—
Lease liabilities long term	(67,850)	(67,850)	—
Provisions and other liabilities long term	(77,313)	(35,488)	(41,825)
Lease liabilities short term	(11,625)	(11,625)	—
Provisions and other liabilities short term	(2,112)	(2,112)	—
Trade and other payables	(1,656)	(1,656)	—
Net deferred tax assets /(liabilities)	(152,307)	520	(152,827)
Net assets acquired	**206,602**	**(55,408)**	**262,010**
Total acquisition price	396,500	396,500	
Payment through issuance of new Cellnex Netherlands shares (37%)	(396,500)	(396,500)	
Initial investment in DIV	135,640	135,640	
Cash and cash equivalents	(5,053)	(5,053)	
Cash outflow in the acquisition	**130,587**	**130,587**	

Polkomtel Acquisition

The breakdown of the net assets acquired and goodwill generated by the Polkomtel Acquisition, at the completion date, is as follows:

	Thousands of Euros
Total acquisition price [(1)]	1,552,364
Fair value of the net assets acquired	1,249,455
Resulting goodwill	**302,909**

[(1)] Corresponds to the amount that Cellnex Poland would have paid for 100% of Towerlink Poland. The Group has a 99.99% in Towerlink Poland (see Note 2.h). Additionally, the total acquisition price considers the cash paid by Cellnex Poland (PLN 7,027,582 thousand) plus the impact of a natural hedge (as disclosed in Note 11), which has been treated as a cash flow hedge of a highly probable transaction in accordance with the provisions of IAS 39, which converts to EUR 1,552,364 thousand.

The review of the purchase price allocation of the Polkomtel Acquisition gave rise to a EUR 24,544 thousand decrease in goodwill following the recognition of a lower revaluation of other intangible assets ("Customer Network Services Contracts" and "Network Location") which ultimately amounted to EUR 683,887 thousand (EUR 1,002,560 thousand in the 2021 consolidated financial statements), and a step up in property plant, and equipment resulting from an accurate appraisal of fixed assets, which ultimately amounted to EUR 877,566 thousand (EUR 538,770 thousand in the 2021 consolidated financial statements). The review also gave rise to an increase in both Right-of-use-assets and Lease liabilities, after adapting the calculations to the Group's criteria, as described in Note 16 of these interim condensed consolidated financial statements and Note 3 of the consolidated financial statements of 2021 Consolidated Financial Statements, which ultimately amounted to EUR 186,428 thousand (EUR 169,713 thousand in the 2021 Consolidated Financial Statements), and EUR 186,428 thousand (EUR 179,446 thousand in the 2021 consolidated financial statements), respectively.

The fair value at the date of acquisition of the assets and liabilities of the acquired business has been determined according to the measurement assumptions and valuation techniques aforementioned. With regards to the Polkomtel Acquisition, the Group decided to perform a purchase price allocation with the participation of an independent third party expert, Kroll Advisory, S.L. (formerly Duff & Phelps, S.L.U.), whose final PPA report was issued on 6 July 2022 and the report did not contain any limitations. The assets and liabilities arising from the Polkomtel Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	Carrying value	Revaluation
Other intangible assets	683,887	6,938	676,949
Right-of-use-assets	186,428	186,428	—
Property, plant and equipment	877,566	538,771	338,795
Trade and other receivables long term	78	78	—
Trade and other receivables short term	37,017	37,017	—
Cash and cash equivalents	21,401	21,401	—
Lease liabilities long term	(148,426)	(148,426)	—
Provisions and other liabilities long term	(100,745)	(23,052)	(77,693)
Trade and other payables long term	(39,902)	(39,902)	—
Lease liabilities short term	(38,002)	(38,002)	—
Provisions and other liabilities short term	(12,944)	(12,944)	—
Trade and other payables	(38,196)	(38,196)	—
Net deferred tax assets /(liabilities)	(178,707)	14,284	(192,991)
Net assets acquired	**1,249,455**	**504,395**	**745,060**
Total acquisition price	1,552,364	1,552,364	
Cash in from other shareholders	(155)	(155)	
Cash and cash equivalents	(21,401)	(21,401)	
Cash outflow in the acquisition	**1,530,808**	**1,530,808**	

6. Non-current assets held for sale

Non-current assets held for sale in relation to the Hutchison United Kingdom Acquisition

In relation with the completion of the Hutchison United Kingdom Acquisition (see Note 21.b), on 3 March 2022, the United Kingdom Competition and Markets Authority ("CMA") approved the Hutchison United Kingdom Acquisition subject to divestiture by Cellnex of approximately 1,000 sites currently operated by Cellnex in the United Kingdom that geographically overlap with the sites owned or operated by the Hutchison Group in the UK (the "Divestment Remedy"). Completion of both the Hutchison United Kingdom Acquisition and the Divestment Remedy are expected to take place during 2022. The sale is highly probable, as the management has committed to a plan to sell and a buyer is actively being sought. In addition, the sites are already identified and actively marketed for sale at a price that is reasonable in relation to its current fair value. The process is progressing correctly and the transaction is expected to be closed soon.

In this sense, as of 30 June 2022, the Group considers that the requirements established in IFRS 5 have been met to classify these assets and their associated liabilities as "Assets held for sale". Consequently, based on the IFRS 5 - "Non-current assets held for sale and discontinued operations", since 30 April 2022, the assets and liabilities related to these Divestment Remedies are presented as assets and liabilities of disposal groups held for sale. Additionally, according to IFRS 5, Cellnex has not depreciated (or amortised) any non-current assets classified as held for sale, but income, interest and other expenses attributable to the liabilities of the disposal group classified as held for sale continue to be recognised. The assets and liabilities rising at the time of their new classification (accounting effect 30 April 2022) amounting to EUR 243 million and EUR 68 million, respectively. In accordance with IFRS 5.40, the above presentation requirements are applied only prospectively, without reclassification of comparative information.

The main financial figures related to the non-current assets held for sale and the liabilities associated with non-current assets held for sale in relation to the Hutchison United Kingdom Acquisition at the period ended 30 June 2022 are as follows:

	Thousands of Euros
	30 June 2022
NON-CURRENT ASSETS	
Property, plant and equipment	18,388
Intangible assets	165,964
Right-of-use assets	56,819
Total non-current assets	**241,171**
CURRENT ASSETS	
Trade and other receivables	2,103
Total current assets	**2,103**
TOTAL ASSETS	**243,274**
Non-current assets held for sale	**243,274**

	30 June 2022
NON-CURRENT LIABILITIES	
Lease liabilities	13,167
Provisions and other liabilities	18,894
Deferred tax liabilities	30,429
Total non-current liabilities	**62,490**
CURRENT LIABILITIES	
Lease liabilities	2,395
Trade and other payables	2,999
Total current liabilities	**5,394**
TOTAL LIABILITIES	**67,884**
Liabilities associated with non-current assets held for sale	**67,884**

Completion of the Divestment Remedy, subject to applicable suspensive conditions, is expected to take place during 2022. According to the Group estimations, no significant impact is expected.

Non-current assets held for sale in relation to the Hivory Acquisition

In order to fulfill Hivory Acquisition (see Note 6 of the 2021 Consolidated Financial Statements) closing requirements established by the French Competition Authority ("FCA") in the first quarter of 2022 the Group entered into: i) a business transfer agreement which sets forth the terms and conditions under which Cellnex France will sell to Phoenix France Infrastructures (or to any company controlled by Phoenix France Infrastructures that Phoenix France Infrastructure would substitute) 2,000 sites located in very dense areas of France for an expected amount of approximately EUR 600 million, net of taxes; ii) a share purchase agreement which sets forth the terms and conditions under which Hivory will transfer to Phoenix Tower France II 1,226 sites located in very dense areas of France for an expected amount of approximately EUR 235 million, net of taxes. Both agreements are part of the Divestment Remedy required by the FCA in the Hivory Acquisition (see Note Note 6 of the 2021 Consolidated Financial Statements) and are subject to its approval.

The completion of the Divestment Remedy is expected to take place during 2022 and 2023. Although the sale is probable and management has committed to a plan to sell and a buyer is actively being sought, the list of sites to sell is not definitive and could significantly change, as both seller and buyer are carrying out due diligence processes in order to identify those sites that meet certain required conditions and, finally, once the list is agreed between the Group and the buyers the final FCA approval will be required. Consequently, the Group's considers that as of 30 June 2022 the requirements established in IFRS 5 have not been met yet in order to classify these assets and their associated non-current liabilities as "Non-current assets held for sale".

7. Property, plant and equipment

The changes in this heading in the consolidated balance sheet during 2022 were as follows:

				Thousands of Euros
	Land and buildings	Plant and machinery and other fixed assets	Property, plant and equipment under construction	Total
At 1 January 2022 restated				
Cost	8,091,898	1,104,526	723,037	**9,919,461**
Accumulated depreciation	(1,211,334)	(492,754)	—	**(1,704,088)**
Carrying amount	**6,880,564**	**611,772**	**723,037**	**8,215,373**
Carrying amount at beginning of period	6,880,564	611,772	723,037	**8,215,373**
Changes in the consolidation scope (Note 5)	69,255	1,459	—	**70,714**
Additions	572,809	22,736	747,086	**1,342,631**
Disposals (net)	(78,679)	(171)	(7,569)	**(86,419)**
Transfers	197,337	(20,117)	(177,220)	**—**
Transfers to non-current assets held for sale	(16,036)	(2,352)	—	**(18,388)**
Foreign exchange differences	(30,170)	(733)	(3,445)	**(34,348)**
Depreciation charge	(286,896)	(29,762)	—	**(316,658)**
Carrying amount at close	**7,308,184**	**582,832**	**1,281,889**	**9,172,905**
At 30 June 2022				
Cost	8,806,414	1,105,348	1,281,889	**11,193,651**
Accumulated depreciation	(1,498,230)	(522,516)	—	**(2,020,746)**
Carrying amount	**7,308,184**	**582,832**	**1,281,889**	**9,172,905**

The carrying amount recognised under "Land and buildings" includes infrastructures acquired at the centres in which the Group has installed its telecommunications equipment (land, towers and buildings – prefabricated and civil works), as well as the advance payment below described.

"Plant and machinery and other fixed assets" includes mainly the telecommunications infrastructure network for broadcasting and others network services. It also includes all equipment necessary to ensure the operation of the technical equipment installed in any infrastructure (electrical and air conditioning).

"Property, plant and equipment under construction" includes the carrying amount of those items of property, plant and equipment acquired in the last days of the period that have still not been put into operation.

Movements during 2022 period

Changes in the scope of consolidation and business combinations

The movements in 2022 due to changes in the scope of consolidation and business combinations mainly correspond to the impact of the Hivory Portugal Acquisition (EUR 70 million, see Note 2.i).

Signed acquisitions and commitments

France

As of 30 June 2022, in accordance with the agreements reached with Bouygues Telecom during the period 2016 - 2020, Cellnex, through its subsidiaries Cellnex France, Towerlink France and Nexloop, has committed to acquire or for Bouygues Telecom to build, as applicable, up to 5,300 sites that will be gradually transferred to Cellnex until 2030, of which 1,609 have been transferred to Cellnex as of 30 June 2022 (1,119 as of 30 June 2021), as well as to the roll-out of a network of up to 31,500 km., interconnecting the telecommunications rooftops and towers providing service to Bouygues Telecom (approximately 5,800 of which belong to and are operated by Cellnex) with the network of “metropolitan offices”, “center offices” and “Mobile switching centers” for housing data processing centres (Edge Computing). During the first half of 2022, 201 sites were acquired (211 sites in the first half of 2021) and optic fibre network was deployed in relation to the aforementioned agreements, for an amount of approximately EUR 145 million and 118 million, respectively (EUR 239 million and 135 million as of 30 June 2021, respectively). Therefore, the total investment during the first half of 2022, in relation to the agreements described above, amounted to approximately EUR 263 million (EUR 374 million as of 30 June 2021), approximately.

Moreover, in accordance with the agreement reached with Free Mobile in 2019 (see Note 6 of the consolidated financial statements ended as of 31 December 2020), Cellnex, through its subsidiary On Tower France, has committed to acquire or for Free Mobile to build, as applicable, a minimum of 4,500 sites that will be gradually transferred to Cellnex until 2029, of which 2,272 have been transferred to Cellnex as of 30 June 2022. During the first half of 2022, 421 sites were acquired (723 sites in the first half of 2021), for an amount of approximately EUR 115 million (EUR 125 million as of 30 June 2021).

Additionally, in accordance with the agreement reached with Altice France, S.A.S and Starlight HoldCo S.à r.l for Hivory, S.A.S (see agreements described in Note 6 of the 2021 Consolidated Financial Statements), Cellnex, through its subsidiary Hivory, S.A.S, has committed to acquire or for SFR Telecom to build, as applicable, up to 2,500 sites that will be gradually transferred to Cellnex until 2030, of which 384 sites have been transferred as of 30 June 2022. During the first half of 2022, 229 sites were transferred (0 sites in the first half of 2021), for an amount of approximately EUR 64 million. The search and construction of sites is outsourced by Hivory to SFR. Hivory, within a framework of obtaining synergies, has agreed that it will front load partially these investments to facilitate the construction of up to 2,500 sites at the earliest possible date. Thus, the Group has delivered a prepayment in the first half of 2022 in respect of the investment and acceleration relating to the construction of these sites for an amount of EUR 521 million.

Therefore, the total investment in France during the first half of 2022, in relation to the agreements described above, amounted to EUR 962 million (EUR 498 million as of 30 June 2021), approximately.

Poland

During 2021 Cellnex reached an agreement in Poland with Illiad Poland and Polkomtel (see agreements described in Note 6 of the 2021 Consolidated Financial Statements ended on 31 December 2021). Cellnex, though its subsidiaries On Tower Poland and Towerlink Poland, has committed to acquire or for Illiad and Polkomtel to build, as applicable, up to 4,462 and 1,500 sites that will be gradually transferred to Cellnex until 2030, of which 580 and 56 have been transferred as of 30 June 2022 (0 and 0 as of 30 June 2021, respectively). During the first half of 2022, 392 and 21 sites were transferred (0 sites in the first half of 2021), as well as other updates in active equipment in Towerlink Poland, for a total amount of approximately EUR 99 million and EUR 10 million, respectively (EUR 0 million and EUR 0 million as of 30 June 2021, respectively).

Italy

During the first half of 2022, in the context of the Iliad Italy Acquisition, 299 sites were transferred for an amount of EUR 60 million, approximately (267 sites for an amount of EUR 43 million as of 30 June 2021).

Others

In addition to the movements described above, during the first half of 2022 investments have also been carried out by the Group in relation to "built-to-suit" agreements reached with several anchor tenants in Netherlands, Switzerland, Portugal, Ireland, Austria, Denmark and Sweden for a total amount of approximately EUR 124 million (EUR 72 million as of 30 June 2021) and other additions related to the business expansion and maintenance of the Group's operations, for an amount of approximately EUR 87 million (EUR 62 million as of 30 June 2021). The total additions for the period ended on 30 June 2022 described above, include the investments carried out by the Group in relation to engineering services that have been agreed with different customers, including ad-hoc capex eventually required (such as adaptation, engineering and design services) amounting to approximately EUR 111 million.

At 30 June 2022 the Group had not entered into additional relevant framework agreements with other customers.

Property, plant and equipment abroad

At 30 June 2022 and 31 December 2021 the Group had the following investments in property, plant and equipment located abroad:

	Thousands of Euros	
	30 June 2022	31 December 2021 restated
Italy	1,571,601	1,502,484
France	3,964,702	3,153,484
United Kingdom	352,460	324,705
Switzerland	207,184	209,462
Portugal	317,460	247,382
Austria	211,432	207,763
Poland	1,187,109	1,151,151
Others	530,124	531,705
TOTAL	**8,342,072**	**7,328,136**

Fully depreciated assets

At 30 June 2022, fully depreciated property, plant and equipment amounted to EUR 1,498 million (EUR 916 million at 31 December 2021).

Change of control clauses

With regards to the Group's acquisitions of infrastructures from mobile telecommunications operators, certain material contracts entered into by the Group, including most of the Group's agreements with anchor customers, could be modified or terminated if a change of control clause is triggered. With regards to the material contracts entered into by the Group with anchor customers, a change of control clause may be triggered (and is generally limited to) in the event where a competitor of the anchor customer, either alone or in conjunction with others, obtains "significant influence" and/or "control" (which is generally defined as having (i) more than 50% of shares with voting rights (except in a few exceptional cases where this threshold is defined as having 29% or more of shares with voting rights), or (ii) the right to appoint or dismiss the majority of the members of the board of directors of the relevant Group company). In such circumstances, the anchor customer may be granted an option to buy back assets (generally the infrastructures where they are being serviced). In addition, such buy back option can also be granted in the event that a direct competitor of the anchor customer acquires a significant portion of the shares or obtains voting or governance rights which can be exercised in a way that can negatively affect the anchor customer's interests. A change of control clause may be triggered at the level of Cellnex or only at the level of the relevant subsidiary that has entered into the relevant contract. In certain contracts, the definition of control, and therefore of a change of control, makes specific reference to the applicable law in the relevant jurisdiction.

Purchase commitments at period-end

At period-end the Group held purchase agreements for property, plant and equipment assets amounting to EUR 6,414 million (EUR 6,108 million at 31 December 2021). These purchase commitments were related to the agreements reached in France with Free Mobile in 2019, where Cellnex, through its subsidiary On Tower France, has committed to acquire or for Free Mobile to build, as applicable, a minimum of 4,500 sites that will be gradually transferred to Cellnex until 2029, and several projects with Bouygues Telecom (regular build-to-suit sites, construction and acquisition of Mobile Switching Centers, Metropolitan Offices and Central Offices -sites with data processing capabilities-, and through which Nexloop will deploy a national optic fiber network in France to provide mobile and fixed fiber-based connectivity and especially accelerate the roll-out of 5G in the country). Additionally, in accordance with the agreement reached with Altice France, S.A.S and Starlight HoldCo S.à r.l for Hivory, S.A.S in 2021, Cellnex, through its subsidiary Hivory, S.A.S, has committed to acquire or for SFR Telecom to build, as applicable, up to 2,500 sites that will gradually transferred to Cellnex until 2030. Furthermore, it included the agreements reached during 2021 in Poland with Illiad Poland and Polkomtel, where, Cellnex, though its subsidiaries On Tower Poland and Towerlink Poland, has committed to acquire or for Illiad and Polkomtel to build, as applicable, up to 4,462 and 1,500 sites that will be gradually transferred to Cellnex until 2030. In addition to the commitments described above, it also included the agreements with CK Hutchison Networks related to the deployment of new sites in Austria, Denmark, Ireland, Italy and Sweden, the transactions already completed, and the United Kingdom, which transaction is pending to be completed as of the date of this Interim Consolidated Financial Statements, as well as other "build-to-suit" agreements reached with several anchor tenants in Italy, Switzerland, Portugal, Ireland and the Netherlands.

Impairment

As disclosed in Notes 3.a and 3.c of the 2021 Consolidated Financial Statements, the Group evaluates at the end of every financial year if there is any indication of impairment in value of any asset. If any indications were to exist and, at least annually for goodwill, the Group will estimate the recoverable amount of the asset, which is taken to be the greater of the fair value of the asset less costs to sell and its value in use.

During the 6-month period ended 30 June 2022 no indication exists, also considering the non-significant impact of Coronavirus pandemic and the Russian Invasion in Ukraine as described in Note 2.d., that could lead to the existence of impairment in relation to the tangible assets of the Group, taking into consideration, mainly and among others, that the contracts signed with MNOs and other clients are long-term and are total o partially CPI-linked contract. Additionally, the assets of the CGU's have not changed and the 2021 impairment test reflected sufficient headroom that allows to absorb significant variations of the key hypotheses including modifications in the discount rate applied.

Other disclosures

At 30 June 2022 and 31 December 2021, the Group did not have significant property, plant and equipment subject to restrictions or pledged as collateral on liabilities.

8. Intangible assets

The changes in this heading in the consolidated balance sheet during 2022 were as follows:

				Thousands of Euros
	Goodwill	Intangible assets for telecom infrastructure services	Computer software and other intangible assets	Total
At 1 January 2022 restated				
Cost	6,021,326	19,382,090	408,637	**25,812,053**
Accumulated amortisation	—	(1,316,755)	(98,098)	**(1,414,853)**
Carrying amount	**6,021,326**	**18,065,335**	**310,539**	**24,397,200**
Carrying amount at beginning of period	6,021,326	18,065,335	310,539	**24,397,200**
Changes in the scope of consolidation (Note 5)	4,428	21,237	—	**25,665**
Additions	—	—	14,867	**14,867**
Disposals (net)	—	—	(3,400)	**(3,400)**
Transfers to non-current assets held for sale (Note 6)	(38,136)	(126,304)	(1,524)	**(165,964)**
Foreign exchange differences	(42,147)	(49,953)	(1,353)	**(93,453)**
Amortisation charge	—	(472,793)	(37,041)	**(509,834)**
Carrying amount at close	**5,945,471**	**17,437,522**	**282,088**	**23,665,081**
At 30 June 2022				
Cost	5,945,471	19,227,070	417,227	**25,589,768**
Accumulated amortisation	—	(1,789,548)	(135,139)	**(1,924,687)**
Carrying amount	**5,945,471**	**17,437,522**	**282,088**	**23,665,081**

Movements during 2022 period

Signed acquisitions and commitments

During the 6-month period ended on 30 June 2022, the Group had not entered into any other framework agreements with customers additional to those detailed in Note 8 of the 2021 Consolidated Financial Statements.

Intangible assets abroad

At 30 June 2022 and 31 December 2021, the Group had the following net book value of intangible assets located in the following countries:

	Thousands of Euros	
	30 June 2022	31 December 2021 restated
Italy	3,919,858	4,010,774
Netherlands	1,264,867	1,290,986
France	7,581,528	7,727,590
United Kindom	2,606,770	2,907,072
Portugal	1,466,642	1,504,440
Switzerland	1,439,888	1,419,044
Ireland	870,187	882,971
Austria	1,011,416	1,030,221
Poland	2,093,459	2,178,881
Others	1,138,884	1,191,818
TOTAL	**23,393,499**	**24,143,797**

Fully depreciated assets

At 30 June 2022, fully depreciated intangible assets amounted to EUR 160,080 thousand (EUR 44,442 thousand at 31 December 2021).

Purchase commitments at period-end

At 30 June 2022, the Group held purchase agreements for intangible assets, excluding those intangible assets that may arise as a result of business combinations (see Note 21.b), amounting to EUR 8,107 thousand (EUR 1,223 thousand at 31 December 2021).

Impairment

As disclosed in Notes 3.a and 3.c of the consolidated financial statements corresponding to the year ended on 31 December 2021, the Group evaluates at the end of every financial year if there is any indication of impairment in value of any asset. If any indications were to exist and, at least annually for goodwill, the Group will estimate the recoverable amount of the asset, which is taken to be the greater of the fair value of the asset less costs to sell and its value in use.

During the 6-month period ended 30 June 2022 no indication exists, also considering the non-significant impact of Coronavirus pandemic and the Russian Invasion in Ukraine as described in Note 2.d., that could lead to the existence of impairment in relation to the goodwill or intangible assets of the Group, taking into consideration, mainly and among others, that the contracts signed with MNOs and other clients are long-term and are total o partially CPI-linked contract. Additionally, the assets of the CGU's have not changed and the 2021 impairment test reflected sufficient headroom that allows to absorb significant variations of the key hypotheses including modifications in the discount rate applied.

Other disclosures

At 30 June 2022 and 31 December 2021, the Group did not have significant intangible assets subject to restrictions or pledged as collateral on liabilities.

9. Investments in associates

The changes in this heading in the consolidated balance sheet are as follows:

	Thousands of Euros
	2022
At 1 January	**3,265**
Profit of the year	1,665
Changes in perimeter	14,486
Others	14
At 30 June	**19,430**

The shareholdings in associates accounted for using the equity method are detailed as follows:

	Thousands of Euros	
	Value of the shareholding	
	30 June 2022	31 December 2021
Torre Collserola, S.A.	1,958	1,958
Nearby Sensors	268	280
Nearby Computing	120	249
Consorcio de Telecomunicaciones Avanzadas, S.A. (COTA)	900	778
Digital Infrastructure Vehicle I SCSp (DIV) (1)	16,184	—
Total	**19,430**	**3,265**

(1) Includes both the DIV's and new investment's "Equity Value."

Additional investment through Digital Infrastructure Vehicle I SCSp (“DIV”)

As part of the T-Mobile Infra Acquisition (see Note 6 of 2021 Consolidated Financial Statements), Cellnex, together with DTAG, as fund’s initial limited partners, signed a commitment letter, pursuant to which Cellnex committed to invest EUR 200 million in DIV. In this regard, during the first half of 2022, DIV (an alternative investment fund in which Cellnex owns the 33.33% and its initial investment was the 37.65% in Cellnex Netherlands) drew approximately EUR 15 million, which Cellnex additionally paid with available cash. Such funds were used mainly to finance the acquisition by DIV of an small fiber company in the Netherlands. Thus, these new subsequent investments made by DIV, as per IFRS 10:B94 “Equity Method as One-line Consolidation”, have been evaluated separately and have been consolidated within the Cellnex Group through the equity method as of 30 June 2022. Finally, as of 30 June 2022 the Cellnex’s remaining investment commitment in DIV amounts to EUR 48 million.

In addition to the impairment indication analysis referred to above, the Group carried out also an impairment indication analysis to determine the recoverability of the investments in associates. To carry out these analysis, the Group considered future cash flow projections in a manner similar to that indicated in Note 8, and no indication was found for the 2022 6-month period ended as of 30 June 2022.

10. Current and non-current financial investments

The breakdown of this heading in the accompanying consolidated balance sheet at 30 June 2022 and 31 December 2021 is as follows:

						Thousands of Euros
			30 June 2022			31 December 2021
	Non-current	Current	Total	Non-current	Current	Total
Advances to customers	25,382	3,371	**28,753**	26,406	3,151	**29,557**
Current and non-current financial investments	**25,382**	**3,371**	**28,753**	**26,406**	**3,151**	**29,557**

Advances to customers

The changes in “advances to customers” during the 6-month period ended on 30 June 2022 were as follows:

			Thousands of Euros
			2022
	Non-current	Current	Total
At 1 January	**26,406**	**3,151**	**29,557**
Additions	147	—	**147**
Charge to the consolidated income statement	—	(1,582)	**(1,582)**
Transfer	(1,582)	1,582	**—**
Others	411	220	**631**
At 30 June	**25,382**	**3,371**	**28,753**

Current and non-current financial investments relate to the accounting treatment adopted by the Group in reference to the telecom infrastructures acquired, which are to be subsequently dismantled. These purchases are considered advances to customers and are recognized under these headings (see Note 3.d. of the 2021 Consolidated Financial Statements).

The balances of the financial assets are reflected at their face value, there being no significant differences concerning their fair value.

Additions

Corresponds to the pluri-annual commercial costs assumed by the Group in order to obtain the service provision services agreements with the mobile telephone operators, through the purchase of the telecom infrastructures from these operators, the dismantling of which has been agreed to along with the related cost.

Charge to the consolidated income statement

During 2022, in line with the terms of the services agreements entered into with the operators, the corresponding amount of the total paid for the purchase of telecommunications infrastructure, treated as prepayment for the subsequent service agreements, was taken to the accompanying consolidated income statement. At 30 June 2022 this amount was recorded as a reduction to revenues amounting to EUR 1,582 thousand (1,523 thousand from the 6-month period ended on 30 June 2021).

Transfers

The transfers from the 6-month period ended on 30 June 2022 are due to the classification under “Current financial investments” of the part that is expected to be charged during the next financial year to the consolidated income statement.

11. Derivative financial instruments

The detail of the fair value of the derivative financial instruments at 30 June 2022 and 31 December 2021 is as follows:

				Thousands of Euros
	30 June 2022		31 December 2021	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps:				
Cash flow hedges	33,680	—	3,764	2,622
Fair value hedges	—	5,014	—	—
Interest rate and/or cross currency swaps and/or forwards:				
Cash flow hedges	102,030	—	26,352	—
Hedges of a net investment in a foreign operation	—	1,452	—	9,210
Derivatives not designated as hedges	—	—	77	—
Derivative financial instruments	**135,710**	**6,466**	**30,193**	**11,832**
Interest rate and/or cross currency swaps and/or forwards:				
Cash flow hedges	135,710	—	30,116	2,622
Fair value hedges	—	5,014	—	—
Hedges of a net investment in a foreign operation	—	1,452	—	9,210
Derivatives not designated as hedges	—	—	—	—
Non-current	**135,710**	**6,466**	**30,116**	**11,832**
Current	**—**	**—**	**77**	**—**

The Group has used interest rate swaps, interest rate and/or cross currency swaps and forwards, in accordance with the financial risk management policy described in Note 5 of the 2021 Consolidated Financial Statements.

The detail of the derivative financial instruments at 30 June 2022 and 31 December 2021, by type of instrument, showing their notional or contractual values, expiry dates and fair values, is as follows:

								Thousands of Euros
								30 June 2022
	Notional amount	2022	2023	2024	2025	2026	Subsequent years	Net fair value
Interest rate swaps:								
Cash flow hedges	635,914	(1,518)	13,737	15,619	16,833	17,405	75,862	135,710
Fair value hedge	500,000	(2,377)	(198)	(2,867)	(3,012)	3,674	—	(5,014)
Interest rate and/or cross currency swaps:								
Hedges of a net investment in a foreign operation	450,000	—	(5,135)	(4,970)	(4,768)	(4,621)	16,998	(1,452)
Total	**1,585,914**	**(3,895)**	**8,404**	**7,782**	**9,053**	**16,458**	**92,860**	**129,244**

	Thousands of Euros							
	31 December 2021							
	Notional amount	2022	2023	2024	2025	2026	Subsequent years	Net fair value
Interest rate swaps:								
Cash flow hedges	635,914	6,173	6,822	7,580	7,821	8,115	(14,391)	27,494
Interest rate and/or cross currency swaps:								
Hedges of a net investment in a foreign operation	450,000	(5,494)	(5,368)	(5,261)	(5,094)	(4,970)	16,531	(9,210)
Total	**1,085,914**	**679**	**1,454**	**2,319**	**2,727**	**3,145**	**2,140**	**18,284**

Interest rate swaps

The bond issued in April 2017 for EUR 80 million and maturing in April 2026 was hedged with floating-to-fix IRS, converting the floating rate of the bond in to a fixed rate (see Note 15). The notional amount and the maturity of the IRS match those of the underlying bond. As a result of the contracted IRS the final interest rate on the EUR 80 million bond is 2.945%.

Additionally, during 2020, Nexloop arranged a floating-to-fix IRS for an increasing nominal value up to EUR 448 million. This transaction was structured to hedge the EUR 600 million 8-year capex facility to partially finance the deployment of the fibre network by Nexloop (see Notes 2.h and 7 of the annual consolidated financial statements of the 2020 financial year).

Finally, on April 2022, the Group entered into an interest rate swap agreement for EUR 500,000 thousand, partially transforming the latest EUR 1,000 million bond issuance from fix-to-floating rate (see Note 15). In this regards, this interest rate swap has been treated as a fair-value hedge. This hedge is referred to 6M EURIBOR and the reference rate is 0.935%

Cross currency interest rate swaps and forwards

During 2020, Cellnex Telecom, S.A. arranged a CCS for EUR 450 million and an equivalent sterling value of GBP 382 million which was designated together with the bond issue of EUR 450 million described in Note 13 of the 2020 Consolidated Financial Statements as a natural hedge of the net investment made in United Kingdom Group's subsidiaries.

During the first half of 2021, Cellnex Finance entered into a cross-currency swap agreement by virtue of which Cellnex lent the USD 600 million from the bond issuance at a coupon of 3.875% and borrowed the equivalent amount of euros at an agreed exchange rate enabling Cellnex to obtain approximately EUR 505 million at a coupon of 2.5% (see Note 15).

During 2021, Cellnex designated the cash maintained in zlotys (PLN) amounting to PLN 6,787 million, together with the arranged forward rate agreements in zlotys for an amount of PLN 5,618 million and an equivalent euro value of EUR 1,250 million to hedge the disbursement envisaged in relation to the investment commitment acquired in October 2020 in relation to the Iliad Poland Acquisition (see Note 5) which became effective in the first quarter of 2021, and the Polkomtel Acquisition, which was effective in the third quarter of 2021 (see Note 5). It should be noted that available cash in PLN, together with the forward rate agreements, were classified as a hedge since the requirements for such classification were met given, inter alia, that the aforementioned investments commitment were considered to constitute a highly probable transactions. Consequently, in relation with Iliad Poland Acquisition and Polkomtel Acquisition, exchange differences EUR-PLN amounting to EUR 14,719 thousand and EUR (1,654) thousand were recognised in the total acquisition price of the Iliad Poland Acquisition and Polkomtel Acquisition, respectively (see Notes 5 and 14.c.iii of the 2021 Consolidated Financial Statements). In this regard, during the first quarter of 2022, the Group designated the cash maintained in zlotys (PLN) amounting to PLN 615 million to hedge the disbursement envisaged in relation to the investment commitment acquired in March 2022 in relation to the 10% stake of On Tower Poland acquisition (see Note 2.h). Consequently, exchange differences EUR-PLN amounting to EUR 5,835 thousand were recognised in the total acquisition price of the minority stake.

Finally, without being a derivative financial instrument contracted, the Group applied net investment hedge certain debts maintained in currency other than euro to hedge currency risk in a net investment in a foreign operation as described in Note 15.

As of 30 June 2022 and 31 December 2021, the estimated sensitivity in the value of interest rate swaps to a 1% change (increase or decrease) in the interest rate is as follows:

				Thousands of Euros
		30 June 2022		31 December 2021
	1% change	-1% change	1% change	-1% change
Interest rate swaps:				
Cash flow hedges	17,371	(18,580)	21,557	(20,952)
Fair value hedges	(18,854)	19,861	—	—

As of 30 June 2022 and 31 December 2021, the estimated sensitivity in the value of interest rate and/or cross currency swaps to a 10% change (increase or decrease) in the exchange rate is as follows:

				Thousands of Euros
		30 June 2022		31 December 2021
	10% change	-10% change	10% change	-10% change
Interest rate and/or cross currency swaps:				
Cash flow hedges	69,807	(68,598)	93,551	(50,392)
Hedges of a net investment in a foreign operation	(32,569)	32,569	(57,967)	39,421

Derivatives not designated as hedges

In September 2021, Cellnex Telecom, S.A. entered into a Reverse Repurchase Agreement, for a notional amount of EUR 500 million with a financial institution. According to the terms of the agreement, the contracted financial instrument fulfill all the requirements established in IFRS 9 IG.B.6 to be recognised and measured as a single combined instrument and consequently be accounted for as a single transaction to an interest rate swap, but it cannot be qualified as hedge.

12. Trade and other receivables

The breakdown of this heading in the accompanying consolidated balance sheet at 30 June 2022 and 31 December 2021 is as follows:

						Thousands of Euros
			30 June 2022			31 December 2021
	Non-current	Current	Total	Non-current	Current	Total
Trade receivables (gross)	—	879,707	**879,707**	—	826,913	**826,913**
Allowances for doubtful debts (impairments)	—	(25,697)	**(25,697)**	—	(20,021)	**(20,021)**
Trade receivables	**—**	**854,010**	**854,010**	**—**	**806,892**	**806,892**
Current tax assets	—	294,697	**294,697**	—	280,734	**280,734**
Receivables with other related parties (Note 23.d)	—	139	**139**	—	—	**—**
Other receivables	54,501	99,531	**154,032**	50,830	64,453	**115,283**
Trade and other receivables	**54,501**	**1,248,377**	**1,302,878**	**50,830**	**1,152,079**	**1,202,909**

Trade and other receivables are shown at amortised cost, which does not differ significantly from their nominal value.

Trade receivables

"Trade receivables" includes outstanding amounts from customers. At 30 June 2022 and 31 December 2021, the account had no significant past-due balances that were not provided for.

The balance of public-sector debtors as at 30 June 2022 and 31 December 2021, amounted to EUR 17,859 thousand and EUR 13,007 thousand, respectively.

At 30 June 2022 the amount utilized under the non-recourse factoring agreements stood at EUR 22.6 million (no balance drawn down at 2021 year-end). In this regard, the Group derecognises the receivables sold on a non-recourse basis as it considers that it has substantially transferred the risks and rewards inherent to their ownership to banks. As at 30 June 2022 the limit under the non-recourse factoring agreements stood at EUR 262.5 million (EUR 262.5 million as at 2021 year-end).

Allowances for doubtful debts (write-downs)

The changes in the allowance for doubtful debts during 2022 were as follows:

	Thousands of Euros
	2022
At 1 January	**20,021**
Disposals	(270)
Net changes	5,946
At 30 June	**25,697**

Disposals in this period relate to previous balances that were fully provided for, and which the Group decided to completely derecognise, without this having any impact on the accompanying consolidated income statement.

Net changes relate to changes in the provision recognised under "Changes in provisions" in the accompanying consolidated income statement with regard to the previous year.

Current tax assets

The breakdown of "Current tax assets" is as follows:

	Thousands of Euros	
	30 June 2022	**31 December 2021**
Corporate income tax	23,528	31,437
VAT receivable	269,914	243,932
Other taxes	1,255	5,365
Current tax assets	**294,697**	**280,734**

At 30 June 2022, this line mainly included VAT receivable derived from the acquisition of mobile telecom infrastructures in France, UK and Poland (see Note 7) for an amount of EUR 109 million (EUR 124 million at 31 December 2021). At 31 December 2021 this caption additionally included the VAT receivable amounting to EUR 34 million corresponding to the payment in advance in consideration for the cancellation of certain outstanding lease payments.

Other receivables

At 30 June 2022 and 31 December 2021 "Other receivables" comprises:

- The PROFITS (coordination) mechanism by which the Group plays the role of coordinator for certain aid programs under the National Plan for Scientific Research, Development and Technological Innovation (PROFIT) granted by the Spanish Ministry for Industry, Tourism and Trade and applies for this aid together with other companies. The Group includes in current and non-current accounts receivable amounts that were previously assigned to third parties, received by the Group under the guise of PROFIT grants and refundable loans. On the other hand, the full amount of PROFIT grants received by the Group (including part of the amount assigned to third parties) is recognised under "Other non-current borrowings" and "Other current borrowings" (see Note 15).

- Other loans with service purchasers that are not strictly considered customers and with other trade debtors not included under other accounts. Advances to creditors, debtors and employees are also recognised under this heading.

There are no significant differences between the carrying amount and the fair value of the financial assets.

13. Cash and cash equivalents

The breakdown of "Cash and cash equivalents" is as follows:

	Thousands of Euros	
	30 June 2022	**31 December 2021**
Cash on hand and at banks	1,789,704	2,726,713
Term deposits at credit institutions	679,721	1,199,865
Total	**2,469,425**	**3,926,578**

14. Net equity

a) Share capital and treasury shares

Share capital

At 30 June 2022 and 31 December 2021, the share capital of Cellnex Telecom, S.A. amounted to EUR 169,832 thousand, represented by 679,327,724 cumulative and indivisible ordinary registered shares of EUR 0.25 par value each, fully subscribed and paid.

Significant shareholders

In accordance with the notifications concerning the number of shares held made to the National Securities Market Commission ("CNMV"), the shareholders who hold significant shareholdings in the share capital of the Parent Company, both directly and indirectly, greater than 3% of the share capital at 30 June 2022 and 31 December 2021, are as follows:

	% ownership	
Company	**30 June 2022**	**31 December 2021**
Edizione, S.r.l. [1]	8.53 %	8.53%
GIC Private Limited [2]	7.03 %	7.03%
The Children's Investment Master Fund [3]	6.73%	5.00%
Blackrock, Inc.	5.21%	5.21%
Canada Pension Plan Investment Board	5.00%	5.00%
Fundación Bancaria Caixa D' Estalvis i Pensions de Barcelona	4.77 %	4.77%
Norges Bank	3.00%	3.00%
FMR, LLC. [4]	—	3.22%
Wellington Management Group LLP [5]	—	4.28%
Capital Research and Management Company [6]	—	3.88%
	40.27 %	**49.92 %**

Source: National Securities Market Commission ("CNMV").

(1) Edizione S.r.l. ("Edizione") controls Sintonia S.p.A. ("Sintonia") which in turn controls ConnecT Due S.r.l.

(2) GIC Private Limited holds directly 100% of the share capital of GIC Special Investments Private Limited ("GICSI"). GICSI provides direction and management to GIC Infra Holdings Private Limited, which in turn holds 100% of the share capital of Lisson Grove Investment Private Limited.

(3) The Children´s Investments Master Fund is managed by the TCI Fund Management Limited by means of certain investment agreements. TCI Fund Management Limited is controlled by Christopher Anthony Hohn. The transactions were executed across a number of venues, including regulated markets, MFT, and OTC.

(4) At the end of June 2022, FMR, LLC. decreased its position under 3% of the voting rights.

(5) Wellington Management Company LLP is a direct controlled undertaking of Wellington Investment Advisors Holdings LLP, which, in turn, is a direct controlled undertaking of Wellington Group Holdings LLP, which in turn, is a direct controlled undertaking of Wellington Management Group LLP.

(6) The Capital Group Companies, Inc. ("CGC") is the parent company of Capital Research and Management Company ("CRMC") and Capital Bank & Trust Company ("CB&T"). CRMC is a U.S.-based investment management company that serves as investment manager to the American Funds family of mutual funds, other pooled investment vehicles, as well as individual and institutional clients.

At 30 June 2022 and 31 December 2021, Edizione was positioned as a reference shareholder in Cellnex Telecom, S.A., holding a 8.53% stake in its share capital in both dates.

In addition, as partial consideration for the CK Hutchison Holdings Pending Transaction with regards to the United Kingdom and subject to the adjustment events, Hutchison is expected to hold upon closing of the transaction an interest of between approximately 3.4% and 4.8% in Cellnex, assuming that no adjustment events occur. See Note 21 of the accompanying interim condensed consolidated financial statements.

As of 30 June 2022 and 31 December 2021, none of the significant shareholders, whether individually or together, controls the Parent Company.

Treasury shares

On 19 May 2021, Cellnex announced a new treasury shares purchase programme pursuant the proper authorization up to a limit of EUR 24.7 million and with a maximum of 520,000 shares representing 0.076% of the share capital of the Group. This purchase programme was used for delivery to employees according to the employee remuneration payable in shares. On 28 October 2021, the above mentioned purchase program was expanded up to a limit of EUR 44.7 million and with a maximum of 820,000 shares representing 0.12% of the share capital of the Group. In this regards, on 21 November 2021, Cellnex communicated the termination of the purchase programme, having reached the maximum number of shares to be acquired.

During the second half of 2021, Cellnex Board of Directors approved the Cellnex' s Treasury Share Policy, which is available on the Corporate Website. Thus, during the 6-month period ended 30 June 2022, Cellnex carried out discretional purchases of treasury shares for an amount of EUR 302,206 thousand (EUR 7,616 thousand during the 6-month period ended 30 June 2021). These purchases have been carried out under the delegation from the general shareholders meeting to the Board of Directors of May 2018 and fulfilling the principles established in the treasury shares policy. The use of the treasury shares acquired under discretional purchases will depend on the agreements reached by the Corporate Governance bodies.

In addition, during this period, 290,578 treasury shares have been transferred to employees in relation to the employee remuneration payable in shares (123,526 during the 6-month period ended on 30 June 2021). During the 6-month period ended on 30 June 2022, the Parent Company has registered a loss of EUR 5,804 thousand (a profit of EUR 684 thousand in the same period in 2021), net of fees and commissions, as a result of these operations and this has been taken as a reserve movement in the consolidated balance sheet.

The number of treasury shares as at 30 June 2022 amounts to 8,083,831 shares and represents 1,19% of the share capital of Cellnex Telecom, S.A. (0.177% as at 31 December 2021).

The use of the treasury shares held at 30 June 2022 will depend on the agreements reached by the Corporate Governance bodies.

The movement in the portfolio of treasury shares during the first half of 2022 has been as follows:

2022

	Number (Thousands of Shares)	Average Price	Purchases/Sales (Thousands of Euros)
At 1 January 2022	**1,202**	**50.569**	**60,802**
Purchases	7,328	41.230	302,206
Sales / Others	(446)	42.553	(19,007)
At 30 June 2022	**8,084**	**42.553**	**344,001**

b) Share premium

As at 30 June 2022 the share premium of Cellnex Telecom amounted to EUR 14,569 million (EUR 14,581 million at the end of 2021), due to the cash pay out to shareholders of EUR 11,820 thousand that was declared from the share premium account (see Note 14.d).

c) Reserves

The breakdown of this account is as follows:

	Thousands of Euros	
	30 June 2022	31 December 2021 restated
Legal reserve	19,000	19,000
Reserves from retained earnings and other reserves	(52,801)	48,460
Reserves of consolidated companies	(930,233)	(271,957)
Hedge reserves	37,873	(2,142)
Foreign exchange differences	(48,476)	73,213
Reserves	**(974,637)**	**(133,426)**

I) Legal reserve

In accordance with the consolidated text of the Spanish Limited Liability Companies Act, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve may not be distributed to shareholders unless the Parent Company is liquidated.

The legal reserve may be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount.

Apart from the purpose mentioned above, the legal reserve may be used to offset losses unless it exceeds 20% of the capital and no other sufficient reserves are available for such purpose.

At 30 June 2022 and 31 December 2021, because of the capital increase carried out during 2021 and 2020, the legal reserve had not reached the legally established minimum.

II) Reserves from retained earnings and other reserves

This line corresponds to the voluntary reserves of the Parent Company of the Group. These reserves are freely available.

III) Reserves of consolidated companies

This line includes the convertible bond reserve, which amounts to EUR 230,147 thousand and 230,692 thousand as of 30 June 2022 and 31 December 2021.

The convertible bonds are compounded instruments that have been split into its two components: a debt component corresponding to the present value of the coupons and principal discounted at the interest rate of a non-convertible bond, with same nominal amount and maturity, without the convertibility option; and an equity component, for the remaining amount, due to the bondholder option to convert into shares.

The decrease in "Reserves of consolidated companies" during 2022 is mainly due to the impact recognised in equity due to: i) the distribution of 2021 losses for an amount of EUR 360 million, ii) the negative impact amounting to EUR 368 million in relation with the transaction with non-controlling interests of On Tower France in relation with the 30% of the share capital acquired from Iliad (see Note 2), iii) the negative impact amounting to EUR 1 million in relation with the transaction with non-controlling interests of On Tower Poland in relation with the 10% of the share capital acquired from Play (see Note 2), and iv) the negative impact on reserves amounting to EUR 9 million in relation with the update of the contingent commitment to purchase shares of Cellnex Netherlands in the framework of the T-Mobile Infra Acquisition. As of 30 June 2022, the value of the contingent commitment amounted to EUR 305 million (EUR 296 million as of 2021 year-end). See Note 19 c), and v) employee benefit payable in shares (see Note 19).

At 30 June 2022 and 31 December 2021, there are no significant non-distributable reserves from both the parent company and the subsidiaries, except from the Legal reserve described above.

IV) Hedge reserve

This line item includes the reserve generated by the effective portion of the changes in the fair value of the derivative financial instruments designated and classified as cash flow hedges and/or hedges of net investments in foreign operations in the case of the fully consolidated companies.

V) Foreign exchange differences

The detail of this line item is as follows:

	Thousands of Euros	
	30 June 2022	31 December 2021 restated
Cellnex UK (GBP)	62,812	92,854
Cellnex Telecom (USD)	702	610
Cellnex Switzerland (CHF)	19,075	15,001
Cellnex Denmark (DKK)	(25)	(192)
Cellnex Sweden (SEK)	(50,657)	(15,067)
Cellnex Poland (PLN)	(80,383)	(19,993)
Total	**(48,476)**	**73,213**

d) Interim dividend and proposed dividends

On 21 July 2020, the Annual Shareholders' Meeting approved the distribution of a dividend charged to the share premium reserve to a maximum of EUR 109 million, to be paid upfront or through installments during the years 2020, 2021, 2022 and 2023. It was also agreed to delegate to the Board of Directors the authority to establish, if this is the case, the amount and the exact date of each payment during said period, always attending to the maximum overall amount stipulated.

According to the aforementioned Shareholders' Remuneration Policy, (i) the shareholder remuneration corresponding to the fiscal year 2020 was equivalent to that of 2019 (EUR 26.6 million) increased by 10% (to EUR 29.3 million); (ii) the shareholder remuneration corresponding to the fiscal year 2021 was equivalent to that of 2020, increased by 10% (to EUR 32.2 million); and (iii) the shareholder remuneration corresponding to the fiscal year 2022 will be equivalent to that of 2021, increased by 10% (to EUR 35.4 million).

During the first half of 2022, in compliance with the Parent Company´s dividend policy, the Board of Directors, pursuant to the authority granted by resolution of the Annual Shareholders' Meeting of 21 July 2020, approved the distribution of a cash pay-out charged to the share premium reserve of EUR 11,820 thousand, which represented EUR 0.01761 for each existing and outstanding share with the right to receive such cash pay-out.

The payment of the dividends will be made on the specific dates to be determined in each case and will be duly announced.

Notwithstanding the above, the Parent Company's ability to distribute dividends depends on a number of circumstances and factors including, but not limited to, net profit attributable to the Parent Company, any limitations included in financing agreements and Group's growth strategy. As a result of such or other circumstances and factors, the Parent Company may modify the Shareholders' Remuneration Policy or may not pay dividends in accordance with the Shareholders' Remuneration Policy at any given time. In any case, the Parent Company will duly announce any future amendment to the Shareholders' Remuneration Policy.

e) Earnings per share

The table below shows the basic and diluted earnings per share calculated by dividing the net profit for the year attributable to the shareholders of Cellnex Telecom, S.A. by the weighted average number of shares outstanding during the year, excluding the average number of treasury shares held by the Group.

	Thousands of Euros	
	30 June 2022	30 June 2021
Profit/(loss) attributable to the Parent Company	(170,328)	(66,924)
Weighted average number of shares outstanding (Note 14.a)	672,357,715	541,085,317
Basic EPS attributable to the Parent Company (euros per share)	(0.25)	(0.13)
Diluted EPS attributable to the Parent Company (euros per share)	(0.17)	(0.07)

f) Non-controlling interests

The balance of this heading in the Group's equity includes the interest of non-controlling shareholders in the fully consolidated companies. Additionally, the balance of "Profit attributable to non-controlling interests" in the consolidated statement of comprehensive income represents the share of non-controlling shareholders in the profit for the period.

The detail of the non-controlling interests is as follows:

				Thousands of Euros	
Non-controlling interests	**Country**	**%(*) owned by Cellnex as of 30/06/2022**	**%(*) owned by Cellnex as of 31/12/2021**	**30 June 2022**	**31 December 2021 restated**
Cellnex Switzerland	Switzerland	72 %	72 %	223,831	215,939
Swiss Towers	Switzerland	72 %	72 %	(11,167)	(12,927)
Swiss Infra	Switzerland	72 %	72 %	59,676	60,001
Grid Tracer	Switzerland	40 %	40 %	662	616
Adesal Telecom	Spain	60 %	60 %	2,370	2,514
OnTower France	France	100 %	70 %	—	583,148
Nexloop (1)	France	51 %	51 %	26,534	12,958
Metrocall	Spain	60 %	60 %	27,810	28,039
Cellnex Netherlands (2)	Netherlands	75 %	75 %	198,478	199,724
Towerlink Netherlands (2)	Netherlands	75 %	75 %	11,272	11,595
Breedlink (2)	Netherlands	75 %	75 %	(332)	(307)
Shere Masten (2)	Netherlands	75 %	75 %	(1,572)	(1,167)
Alticom (2)	Netherlands	75 %	75 %	(708)	47
On Tower Netherlands subgroup (2)	Netherlands	75 %	75 %	11,835	10,972
Cignal Infrastructure Netherlands (2)	Netherlands	75 %	75 %	(4,241)	(1,966)
On Tower Poland (3)	Poland	70 %	60 %	380,946	524,312
Towerlink Poland (4)	Poland	99.99 %	99.99 %	147	154
Total				**925,541**	**1,633,652**

(*) Corresponds to the stake owned by Cellnex in each subsidiaries,directly or indirectly.

(1) The agreement between Cellnex and Bouygues Telecom (see note 2.h of the 2020 Consolidated Financial Statements) includes certain exit agreements and provides Bouygues Telecom with call options over Nexloop's shares held by Cellnex France Groupe, upon the expiry of a given period of time (that is, a 20-year period from the execution of the shareholders' agreement) and subject to certain conditions which the Group believes makes its execution challenging, or in the event that a triggering event occurs (including the violation by Cellnex of the agreements between the shareholders). The signed shareholders' agreement also sets out Cellnex France's right, but not the obligation, to purchase this non-controlling interest subject to certain events, and, if exercised, Bouygues Telecom will have the obligation to sell its Nexloop's shares, subject to certain conditions and at a price to be calculated pursuant to said agreement.

(2) As detailed in Note 5, Cellnex, DIV and a Dutch foundation entered into an agreement upon closing, which set forth the right of DIV to sell its 37.65% non-controlling interest to Cellnex, at a price to be calculated pursuant to said agreement. This agreement is very similar to the put option agreement of Cellnex Switzerland with DTCP executed in 2019 (see 2019 Consolidated Financial Statements). Thus, as a consequence of the terms set forth in paragraph 23 of IAS 32, the Group maintains a liability (see Note 19.c) corresponding to the contingent commitment to purchase the 25.10% of Cellnex Netherlands' shares from third-party shareholders, whose interests in this consolidated company are reflected as of 30 June 2022 under "Non-controlling interests".

(3) In relation to the Iliad Poland SHA, as amended, pursuant to its terms, the parties thereto shall not transfer the stake they respectively hold in On Tower Poland for a five-year period following the Iliad Poland Completion Date except for certain permitted transfers and other transfers subject to certain conditions. Moreover, the Iliad Poland SHA sets forth the conditions for Iliad Purple's right to sell all (and not less than all) of the share capital and voting rights of On Tower Poland to Cellnex Poland during a

period starting on the first business day following the second anniversary of the Iliad Poland Completion Date and ending on the fourth anniversary of the Iliad Poland Completion Date (excluded) subject to certain conditions; in both cases at a price to be calculated pursuant to said agreement (the price of this acquisition will undoubtedly expected to be inflationary, given the performance of such assets). According to the shareholders agreement terms, as of 30 June 2022, Cellnex Poland has the right, but not the obligation, to purchase these interests and therefore, no liability has been recorded in the accompanying consolidated balance sheet as of 30 June 2022. This situation will be revaluated in subsequent reporting periods.

(4) Upon completion of the Polkomtel Acquisition, Polkomtel, Cellnex Poland and the Group entered into a buyback agreement ("Polkomtel Buyback Agreement") by virtue of which Polkomtel (or its nominee) is granted the right to require Cellnex Poland or the Group to sell and transfer back the shares of Polkomtel Infrastruktura (sold pursuant to the Polkomtel SPA) to Polkomtel (or its nominee), in the event (i) shares in Polkomtel Infrastruktura are issued or sold to a Restricted Entity (as such term is defined in the Polkomtel Buyback Agreement), (ii) there is a change of control, without the prior written consent of Polkomtel, by means of which a Restricted Entity gains majority ownership or control over Polkomtel Infrastruktura or any of its holding companies (other than Cellnex), (iii) there is a change of control, without the prior written consent of Polkomtel, by means of which a Restricted Entity gains ownership of more than 30% of Cellnex Parent (that includes Cellnex and any legal successor to Cellnex, inclusive of any person with which it is merged or amalgamated; and such other person as is from time to time the ultimate holding company of the Cellnex Group) or gains control over Cellnex Parent, or (iv) in certain circumstances, if a critical failure under the Polkomtel MSA occurs. In the event any of the triggering events (i) to (ii) occurs, Polkomtel may opt to exercise its right pursuant to the Polkomtel Buyback Agreement within three months or, alternatively, to have the fees of the Polkomtel MSA reduced by 50%. The Polkomtel Buyback Agreement shall terminate if (a) there is a change of control of Polkomtel or Cyfrowy or (b) the Polkomtel MSA is terminated by Polkomtel upon execution of a master services agreement with another provider with substantially the same scope as the Polkomtel MSA.

The changes in this heading were as follows:

	Thousands of Euros
	2022
At 1 January restated	**1,633,652**
Profit/(loss) for the period	(10,633)
Changes in the scope of consolidation	(714,226)
Exchange differences	708
Capital increase - non-controlling interests	14,945
Others	1,095
At 30 June	**925,541**

"Changes in the scope of consolidation" for the 6-month period ended on 30 June 2022 amounting to EUR 714,226 thousand, mainly relates to the impact of:

I) Acquisition of an additional stake in On Tower France

As detailed in Note 2.h-II, in the first quarter of 2022, Cellnex France Groupe entered into an agreement with Iliad to acquire 30% of the share capital of On Tower France, after which Cellnex now indirectly holds a 100% shareholding in On Tower France. Following the aforementioned, a decrease amounting to EUR 583 million has been recognised under "non-controlling interests" in the accompanying consolidated balance sheet, as a result of the termination of the non-controlling interests that existed at the acquisition date.

Additionally, since the aforementioned transaction was an equity transaction carried out with a non-controlling interest in the subsidiary that did not modify the controlling position in On Tower France, the transaction has led to the recognition of a negative impact of EUR 368 million under "Reserves of consolidated companies" in the accompanying consolidated balance sheet (see section c) of this Note). This accounting treatment is supported by the guidance in paragraph 23 of IFRS 10 to recognise any adjustments related to changes in the parent's ownership interest that do not result in the parent losing or gaining control over a subsidiary as ownership transactions.

II) Acquisition of an additional stake in On Tower Poland

As detailed in Note 2.h-II, in the first quarter of 2022, Cellnex Poland entered into an agreement with Iliad Purple to acquire 10% of the share capital of On Tower Poland, after which Cellnex now indirectly holds a 70% shareholding in On Tower Poland. Following the aforementioned, a decrease amounting to EUR 131 million has been recognised under "non-controlling interests" in the accompanying consolidated balance sheet, as a result of the termination of the non-controlling interests that existed at the acquisition date.

Additionally, since the aforementioned transaction was an equity transaction carried out with a non-controlling interest in the subsidiary that did not modify the controlling position in On Tower Poland, the transaction has led to the recognition of a negative impact of EUR 1 million under "Reserves of consolidated companies" in the accompanying consolidated balance sheet (see section c) of this Note). This accounting treatment is supported by the guidance in paragraph 23 of IFRS 10 to recognise any adjustments related to changes in the parent's ownership interest that do not result in the parent losing or gaining control over a subsidiary as ownership transactions.

15. Borrowings

The breakdown of borrowings at 30 June 2022 and 31 December 2021 is as follows:

						Thousands of Euros
		30 June 2022			31 December 2021	
	Non-current	Current	Total	Non-current	Current	Total
Bond issues and other loans	13,937,275	689,677	**14,626,952**	12,865,039	700,651	**13,565,690**
Loans and credit facilities	1,955,509	22,481	**1,977,990**	2,045,779	18,572	**2,064,351**
Other financial liabilities	2,765	444	**3,209**	3,242	772	**4,014**
Borrowings	**15,895,549**	**712,602**	**16,608,151**	**14,914,060**	**719,995**	**15,634,055**

During the year 6-month period ended at 30 June 2022, the Group increased its borrowings from bond issues and loans and credit facilities (which do not include any debt held by Group companies registered using the equity method of consolidation, "Derivative Financial Instruments" or "Other financial liabilities") by EUR 974,901 thousand to EUR 16,604,942 thousand.

The increase in "Bond issues and other loans" is mainly due to the bond issuance of EUR 1,000,000 thousand that has been carried out during the first half of 2022, as detailed in section "Bond issues and other loans" below.

During the first half of 2022, the total amounts drawn down of loans and credit facilities were EUR 1,574,068 thousand and EUR 412,373 thousand respectively.

In relation with the EUR 10 billion financing agreement signed on 13 November 2020 consisting of (i) a EUR 7,500,000 thousand bridge loan facility; (ii) a EUR 1,250,000 thousand term loan with a 3 year maturity; and (iii) a EUR 1,250,000 thousand term loan with a 5 year maturity, during the year ended at 31 December 2021, the Group amended and restated the facilities agreement and cancelled the (i) 7,500,000 thousand bridge loan facility. On January 2022 the EUR 1,250,000 thousand term loan facility with a 3 year maturity was cancelled. As of 30 June 2022, no drawdown had been made from the EUR 1,250,000 thousand term loan facility with a 5 year maturity.

The Group amended and increased a EUR 1,500,000 thousand multicurrency revolving credit facility to EUR 2,500,000 thousand. In addition, a EUR 500,000 thousand term loan facility with a 5 year bullet maturity was also signed. Finally, during the 6-month period ended on 30 June 2022, the Group amended EUR 300,000 thousand of undrawn credit facility extending its maturity and adapting it to the LIBOR discontinuation. The facilities are still undrawn and were structured under the Sustainability-Linked Financing Framework (defined below) designed by Cellnex at the beginning of 2022.

As part of the commitment to sustainability, Cellnex has designed this Sustainability-Linked Financing Framework ("the Framework") to reinforce the role of sustainability as an integral part of the Group's funding process. Obtaining funding under this Framework will help Cellnex to accomplish the ambitious sustainability targets which are consistent with the ESG Strategy. The Framework is aligned with the best practices as described by the International Capital Market Association's ("ICMA") Sustainability-Linked Bond Principles ("SLBP") 2020 and the Loan Market Association's ("LMA") Sustainability-Linked Loan Principles 2021 ("SLLP") and will also provide investors with further insights into the Group's sustainability strategy and commitments.

Cellnex has selected two environmental KPIs and one social KPI, which are core, relevant and material to its business and industry and are aligned with its ESG Strategy.

Environmental KPIs:

- Absolute Scope 1 and 2 GHG emissions and Scope 3 GHG emissions from fuel and energy- related activities: i) Sustainability Performance Target 2025: 45% reduction in Scope 1, 2 and 3 from fuel and energy-related activities GHG emissions by 2025 vs 2020, and ii) Sustainability Performance Target 2030: 70% reduction in Scope 1, 2 and 3 from fuel and energy-related activities GHG emissions by 2030 vs 2020.

- Absolute Scope 3 emissions from purchased goods and services and capital goods GHG emissions: Sustainability Performance Target: 21% Reduction of absolute scope 3 GHG emissions from purchased goods and services and capital goods by 2025 vs 2020.

- Percentage of renewable electricity sourcing: Sustainability Performance Target: Increase annual sourcing of renewable electricity to 100% by 2025.

Social KPIs:

- Percentage of women in directors and senior management/managers roles in Cellnex Group: Sustainability Performance Target: Increase to 30% the percentage of women in directors and senior management/managers roles in Cellnex Group by 2025.

The selection of these KPIs has been driven by the extensive research carried out by Cellnex in 2020 to determine the ESG priorities of the telecommunication sector and the company's own. Further details about the ESG Financing Framework can be found at the Group's website.

As of 30 June 2022, the Group's fixed rate notional debt amounted to EUR 14,427,593 thousand, representing 86% of its Gross Financial Debt excluding lease liabilities (EUR 2,719,281 thousand), whereas the Group's variable rate notional debt amounted to EUR 2,388,741 thousand, representing 14% of its Gross Financial Debt excluding lease liabilities. As of 30 June 2022, the estimated sensitivity in the Group's financial costs to a 1% change (increase or decrease) in the interest rate, both fixed and variable, is as follows. The amount of the Group's financial costs from fixed gross financial debt excluding lease liabilities would remain unchanged. The amount of the Group's financial costs from variable gross financial debt excluding lease liabilities would increase by EUR 17,697 thousand in the event of a 1% interest rate increase and the amount of the Group's financial costs from variable gross financial debt excluding lease liabilities would decrease by EUR 10,544 thousand in the event of a 1% interest rate decrease, as some of the Group's financing contracts include an index floor clause.

Pursuant to the amendments to IAS 7, a reconciliation of the cash flows arising from financing activities is set out below, together with the associated liabilities in the opening and closing balance sheet, distinguishing between changes that give rise to cash flows and those that do not:

30 June 2022

					Thousands of Euros
	01/01/2022	Cash flows	Exchange rate	Other [1]	30/06/2022
Bond issues	13,565,690	982,525	62,560	16,177	14,626,952
Loans and credit facilities and other financial liabilities	2,068,365	(99,526)	6,252	6,108	1,981,199
Borrowings	**15,634,055**	**882,999**	**68,812**	**22,285**	**16,608,151**

[1] It mainly includes arrangement expenses accrued and change in interest accrued not paid.

As of 30 June 2022 and 31 December 2021, the Group's loans and credit facilities were arranged under market conditions and, therefore, their fair value does not differ significantly from their carrying amount. In the case of bond issues, which are traded in active markets, their fair value amounts to EUR 12,310 million and EUR 14,446 million, respectively (based on the market prices at the reporting date).

In accordance with the foregoing and with regard to the financial policy approved by the Board of Directors, the Group prioritizes securing sources of financing at Cellnex Finance Company, S.A.U. ("Cellnex Finance") level. The aim of this policy is to secure financing at a lower cost and longer maturities while diversifying its funding sources. In addition, this encourages access to capital markets and allows greater flexibility in financing contracts to promote the Group's growth strategy. Moreover, Cellnex Finance is in charge of the financing of the Group acquisitions and affiliate needs.

As of 30 June 2022 and 31 December 2021, the breakdown, by maturity, type of debt and by currency of the Group's borrowings (excluding debt with companies accounted for using the equity method of consolidation) is as follows:

Borrowings by maturity

The maturities of the Group's borrowings based on the repayment schedule as of 30 June 2022 and 31 December 2021 are shown in the table below:

30 June 2022

								Thousands of Euros
		Current	Non-current					
	Limit	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	More than 5 years	Total
Bond issues and other loans (*)	14,825,292	718,871	752,412	501,834	2,078,530	1,136,276	9,634,640	**14,822,563**
Arrangement expenses	—	(29,194)	(29,043)	(28,376)	(25,914)	(19,756)	(63,328)	**(195,611)**
Loans and credit facilities (*)	7,125,095	28,198	712,895	596,837	292,559	12,500	358,391	**2,001,380**
Arrangement expenses	—	(5,717)	(8,557)	(2,173)	(2,173)	(1,590)	(3,180)	**(23,390)**
Other financial liabilities	—	444	1,599	783	243	32	108	**3,209**
Total	**21,950,387**	**712,602**	**1,429,306**	**1,068,905**	**2,343,245**	**1,127,462**	**9,926,631**	**16,608,151**

(*) These items are gross value and, consequently, do not include "Arrangement expenses".

31 December 2021

								Thousands of Euros
		Current	Non-current					
	Limit	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	More than 5 years	Total
Bond issues and other loans (*)	13,766,317	725,708	2,394	752,431	597,410	1,478,359	10,200,295	**13,756,597**
Arrangement expenses	—	(25,057)	(25,080)	(24,049)	(23,386)	(21,080)	(72,255)	**(190,907)**
Loans and credit facilities (*)	6,814,615	23,803	119,526	1,292,805	12,500	292,820	349,083	**2,090,537**
Arrangement expenses	—	(5,231)	(6,509)	(6,733)	(2,943)	(1,590)	(3,180)	**(26,186)**
Other financial liabilities	—	772	1,116	929	522	467	208	**4,014**
Total	**20,580,932**	**719,995**	**91,447**	**2,015,383**	**584,103**	**1,748,976**	**10,474,151**	**15,634,055**

(*) These items are gross value and, consequently, do not include "Arrangement expenses".

Borrowings by type of debt

						Thousands of Euros
	Notional as of 30 June 2022 (*)			Notional as of 31 December 2021 (*)		
	Limit	Drawn	Undrawn	Limit	Drawn	Undrawn
Bond issues and other loans	14,825,292	14,825,292	—	13,766,317	13,766,317	—
Loans and credit facilities	7,125,095	1,986,442	5,138,653	6,814,615	2,079,919	4,734,696
Total	**21,950,387**	**16,811,734**	**5,138,653**	**20,580,932**	**15,846,236**	**4,734,696**

(*) Includes the notional value of each borrowing type, and are not the gross or net value of the caption. See "B*orrowings by maturity*".

As of 30 June 2022, the total limit of loans and credit facilities available was EUR 7,125,095 thousand (EUR 6,814,615 thousand as of 31 December 2021), of which EUR 3,801,026 thousand in credit facilities and EUR 3,324,068 thousand in loans (EUR 2,740,059 thousand in credit facilities and EUR 4,074,556 thousand in loans as of 31 December 2021).

Furthermore, of the EUR 7,125,095 thousand of loans and credit facilities available (EUR 6,814,615 thousand as of 31 December 2021), EUR 4,131,770 thousand (EUR 3,221,290 thousand as of 31 December 2021) can be drawn down either in Euros (EUR) or in other currencies, such as Pound Sterling (GBP), Swiss franc (CHF) and U.S. dollar (USD).

As of 30 June 2022 the total amount drawn down of the loans and credit facilities was EUR 1,986,441 thousand (EUR 2,079,919 thousand drawn down as of 31 December 2021).

Borrowings by currency

		Thousands of Euros
	30 June 2022 (*)	31 December 2021 (*)
Euro	14,503,144	13,486,192
GBP	709,671	825,994
CHF	1,025,873	992,733
USD	588,464	539,675
Borrowings	**16,827,152**	**9,512,466**

(*) The amounts shown in the preceding table relate to the cash flows set forth in the contracts, which differ from the carrying amount of the borrowings due to the effect of applying IFRS criteria, especially IFRS9.

As described in Note 4.a of the 2021 Consolidated Financial Statements, the foreign exchange risk on the net investment of operations of the Group companies denominated in non-Euro currencies is managed by means of borrowings denominated in the corresponding foreign currency or by means of cross currency swaps (see Note 11).

As of 30 June 2022 and 31 December 2021, the Group maintains a Cross Currency Swap ("CCS") with strong financial counterparties for EUR 450 million and an equivalent sterling value of GBP 382 million which has been designated together with the bond issue of EUR 450 million executed in January 2020 as a natural hedge of the net investment made in United Kingdom Group's subsidiaries. Additionally, the Group also maintains a Cross Currency Swap ("CCS") for the bond issue of the USD 600 million which enabled the Group to obtain approximately EUR 505 million.

As of 30 June 2022 and 31 December 2021, the Group maintained bonds and borrowings in CHF, which act as a natural hedge of the net investment in the Group's Swiss subsidiaries. The Group issued a bond in CHF on March 2021 for an amount of CHF 150,000 thousand (with a Euro value of EUR 150,602 and EUR 145,194 thousand as of 30 June 2022 and 31 December 2021, respectively), which add up to the two CHF bonds issued by the Group in 2020 CHF 100,000 thousand (EUR 100,402 thousand) and CHF 185,000 thousand (EUR 185,743 thousand). The maturity of these bonds are in 2026, 2025 and 2027, respectively. These non-derivative financial instruments are assigned as net investment hedges against the net assets of Swiss subsidiaries.

Furthermore, the Group also maintained through its subsidiary Swiss Towers additional borrowings in CHF amounting to CHF 582,000 thousand with a Euro value of EUR 584,337 thousand (CHF 585,000 thousand with a Euro value of EUR 566,256 thousand as of 31 December 2021), and a term loan facility in GBP amounting to GBP 600,000 thousand with a Euro value of EUR 699,138 thousand through its subsidiary Cellnex UK.

Bond issues and other loans

The detail of the bonds and other financing instruments is as follows:

	Thousands of Euros	
	30 June 2022	**31 December 2021**
Bond issues	14,626,952	13,565,690
Bond issues and other loans	**14,626,952**	**13,565,690**

I) The EMTN Programme and the Guaranteed EMTN Programme

Since 2015, the Group established and subsequently renewed until May 2020 a Euro Medium Term Note Programme (the "EMTN Programme") through the Parent Company. This EMTN Programme was registered on the Irish Stock Exchange plc, trading as Euronext Dublin, allowing for the issue of bonds up to an aggregate amount of EUR 10,000 million. After the establishment of the Guaranteed EMTN Programme by Cellnex Finance (as defined below), the Group has ceased to renew the EMTN Programme with the Parent Company.

Since December 2020, Cellnex Finance is the leading financing entity of the Group. Thus, a Guaranteed Euro Medium Term Note Programme (the "Guaranteed EMTN Programme") was set up in Cellnex Finance, guaranteed by the Parent Company, registered on the Irish Stock Exchange plc, trading as Euronext Dublin, and allowing for the issue of bonds up to an aggregate amount of EUR 10,000 million. The Guaranteed EMTN Programme has been renewed in July 2022 for a period of 12 months with a maximum aggregate amount of EUR 15,000 million and its structured under the Sustainability-Linked Financing Framework designed by Cellnex at the beginning of 2022.

Since March 2016 Cellnex has been part of the list of companies whose corporate bonds are eligible for the Corporate Sector Purchase Programme (CSPP) by European Central Bank (ECB).

Cellnex has issued the bonds described in the table below, all of them addressed to qualified investors:

30 June 2022

Programme	Issue	Initial duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Notional as at 30 June 2022 (Thousands of Euros)
EMTN Programme	27/07/2015	7 years	27/07/2022	BBB-/BB+	XS1265778933	3.13%	600,000
EMTN Programme	10/08/2016	8 years	16/01/2024	BBB-/BB+	XS1468525057	2.38%	750,000
EMTN Programme	16/12/2016	16 years	20/12/2032	BBB-/NA	XS1538787497	3.88%	65,000
EMTN Programme	18/01/2017	8 years	18/04/2025	BBB-/BB+	XS1551726810	2.88%	335,000
EMTN Programme	07/04/2017	9 years	07/04/2026	BBB-/NA	XS1592492125	Eur 6M+2.27%(1)	80,000
EMTN Programme	03/08/2017	10 years	03/08/2027	BBB-/NA	XS1657934714	Eur 6M+2.20%	60,000
EMTN Programme	31/07/2019	10 years	31/07/2029	BBB-/NA	XS2034980479	1.90%	60,500
EMTN Programme	20/01/2020	7 years	20/04/2027	BBB-/BB+	XS2102934697	1.0%	450,000
EMTN Programme	29/01/2020	7 years	18/02/2027	BBB-/NA	CH0506071148	0.775 %	185,743
EMTN Programme	26/06/2020	5 years	18/04/2025	BBB-/BB+	XS2193654386	2.88 %	165,000
EMTN Programme	26/06/2020	9 years	26/06/2029	BBB-/BB+	XS2193658619	1.88 %	750,000
EMTN Programme	17/07/2020	5 years	17/07/2025	BBB-/BB+	CH0555837753	1.1 %	100,402
EMTN Programme	23/10/2020	10 years	23/10/2030	BBB-/BB+	XS2247549731	1.75 %	1,000,000
Guaranteed EMTN	15/02/2021	5 years	15/11/2026	BBB-/BB+	XS2300292617	0.75 %	500,000
Guaranteed EMTN	15/02/2021	8 years	15/01/2029	BBB-/BB+	XS2300292963	1.25 %	750,000
Guaranteed EMTN	15/02/2021	12 years	15/02/2033	BBB-/BB+	XS2300293003	2.00 %	1,250,000
Guaranteed EMTN	26/03/2021	5 years	26/03/2026	BBB-/NA	CH1104885954	0.94 %	150,602
Guaranteed EMTN	08/06/2021	7 years	06/08/2028	BBB-/BB+	XS2348237871	1.50 %	1,000,000
Guaranteed EMTN	06/09/2021	6 years	15/09/2027	BBB-/BB+	XS2385393405	1.00 %	1,000,000
Guaranteed EMTN	06/09/2021	11 years	15/09/2032	BBB-/BB+	XS2385393587	2.00 %	850,000
Guaranteed EMTN	30/03/2022	4 years	12/04/2026	BBB-/BB+	XS2465792294	2.25%(1)	1,000,000
Total							**11,102,247**

(1) Coupon rate hedged by Interest Rate Swaps. See Note 11.

Bond issuances during the first half of 2022

On 30 March 2022, Cellnex completed the pricing of a EUR-denominated bond issuance for an amount of EUR 1,000 million (with ratings of BBB- by Fitch Ratings and BB+ by Standard&Poor's) aimed at qualified investors under its Euro Medium Term Note Program (EMTN Program) and guaranteed by Cellnex. The bond is maturing in April 2026, has a coupon of 2.25% and was issued at a price of 98.932% of its nominal value. In addition, the Group entered into an interest rate swap agreement for EUR 500,000 thousand in order to partially transform the issuance from fix-to-floating rate (see Note 11).

31 December 2021

Programme	Issue	Initial duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Notional as at 31 December 2021 (Thousands of Euros)
EMTN Programme	27/07/2015	7 years	27/07/2022	BBB-/BB+	XS1265778933	3.13%	600,000
EMTN Programme	10/08/2016	8 years	16/01/2024	BBB-/BB+	XS1468525057	2.38%	750,000
EMTN Programme	16/12/2016	16 years	20/12/2032	BBB-/NA	XS1538787497	3.88%	65,000
EMTN Programme	18/01/2017	8 years	18/04/2025	BBB-/BB+	XS1551726810	2.88%	335,000
EMTN Programme	07/04/2017	9 years	07/04/2026	BBB-/NA	XS1592492125	Eur 6M+2.27%[(1)]	80,000
EMTN Programme	03/08/2017	10 years	03/08/2027	BBB-/NA	XS1657934714	Eur 6M+2.20%	60,000
EMTN Programme	31/07/2019	10 years	31/07/2029	BBB-/NA	XS2034980479	1.90%	60,500
EMTN Programme	20/01/2020	7 years	20/04/2027	BBB-/BB+	XS2102934697	1.0%	450,000
EMTN Programme	29/01/2020	7 years	18/02/2027	BBB-/NA	CH0506071148	0.775 %	179,073
EMTN Programme	26/06/2020	5 years	18/04/2025	BBB-/BB+	XS2193654386	2.88 %	165,000
EMTN Programme	26/06/2020	9 years	26/06/2029	BBB-/BB+	XS2193658619	1.88 %	750,000
EMTN Programme	17/07/2020	5 years	17/07/2025	BBB-/BB+	CH0555837753	1.1 %	96,796
EMTN Programme	23/10/2020	10 years	23/10/2030	BBB-/BB+	XS2247549731	1.75 %	1,000,000
Guaranteed EMTN	15/02/2021	5 years	15/11/2026	BBB-/BB+	XS2300292617	0.75 %	500,000
Guaranteed EMTN	15/02/2021	8 years	15/01/2029	BBB-/BB+	XS2300292963	1.25 %	750,000
Guaranteed EMTN	15/02/2021	12 years	15/02/2033	BBB-/BB+	XS2300293003	2.00 %	1,250,000
Guaranteed EMTN	26/03/2021	5 years	26/03/2026	BBB-/NA	CH1104885954	0.94 %	145,194
Guaranteed EMTN	08/06/2021	7 years	06/08/2028	BBB-/BB+	XS2348237871	1.50 %	1,000,000
Guaranteed EMTN	09/06/2021	6 years	09/06/2027	BBB-/BB+	XS2385393405	1.00 %	1,000,000
Guaranteed EMTN	09/06/2021	11 years	09/06/2032	BBB-/BB+	XS2385393587	2.00 %	850,000
Total							**10,086,563**

(1) Coupon rate hedged by Interest Rate Swaps. See Note 11.

The bond issues have certain associated costs, customary in this type of transactions such as arrangement expenses and advisors' fees, which amounted to EUR 18,193 thousand as of 30 June 2022 (EUR 71,447 thousand as of 30 June 2021), which the Group defers over the life of the bonds and are taken to the consolidated income statement following a financial criteria. In this regard, an amount of EUR 195,611 thousand and EUR 190,907 thousand was deducted from bond issues in the consolidated balance sheet as of 30 June 2022 and 31 December 2021, respectively. The arrangement expenses and advisor's fees accrued in the consolidated income statement for the period ended 30 June 2022 in relation to the bond issues amounted to EUR 13,489 thousand (EUR 9,157 thousand as of 30 June 2021).

II) Rule 144A / Regulation S Bonds (United States) – USD Bonds

In the third quarter of 2021, Cellnex Finance completed and settled the pricing of a senior unsecured US Dollar-denominated bond issuance, guaranteed by the Parent Company, for a nominal amount of USD 600 million (with ratings of BBB- by Fitch Ratings and BB+ by Standard&Poor's) aimed at qualified investors. The bond was issued at a price of 98.724% of its nominal value in US dollars, with a maturity date in July 2041 and a coupon of 3.875% in US dollars.

Simultaneously, Cellnex Finance entered into a Cross-Currency Swap ("CCS") by virtue of which Cellnex lent the USD 600 million from the bond issuance at a coupon of 3.875% and borrowed the equivalent amount of euros at an agreed exchange rate enabling Cellnex to obtain approximately EUR 505 million at a coupon of 2.5%.

The bonds are listed and trade on the Vienna MTF of the Vienna Stock Exchange since 7 July 2021.

Issue	Initial duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Notional as at 30 June 2022 (Thousands of Euros)
07/07/2021	20 years	07/07/2041	BBB-/BB+	US15118JAA34 Reg S: USE2943JAA72	3.875%	577,645
Total						**577,645**

III) Convertible bonds

The Group has issued the Convertible Bonds described in the table below, all of them addressed to qualified investors:

30 June 2022

Issue	Initial Duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Balance as at 30 June 2022 (Thousands of Euros)
16/01/2018	8 years	16/01/2026	BBB-/NA	XS1750026186	1.50 %	566,947
21/01/2019	7 years	16/01/2026	BBB-/NA	XS1750026186	1.50 %	187,391
05/07/2019	9 years	05/07/2028	BBB-/NA	XS2021212332	0.50 %	844,439
20/11/2020	11 years	20/11/2031	BBB-/NA	XS2257580857	0.75 %	1,427,055
Total						**3,025,832**

31 December 2021

Issue	Initial Duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Balance as at 31 December 2021 (Thousands of Euros)
16/01/2018	8 years	16/01/2026	BBB-/NA	XS1750026186	1.50 %	566,223
21/01/2019	7 years	16/01/2026	BBB-/NA	XS1750026186	1.50 %	186,943
05/07/2019	9 years	05/07/2028	BBB-/NA	XS2021212332	0.50 %	837,490
20/11/2020	11 years	20/11/2031	BBB-/NA	XS2257580857	0.75 %	1,418,057
Total						**3,008,713**

These convertible bonds have been treated as a compound instrument and have been split into its two components: a debt component amounting EUR 3,026 million (EUR 3,009 million as of 31 December 2021), corresponding to the present value of the coupons and principal discounted at the interest rate of a bond, with same nominal amount and maturity, without the convertibility option; and an equity component, for the remaining amount, due to the bondholder option to convert into shares, included in the heading "Reserves from retained earnings and other reserves" (see Note 14.f.).

The Convertible Bonds are listed on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange.

As of 30 June 2022, an amount of EUR 4,600 thousand of the convertible bond with maturity date 2026 was converted into shares. According to these conversion notices, the Group has delivered 156,086 shares to the bondholders.

Clauses regarding changes of control

The terms and conditions of the bonds to be issued under the EMTN Programme, the Guaranteed EMTN Programme, the USD Bonds and of the Convertible Bonds include a change of control put clause (at the option of bondholders), which could result in their respective early repayment.

For the bonds issued under the EMTN Programme, the Guaranteed EMTN Programme and the USD Bonds, the put option can only be triggered if a change of control event occurs and there is a rating downgrade caused by the change of control event (as defined in the terms and conditions of the EMTN Programme, the Guaranteed EMTN Programme and the USD Bonds). For the Convertible Bonds, the put option can only be triggered if a change of control occurs or if a tender offer triggering event occurs (as defined in the terms and conditions of the Convertible Bonds).

Under the EMTN Programme, the Guaranteed EMTN Programme, the USD Bonds and the Convertible Bonds, a "change of control event" is defined as the acquisition of more than 50% of the voting rights in respect of Cellnex or the right to appoint or dismiss all or the majority of the members of the Board of Directors of Cellnex.

Bonds obligations and restrictions

As at 30 June 2022 and 31 December 2021, Cellnex had no restrictions regarding the use of proceeds from its bond offerings, had not provided any collateral for any obligations in connection with its outstanding bonds and the bonds ranked pari passu with the rest of the Cellnex's unsecured and unsubordinated borrowings.

IV) ECP Programme

In June 2018 Cellnex established an Euro-Commercial Paper Programme (the "ECP Programme") with the Irish Stock Exchange, plc. trading as Euronext Dublin, which was renewed in June 2020. The ECP Programme had a limit of EUR 500 million or its equivalent in GBP, USD and CHF. As of 30 June 2022, the ECP Programme has not been renewed as it has been established in Cellnex Finance in the third quarter of 2021, following the same steps as the Guaranteed EMTN

Programme. The Guaranteed ECP Programme has beent renewed in July 2022 for a period of 12 months with a maximum aggregate amount of EUR 750 million or its equivalent in GBP, USD and CHF.

Bonds obligations and restrictions

As at 30 June 2022 and 31 December 2021, the Parent Company and Cellnex Finance had no restrictions regarding the use of capital resources nor had it guarantees and the bonds rank pari passu with the rest of the unsecured and unsubordinated borrowings.

Finally, at the date of authorization for issue of these interim condensed consolidated financial statements, the clauses or obligations included in the bonds terms and conditions had been fulfilled.

Loans and credit facilities

As of 30 June 2022, the total limit of loans and credit facilities available was EUR 7,125,095 thousand (EUR 6,814,615 thousand as of 31 December 2021), of which EUR 3,801,026 thousand in credit facilities and EUR 3,324,068 thousand in loans (EUR 2,740,058 thousand and EUR 4,074,556 thousand respectively as of 31 December 2021).

On 13 November 2020, the Group signed a EUR 10 billion financing agreement consisting of (i) a EUR 7,500,000 thousand bridge loan facility with a maturity of up to 3 years; (ii) a EUR 1,250,000 thousand term loan facility with a 3 year bullet maturity; and (iii) a EUR 1,250,000 thousand term loan facility with a 5 year bullet maturity. During the year ended on 31 December 2021, the Group amended and restated the facilities agreement and cancelled the 7,500,000 thousand bridge loan facility. On 21 January 2022 the (ii) EUR 1,250,000 thousand term loan facility was cancelled. As of 30 June 2022, no draw downs had been made from the remaining 1,250,000 thousand term loan facility with a 5 year maturity.

On 21 January 2022 Cellnex Finance amended and increased a EUR 1,500,000 thousand multicurrency revolving credit facility to EUR 2,500,000 thousand. Additionally, on 21 April 2022 the Group signed a EUR 500,000 thousand term loan facility with a 5 year bullet maturity. The Group also amended a EUR 300,000 thousand undrawn credit facility, extending its maturity and adapting it to the LIBOR discontinuation. Such changes did not have a significant impact on the overall cost of the facilities. These facilities were structured under the Sustainability-Linked Financing Framework designed by Cellnex at the beginning of 2022. As of 30 June 2022, no amounts had been drawn.

Furthermore, the Group also maintained through its subsidiaries a total amount of drawdown debt of EUR 1,565,549 thousand, which included mainly a syndicated facility agreement in CHF amounting to CHF 582,000 thousand in Swiss Towers, a GBP 600,000 thousand term loan facility entered by Cellnex UK in 2019, and a EUR 280,000 thousand term loan facility entered by Cellnex Netherlands in 2021.

Additionally, on 29 May 2020 Nexloop signed a EUR 620,000 thousand financing with a pool of banks, consisting of a EUR 600,000 thousand term loan facility with an 8-year bullet maturity, to partially finance the deployment of the fiber network by Nexloop, and a EUR 20,000 thousand revolving credit facility with a 7-year-and-10-months bullet maturity to finance or reimburse VAT amounts related to Nexloop’s project costs. During the sixt-month period ended on 30 June 2022, the total amounts drawn down of the facilities were EUR 207,767 thousand and EUR 20,000 thousand (EUR 143,550 thousand and EUR 2,358 thousand in 2021), respectively.

Clauses regarding changes of control

For the loans and credit facilities entered into by Cellnex, the change of control trigger is at the Cellnex level. For the syndicated facilities agreement entered into by Swiss Towers, the change of control trigger is measured with respect to Cellnex Switzerland, Swiss Towers and Swiss Infra (as defined below). For the GBP Facilities, the change of control trigger is measured with respect to Cellnex UK as well as at the Cellnex level. For the Nexloop Facilities, the change of control trigger is measured with respect to Nexloop. For the 5-year facility agreement of Cellnex Netherlands, the change of control trigger is measured with respect to Cellnex Netherlands and T-Mobile infra. A “change of control event” is generally triggered when a third party, alone or together with others, acquires either 50% of shares with voting rights, or obtains the right to appoint or dismiss the majority of the members of the board of directors of the relevant company.

Loans and credit facilities obligations and restrictions on use of available funds

As at 30 June 2022 and 31 December 2021 most of Cellnex's outstanding loans and credit facilities do not impose restrictions on the use of available funds. However, certain of the Group's outstanding loans and credit facilities, including the Nexloop Senior Facility and the EUR 10 billion financing agreement, which only remain available the EUR 1,250,000 thousand term loan, impose restrictions on the use of drawn amounts. For example, the latter can only be utilized to pay for acquisitions.

Security interests and other covenants and undertakings

As of 30 June 2022 and 31 December 2021, most of the outstanding loans and credit facilities entered into by Cellnex and its subsidiaries are unsecured and unsubordinated and rank pari passu with the rest of the Group's unsecured and unsubordinated borrowings. However, from time to time, the Group may enter into senior and secured loans and credit facilities, such as the Nexloop Facilities, under which the Group granted a security package in favour of several creditors and hedge counterparties consistent with certain agreed security principles, including pledges over the Group's shares in Nexloop and certain receivables including any debt instruments held by the Group in Nexloop (such as the Group's credit rights under the Nexloop Shareholder Facility, as defined herein).

In addition, while most of the Group's loans and credit facilities are subject to cross-default provisions and generally do not require Cellnex nor its subsidiaries to comply with any financial ratio, certain of them are subject to certain financial covenants and various restrictions, including but not limited to, (i) requiring Cellnex to maintain a minimum rating of Ba2 by Moody's Investors Service, Inc., or BB by Fitch Ratings Ltd. or Standard & Poor's Financial Services LLC, (ii) requiring subsidiary shares to be pledged and provided as collateral if certain financial ratios are not satisfied, and (iii) imposing restrictions on additional indebtedness and on the Group's ability to create or permit to subsist certain security interests. The aforementioned financial conditions are mainly associated with EIB (European Investment Bank) and ICO (Instituto de Crédito Oficial) loans. Additionally, prepayment obligations under certain of the Group's loans and credit facilities, including the Nexloop Senior Facility, may be triggered as a result of the availability of certain proceeds and cash flows and breaches of certain covenants and undertakings. The financing contracts of the Group do not contain any limitations on the distribution and payment of dividends, other than the Nexloop Senior Facility, Cellnex Netherlands and the syndicated facilities agreement entered into by Swiss Towers, which include covenants restricting the distribution of dividends by Nexloop and by Cellnex Switzerland and Swiss Towers, respectively, subject to certain conditions.

In this regard, at the date of authorization for issue of these interim condensed consolidated financial statements, the clauses or obligations included in the foregoing financing agreements had been fulfilled.

Other financial liabilities

"Other financial liabilities" relates mainly to certain grants awarded (arranged as repayable advances) to other Group companies (Retevisión-I, S.A.U. and Tradia Telecom, S.A.U.) under the Ministry for Industry, Tourism and Trade's PROFIT programme. According to the technical-financial terms of the grant resolutions, the repayable advances bear no interest.

Corporate rating

At 30 June 2022, Cellnex holds a long-term "BBB-" (Investment Grade) with stable outlook according to the international credit rating agency Fitch Ratings Ltd as confirmed by a report issued on 19 January 2022 and a long-term "BB+" with stable outlook according to the international credit rating agency Standard & Poor's Financial Services LLC as confirmed by a report issued on 25 March 2022.

16. Leases

The Group leases many assets, including sites, offices, satellites, vehicles and concessions. Information about leases for which the Group is a lessee is presented below:

Amounts recognised in the consolidated balance sheet

As of 30 June 2022 and 31 December 2021, the amounts recognized in the consolidated balance sheet related to lease agreements are:

Right of use

	Thousands of Euros	
	Net book value	
	30 June 2022	31 December 2021 restated
Right of use		
Sites	3,042,762	3,171,650
Offices	30,661	31,449
Satellites	57,639	72,799
Vehicles	1,329	1,062
Concessions	4,367	3,119
Total	**3,136,758**	**3,280,079**

The additions of rights of use during the first half of 2022 amounted to EUR 188,960 thousand (EUR 242,190 thousand during the same period in 2021), of which EUR 80,178 thousand (EUR 118,089 thousand during the same period in 2021) relates to reassessments of existing lease contracts at the period end. Changes in the scope of consolidation during the first half of 2022 amounted to EUR 3,016 thousand (EUR 720,380 thousand during the same period of 2021) (see Notes 2.i and 5).

Lease liabilities

	Thousands of Euros	
	30 June 2022	31 December 2021 restated
Lease liabilities included in the statement of financial position		
Current	528,005	495,820
Non-Current	2,188,883	2,336,225
Total	**2,716,888**	**2,832,045**

During the 6-month period ended on 30 June 2022, there have been no significant variations in the sensitivity detailed in Note 16 of the 2021 Consolidated Financial Statements.

Amounts recognised in the consolidated income statement

As of 30 June 2022 and 2021, the amounts recognized in the consolidated income statement relating to lease agreements are:

	Thousands of Euros	
	30 June 2022	30 June 2021
Depreciation and amortisation		
Depreciation Right of Use:		
Sites	(295,321)	(183,678)
Offices	(2,517)	(1,973)
Satellites	(5,321)	(5,441)
Vehicles	(1,039)	(680)
Concessions	(1,248)	(271)
Total	**(305,446)**	**(192,043)**
Financial costs		
Interest expense on lease liabilities	(169,264)	(85,076)
Other operating expenses		
Expense related to contracts with low value asset	(1)	(628)
Expense related to variable lease payments	(1,126)	(3,920)
Total	**(1,127)**	**(4,548)**

During the period ended on 30 June 2022 and 2021, the Group has not recognized in the consolidated income statement, income from subleasing right-of-use assets, nor gains or losses arising from sale and leaseback transactions by a significant amount.

Amounts recognised in the statement of cash flows

The total amount of cash outflows in relation to lease agreements during the 6-month period ended on 30 June 2022 amounted to EUR 494,277 thousand (EUR 315,040 thousand during the same period in 2021), of which EUR 57,638 thousand (EUR 39,360 thousand during the same period in 2021) relates to cash advances to landlords, EUR 169,264 thousand (EUR 85,076 thousand during the same period in 2021) relates to interest payments on lease liabilities and EUR 267,375 thousand (EUR 190,604 thousand during the same period in 2021) relates to payments of lease installments in the ordinary course of business.

“Payments of lease installments in the ordinary course of business” as of 30 June 2022 include short-term prepayments amounting to EUR 5,762 thousand (EUR 0 thousand during the same period in 2021), which are therefore considered non-recurring payments for the first half of 2022.

Lease agreements. Cellnex Group as lessee

i) Real estate leases

All of the amounts recognized in the balance sheet correspond to lease agreements in which Cellnex Group acts as lessee. Cellnex Group manages and operates almost all of the sites where it locates its telecommunications infrastructure using lease agreements. In addition to these sites, the Group has lease agreements related mainly to offices, car parks, vehicles and satellites. As of 30 June 2022 and 31 December 2021 there are no significant restrictions or covenants imposed by leases.

Payments associated with short-term lease agreements are recognized on a straight line basis as an expense in the consolidated profit and loss account. A short-term lease is an agreement with a lease term equal to or less than 12 months.

Likewise, payments associated with low-value lease agreements are recognized on a straight-line basis as an expense in the consolidated income statement. A low-value contract is considered one whose underlying asset has a new value of less than EUR 5 thousand.

Extension options

Regarding the lease term considered for each contract, in relation to the leases of land and buildings in which the Group locates its infrastructures, the term considered for the leases depends mainly on whether the lease contract contains or not unilateral termination clauses and / or renewal (or similar legal rights deriving from the legislation of the countries in which it operates) that grant the Group the right to terminate early or to extend the contracts, as well as the term of the contracts with customers associated with the leases and whether these contracts allow the early termination of the lease or not. The most common types of contracts and the main criteria for determining their term are detailed in Note 2.b of the 2021 annual consolidated financial statements.

The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. It reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Discount rates

The Group has generally applied the interest rate implicit in the lease contracts. In relation to the transition process, contracts prior to 2012 have been valued using an estimated incremental borrowing rate, since the Directors have considered that the determination of the implicit rate in these contracts involved considerably greater difficulty due, among other reasons, to their age. The portfolios of contracts acquired from 2012 onwards have been valued using implicit rates.

The interest rate implicit in the lease is defined by IFRS 16 as the rate of interest that causes the present value of (a) the lease payments and (b) the unguaranteed residual value to equal the sum of (i) the fair value of the underlying asset and (ii) any initial direct costs of the lessor. The interest rate implicit in the lease has been obtained with the assistance of external valuation experts, through a methodology designed for this purpose, in line with the above definition and based on the following components: fair value of the leased asset at lease commencement and end date and annual rent payments. The initial direct costs of the lessor are deemed immaterial considering the nature of the assets leased. The fair value of the leased asset has been measured using a market approach, according to which the leased asset (land or/and buildings) is valued based on observable market prices of similar assets to which adjustments related to surface area, location, size and other relevant factors are made.

The incremental borrowing rate (IBR) is defined by IFRS 16 as the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR has been obtained through a methodology designed for this purpose, in line with the definition above and based on the following components: local reference rate, credit spread adjustment and lease specific adjustment. The credit spread adjustment is based on the Group's creditworthiness and the debt issuance costs. No lease specific adjustment has been applied, as the nature of the leases is essentially the same.

Other information

The Group's signed contract does not include any significant restrictions or covenants imposed by leases.

ii) Other leases

Cellnex leases offices, vehicles and satellites with terms of 6 to 10 years, 3 to 5 years and 10 years, respectively.

The Group also leases IT and other equipment with contract terms of one to three years. These leases are either short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

iii) Sale-and-leaseback

During 2022 and 2021, no significant sale-and-leaseback transactions have been performed.

17. Trade and other payables

The detail of this heading at 30 June 2022 and 31 December 2021 is as follows:

	Thousands of Euros	
	30 June 2022	**31 December 2021 restated**
Trade payables	538,971	510,896
Current tax liabilities	331,760	277,239
Other payables to related parties (Note 23.d)	65	2,634
Other payables	633,592	610,460
Trade and other payables	**1,504,388**	**1,401,229**

There is no significant difference between the fair value and the carrying amount of these liabilities.

At 30 June 2022 and 31 December 2021, "Trade payables" included mainly the amounts payable for trade purchases made by the Group and their related costs.

"Current tax liabilities" includes all balances payable by the Group to the tax authorities, as detailed in Note 18.c.

Lastly, "Other payables" is formed mainly of deferred revenues and payables to non-current asset suppliers.

18. Income tax and tax situation

a) Tax information

Cellnex Telecom, S.A. has been the Parent Company of a new consolidated tax group for the purposes of Corporation tax in Spain since the 2015 financial year.

Cellnex files consolidated tax returns as the Parent Company of the tax group, where the subsidiaries of which are at least 75%-owned and with tax residence in Spain. The Group companies resident in Italy file consolidated Italian corporation tax returns. In addition, the Group companies resident in the Netherlands file consolidated Dutch tax returns. The UK companies file Group Relief claims and surrenders as appropriate. Cellnex France Groupe files consolidated tax returns as the Parent Company of the tax group, where the subsidiaries of which are at least 95%-owned. The Irish companies file Group Relief claims and surrenders as appropriate. The Group companies resident in Portugal file consolidated Portuguese corporation tax returns except for companies acquired during 2021 and 2022. The Group companies resident in Denmark file consolidated corporation tax returns from 2021. The Group companies resident in Austria file consolidated corporation tax returns from 2021. In Sweden, the Group companies apply the group contribution regime from 2022. The remaining companies included in the consolidation scope file individual corporation tax returns.

Tax audits and litigations

At 30 June 2022, in general, the Group companies' returns for all applicable taxes which are not statute-barred at that date are open to inspection in each of the jurisdictions in which they are based.

In this respect, Cellnex considers that no significant losses will arise with respect to the accompanying consolidated interim financial statements as a result of the different interpretations which may be afforded to prevailing tax law in relation to the years open to inspection.

In July 2018 general inspection proceedings were initiated in relation to consolidated corporate income tax for 2015 and 2016 and VAT for the periods April to December 2015 (individual) and 2016 (group entities). In June 2020 agreed tax reassessments were issued in relation to corporate income tax for the years 2015 to 2018. For 2015 and 2016, the reassessments are definitive. For 2017 and 2018, the proposals are provisional, given that the inspection proceedings were limited to basically verifying the correct application of the reduction in income from the assignment of certain intangible assets. The total resulting amount in respect of tax payable amounted to EUR 3,072 thousand. The Directors of Cellnex have estimated that the criteria applied by the tax authorities do not have a material impact on the years open to audit. Also, in June 2020 unaccepted tax reassessments were communicated in respect of VAT. The proposed assessment amounted to EUR 2,413 thousand. The reason for the reassessment was the different interpretation of the financial activity carried out and how this affects the deductibility of certain items. The allegations put forward by Cellnex were not accepted and in December 2020 final assessments were communicated. In January 2021 Cellnex appealed the final assessments before the Economic-Administrative Court and requested for the adjournment of the assessments by granting a bank guarantee to the Spanish Tax Authorities. In all cases, the inspection authorities considered that the Group's approach was reasonable and they expressly stated that no penalties will be applied.

In October 2020, the Italian Tax Authorities requested a copy of Transfer Pricing documentation relating to fiscal year 2016. Following this request, in May and June 2021, the Italian Tax Authorities requested additional documentation. The dialogue remains on-going as of 30 June 2022. No material impact is expected.

In December 2021, the Dutch Tax Authorities issued initial tax assessments in relation to the amount of real estate transfer tax ("RETT") paid in respect of the 2016 acquisitions of Protelindo Netherlands B.V. and Shere Group Limited. Cellnex shall engage with the Dutch Tax Authorities to appeal the assessment and no material impact is expected. During 2022, the Dutch Tax Authorities raised assessments relating to historic (2012) RETT transactions affecting Towerlink Netherlands B.V. and Shere Masten B.V. Cellnex shall continue to engage with the Dutch Tax Authorities on the resolution of such assessments, but with no material impact expected to arise.

b) Corporation tax expense

As established by IAS 34, the income tax expense has been recorded based on the best estimate available of the annual effective taxation rate for the 2022 financial year.

This estimate has been made taking into account the standard Corporation Tax rate in the countries in which Cellnex conducts its operations, which are:

	2022	2021
Spain	25%	25%
Italy (1)	28.82%	28.82%
Netherlands (2)	25.8%	25%
United Kingdom (3)	19%	19%
France (4)	25%	28%/31%
Switzerland (5)	18.1%	18.23%
Ireland (6)	12.5%/25%	12.5%/25%
Portugal (7)	21%	21%
Finland	20%	20%
Austria (8)	25%	25%
Denmark	22%	22%
Sweden	20.6%	20.6%
Poland	19%	19%

(1) The standard income tax rate is 28.82% in Italy, which is made up of the IRES (Imposta sul Reddito delle Societa) at a rate of 24% and the IRAP (regional business tax in Rome) at a rate of 4.82%.

(2) On 21 December 2021, the Senate approved the 2022 Tax Plan package approving the increase of the Dutch standard CIT rate to 25.8% (2021: 25%). The lower CIT rate for 2022 of 15% remains unchanged for taxable income up to EUR 395 thousand (EUR 245 thousand in 2021) and the standard rate of 25.8% applies to taxable income exceeding the referred thresholds.

[3] The UK CIT rate is currently 19% and is set to remain at that rate until April 2023. The Finance Bill 2021 was published in March 2021, in which the UK CIT rate is set to increase to 25%. The Finance Bill 2021 received Royal Assent in June 2021 and is considered as "substantively enacted" for tax accounting purposes. The 19% rate will continue to apply to companies with profits of less than £50,000, with marginal relief for profits of up to £250,000.

[4]) The French Parliament in December 2021 approved the Finance Bill for 2022, which does not affect the already enacted decrease of the French CIT rate from 33.3% to 25% by 2022. In this regard, for financial years beginning on or after 1 January 2022, a 25% CIT rate applies for all entities.

[5] The standard income tax rate is 18.10% in Switzerland, which is made up of federal, cantonal and communal (municipal) taxes.

[6] On 12 October 2021, the Irish government released the Budget 2022, which approves a planned increase in the corporate tax rate to 15% in line with the OECD tax agreement. Accordingly, the existing CIT rate (12.5% for trading profits and 25% for passive profits) will continue to apply for businesses with revenues less than EUR 750 million, which are outside of the scope of the OECD deal.

[7] Companies with their head office in mainland Portugal are subject to Corporate Income Tax ("IRC") at a base rate of 21%, plus, as applicable, (i) up to a maximum of 1.5% of taxable income through a municipal tax ("Derrama Municipal"), and (ii) a state surcharge ("Derrama Estadual") levied at the rates of 3% on taxable income between EUR 1.5 million and EUR 7.5 million, 5% on taxable income between EUR 7.5 million and EUR 35 million and 9.0% on taxable income in excess of EUR 35 million, resulting in a maximum aggregate tax rate of approximately 31.5% for taxable income higher than EUR 35 million.

[8] On 14 February 2022, the Austrian government published the Eco-Social Tax Reform Act 2022 in the Official Gazzette, which incorporates a gradual reduction of the current CIT rate from 25% to 24% in 2023 and subsequently to 23% in 2024.

c) Current tax liabilities

The breakdown of "Current tax liabilities" is as follows:

	Thousands of Euros	
	30 June 2022	31 December 2021
VAT payable	234,439	181,786
Corporate income tax	77,092	79,295
Social security payable	5,505	5,201
Personal income tax withholdings	2,931	3,532
Other taxes	11,793	7,425
Current tax liabilities	**331,760**	**277,239**

d) Deferred taxes

Tax losses carry forwards

As at 30 June 2022 the tax losses from the Spanish, French, Irish, Austrian, Portuguese, Finnish, Swiss, Polish, Dutch and Swedish companies available for carry forward against future profits amounted to EUR 168.5 million, EUR 169.7 million (and EUR 44.8 million of pre-consolidation tax losses at the level of individual companies), EUR 12.8 million, EUR 16.6 million, EUR 13.5 million, EUR 26 million, EUR 12 million, EUR 1.4 million, EUR 0.8 million and EUR 1.8 million. As at 31 December 2021, tax losses from Spanish, French, Irish, Austrian, Portuguese, Finnish, Swiss, Polish and Dutch companies available for carry forward against future profits, amounted to EUR 172 million, EUR 86 million, EUR 12.7 million, EUR 11.8 million, EUR 13.5 million, EUR 24.3 million, EUR 10.5 million, EUR 1.4 million and EUR 0.8 million.

In addition, the Group had tax losses from UK companies available for carry forward against future profits, as detailed below:

- Non-trade loan relationship deficit of EUR 11.2 million (EUR 11.3 million at 2021 year-end) which related to GBP 9.7 million (GBP 9.7 million at 2021 year-end), which is available to offset future non-trade income and capital gains of the company that incurred the loss, and

– Trading losses of EUR 2.2 million (EUR 7.4 million at 2021 year-end) which related to GBP 1.9 million (GBP 6.4 million at 2021 year-end) which is available to offset against future trading profits generated by the same company that incurred the loss.

Thus, as at 30 June 2022, the total amount of tax losses available for carry forward against future profits amounted to EUR 481.4 million (EUR 351.7 million at 2021 year-end).

The potential deferred tax asset arising on the losses carried forward in the group companies detailed above has not been recognized yet in the accompanying consolidated balance sheet, except for the tax losses in Spain and France recognized at 30 June 2022 amounting to EUR 42.1 million and EUR 52.4 million, respectively (EUR 43 million and EUR 36.3 million, respectively at 2021 year-end) as they will be recovered in less than 10 years according to the business plan prepared by the Management. The aforementioned tax losses do not have an expiration date. Thus, as at 30 June 2022, the deferred tax asset arising on the losses carried forward in the group companies, recognised in the accompanying consolidated balance sheet, amounted to EUR 94.5 million (EUR 79.3 million at 2021 year-end).

19. Employee benefit obligations and provisions and other liabilities

a) Contingent liabilities

At 30 June 2022, the Group has guarantees with third parties amounting to EUR 78,217 thousand (EUR 93,548 thousand at the end of 2021). These relate mainly to guarantees provided by financial institutions before public authorities in connection with grants and technical guarantees, and before third parties in connection with rental guarantees.

On 19 May 2009, the Board of the National Commission on Markets and Competition (CNMC in Spanish) imposed a fine of EUR 22.7 million on Cellnex Telecom, S.A. (formerly Abertis Telecom, S.A.U.) for abusing its dominant position in the Spanish market for transmitting and broadcasting TV signals, pursuant to article 2 of the Competition Act and article 102 of the Treaty on the Functioning of the European Union. The Group filed an appeal for judicial review with the National Appellate Court against the CNMC fine, which was dismissed in the judgement passed on 16 February 2012. This judgement was appealed to the Supreme Court on 12 June 2012. On 23 April 2015 the appeal was resolved, upholding the appeal and annulling the decision of the CNC with regard to the amount of the fine, ordering the current CNMC to recalculate that amount in accordance with the provisions of law 16/89. The CNMC has issued its decision recalculating the aforementioned amount, reducing it to EUR 18.7 million and this decision was appealed against in the National High Court on 29 September 2016. The judgement date was scheduled for 22 June 2022. Based on the opinion of its legal advisers, the provision recorded in this regard at 30 June 2022, amounted to EUR 18.7 million in "current provisions and other liabilities" of the consolidated balance sheet (EUR 18.7 million at the end of 2021 in "non-current provisions and other liabilities").

On 8 February 2012, the Board of the National Commission on Markets and Competition (CNMC in Spanish) imposed a fine of EUR 13.7 million on Cellnex Telecom, S.A. (formerly Abertis Telecom, S.A.U.) for abuse of its dominant position, pursuant to article 2 of the Competition Act and article 102 of the Treaty on the Functioning of the European Union. The company allegedly abused its dominant position in wholesale service markets with access to infrastructure and broadcast centres of Cellnex Telecom, S.A. for broadcasting DTT signals in Spain, and retail service markets for transmitting and distributing DTT signals in Spain by narrowing margins. On 21 March 2012, Cellnex Telecom, S.A. filed an appeal for judicial review against the decision of the CNMC with the National Appellate Court, also requesting a delay of payments with regard to the fine until the court passed a ruling on this matter. This delay was granted on 18 June 2012. On 20 February 2015 the National Appellate Court partially upheld the appeal, ordering the CNMC to recalculate the fine as it considered that the criteria used at the time by the CNMC were not appropriate. Notwithstanding the foregoing, on 26 May 2015, an appeal was filed with the Supreme Court against the judgement of the National Appellate Court on the grounds that it is not only about the recalculation of the amount but also that Cellnex Telecom, S.A. did not break any competition rules. On 23 March 2018, the Supreme Court issued a judgment dismissing the appeal, and was awaiting the return of the file to the CNMC for the recalculation of the sanction. Cellnex Telecom, S.A., filed a nullity incident, which was dismissed on 19 July 2018. On 10 October 2018, Cellnex Telecom, S.A., filed an appeal with the Constitutional Court against the ruling. On 13 February 2019 the Constitutional Court dismissed Cellnex Telecom, S.A.'s appeal. Following the corresponding calculation procedure, the CNMC has ruled that the amount of the fine should not be amended. Cellnex Telecom, S.A., has filed an appeal against such decision. With regard to these proceedings, as of 30 June 2022, the provision recognised based on the opinion of Cellnex's legal advisers, amounted to EUR 13.7 million in "non-current provisions and other liabilities" of the consolidated balance sheet (EUR 13.7 million at the end of 2021).

Moreover, and because of the spin-off of Abertis Telecom S.A.U. (now Abertis Telecom Satélites, S.A.U.) on 17 December 2013, Cellnex Telecom, S.A. assumed all rights and obligations that may arise from the aforementioned legal proceedings, as they relate to the spin-off business (terrestrial telecommunications). An agreement has therefore been entered into between Cellnex Telecom, S.A. and Abertis Telecom Satélites, S.A.U. stipulating that if the aforementioned amounts have to be paid, Cellnex Telecom, S.A. will be responsible for paying these fines. At 30 June 2022, Cellnex Telecom, S.A. has provided three guarantees amounting to EUR 32.5 million (EUR 32.5 million at the end of 2021) to cover the disputed rulings with the CNMC explained above. The original guarantee was provided on 4 February 2020.

In relation to the digitalization and expansion of the terrestrial television networks in remote rural areas in Spain during the digital transformation process, the European Commission issued a decision on 19 June 2013 concluding that Retevisión-I, S.A.U. and other operators of platforms for transmitting terrestrial and satellite signals had received state aid, in the amount of EUR 260 million, that is contrary to the Treaty on the Functioning of the European Union. The ruling ordered Spain to recover the amount of the aid received. Retevisión-I, S.A.U. lodged an appeal on October 2013 against such decision which was dismissed on 26 November 2016. On 5 February 2017, a further appeal was filed. On 20 December 2017, the Court of Justice of the European Union (CJEU) issued a judgment by which it annulled the decisions of 19 June 2013 and 26 November 2016 aforementioned. After such annulment, the European Comission reopened its investigation and issues a new decision on 10 June 2021, concluding that the aid system was against the European Union's legislation and, therefore, the aid had to be recovered. Based on this, the governments of Extremadura, Catalonia, Valencia, Asturias and others initiated different proceedings to recover the aid, amounting to approx. EUR 100 million, that the Group has either appealed or will appeal shortly. On 5 November 2021, the Group filed and appeal before the General Court of the European Union requesting the annulment of the referred decision. To date, the General Court of the European Union has still not ruled on such appeal.

On 1 October 2014, the European Commission passed a ruling declaring that Retevisión-I, S.A.U. and other operators of platforms for transmitting terrestrial and satellite signals had received government aid in the amount of EUR 56.4 million to finance the digitalisation and expansion of the terrestrial television networks in remote areas of Castilla-La Mancha during the digital transformation process and that such state aid was not compatible with European legislation. The decision ordered Spain (through the regional government of Castilla-La Mancha) to recover the aid prior to 2 February 2015. On 29 October 2015, the Government of Castilla la Mancha began an aid recovery procedure amounting to EUR 719 thousand and this has been opposed, and on 4 July 2016 it was declared that this had lapsed ex oficio. Regardless of the above, on 15 December 2016 the General Court of the European Union passed a sentence that declined the appeals presented against it. An appeal was filed against that judgment on 23 February 2017. On 26 April 2018, the Court of Justice of the European Union issued a judgment rejecting the appeals filed by Cellnex Telecom, S.A. and Telecom Castilla La Mancha, S.A. Likewise, on 20 September 2018, a judgment was handed down dismissing the appeal filed by the Kingdom of Spain. On 26 November 2018, the government of Castilla–La Mancha restarted the aid recovery proceeding for an amount of EUR 719 thousand. During the first half of 2019, Cellnex paid the aforementioned amount to the government of Castilla-La Mancha. On 7 February 2019, the government of Castilla-La Mancha ruled in favour of the aid recovery. The Group filed an appeal against the resolution of the government of Castile-La Mancha, which was dismissed by the High Court of Castilla-La Mancha (Tribunal Superior de Justicia de Castilla La-Mancha) on 21 June 2021. Such resolution was declared firm on 4 October 2021.

b) Current and non-current employee benefit obligations

Long Term Incentive Plan ("LTIP")

Rolling Long-term Incentive Plan (2019-2021)

In November 2018 the Board of Directors approved the 2019-2021 LTIP. The beneficiaries include the CEO, the Deputy CEO, the Senior Management and other key employees (approximately 57 employees).

The amount to be received by the beneficiaries will be determined by the degree of fulfilment of the share price increase, calculated using the initial starting price of the period and the average price in the three months prior to November 2021, weighted by the volume ("vwap").

The achievement of the objectives established in the 2019-2021 LTIP was assessed by the Nominations, Remunerations, and Sustainability Committee and payment of any accrued amounts, if applicable, following approval of the annual consolidated financial statements of the Group as of and for the year ended 31 December 2021 by the General Shareholders' Meeting.

For the LTIP 2019 – 2021 all Senior Management and Deputy CEO must receive a 50% of their LTIP remuneration in Cellnex shares and for the CEO the amount is 30% of their LTIP remuneration in Shares. The outstanding 50% or 70% may be paid in options. The rest of the beneficiaries must receive 100% of their LTIP remuneration in Shares. The Share based compensation of this LTIP will be grossed up to partially offset the tax impact on the beneficiaries. The decision to receive the options part in additional shares, in cash or pension benefits is an agreement between the Group and the employee.

As at 31 December 2021, the cost of the 2019-2021 LTIP was EUR 11 million, which has been paid during the first half of 2022.

Rolling Long-term Incentive Plan (2020-2022)

In December 2019, the Board of Directors approved the 2020-2022 LTIP. The beneficiaries include the CEO, the Deputy CEO, the Senior Management and other key employees (approximately 105 employees).

The amount to be received by the beneficiaries will be determined by the degree of fulfilment of the share price increase, calculated using the average price in the three months prior to 31 December 2019 (initial starting price of the period) and the average price in the three months prior to 31 December 2022 (final target price of the period), both weighted by the volume ("vwap").

The achievement of the objectives established in the 2020-2022 LTIP will be assessed by the Nominations, Remunerations and Sustainability Committee and payment of any accrued amounts, if applicable, will be following approval of the annual consolidated financial statements of the Group as of and for the year ended 31 December 2022 by the General Shareholders' Meeting.

For the 2020–2022 LTIP, the CEO must receive a 30% of his LTIP remuneration in Shares and the outstanding 70% may be paid in options. The rest of the Senior Management must receive a 40% of their LTIP remuneration in Shares and the outstanding 60% may be paid in options. Other beneficiaries must receive 70% of their LTIP remuneration in Shares and the outstanding 30% may be paid in options. The rest of the beneficiaries must receive 100% of their LTIP remuneration in shares. The decision to receive the options part in additional shares, in cash or pension benefits is an agreement between the Group and the employee.

As of 30 June 2022, the estimated cost of the 2020-2022 LTIP amounts to approximately EUR 11.5 million.

Based on the best possible estimation of the related liability and taking into consideration all the available information, the Group has recognised a provision of EUR 9.5 million in reserves of the accompanying consolidated balance sheet as at 30 June 2022 (EUR 7.5 million in reserves as at 31 December 2021). Thus, the impact on the accompanying consolidated income statement for the 2022 6-month period amounted to EUR 2.0 million (EUR 2.0 million in the same period in 2021).

Rolling Long-term Incentive Plan (2021-2023)

In December 2020, the Board of Directors approved the 2021-2023 LTIP. The beneficiaries include the CEO, the Deputy CEO, the Senior Management and other key employees (approximately 180 employees).

The amount to be received by the beneficiaries will be determined by the degree of fulfillment of the share price increase, calculated using the average price in the three months prior to 31 December 2020 (initial starting price of the period) and the average price in the three months prior to 31 December 2023 (final target price of the period), both weighted by the volume ("vwap").

The achievement of the objectives established in the 2021-2023 LTIP will be assessed by the Nominations, Remunerations and Sustainability Committee and payment of any accrued amounts, if applicable, will be following approval of the annual consolidated financial statements of the Group as of and for the year ended 31 December 2023 by the General Shareholders' Meeting.

For the 2021–2023 LTIP, the CEO must receive a 30% of his LTIP remuneration in shares and the outstanding 70% may be paid in options. The rest of the Senior Management must receive a 40% of their LTIP remuneration in shares and the outstanding 60% may be paid in options. The rest of Management must receive 70% of their LTIP remuneration in shares and the outstanding 30% may be paid in options. The rest of the beneficiaries must receive 100% of their LTIP remuneration in shares. The decision to receive the options part in additional shares, in cash or pension benefits is an agreement between the Group and the employee.

As of 30 June 2022, the estimated cost of the 2021-2023 LTIP amounts to approximately EUR 14.7 million.

Based on the best possible estimation of the related liability and taking into consideration all the available information, the Group has recognised a provision of EUR 7.4 million in reserves of the accompanying consolidated balance sheet as at 30 June 2022 (EUR 4.9 million in reserves as at 31 December 2021). The impact on the accompanying consolidated income statement for the 2022 6-month period amounted to EUR 2.5 million (EUR 2.5 million in the same period in 2021).

Rolling Long-term Incentive Plan (2022-2024)

In December 2021, the Board of Directors approved the 2022-2024 LTIP. The beneficiaries include the CEO (subject to the approval of the General Shareholders meeting), the Deputy CEO, the Senior Management and other key employees (approximately 225 employees). The amount to be received by the beneficiaries will be determined by the degree of fulfilment of four metrics:

- With a weighting of 20%, achieving certain RLFCF per share (considering the perimeter signed as of the end of 2021 and in 2024 the perimeter will have to be adjusted in order to estimate the like-for-like RLFCF per share provided that the Company targets to execute further inorganic growth). Cellnex´s RLFCF per Share is calculated by dividing RLFCF of the period / Cellnex´s number of outstanding shares, with approximately 708 million shares considered (assuming approximately 27 million new shares to be issued and paid to CK Hutchison Holdings Limited).
- With a weighting of 30%, relative position among a peers group based on Total Shareholder Return. Peers group is form by: American Tower, SBA Communications, Crown Castle, Helios Towers, Vantage Towers, Inwit, Rai Way, MSCI World Index.
- With a weighting of 30%, absolute Total Shareholder Return. The degree of achievement of the share price increase will be calculated on the basis of the average price of the three months prior to the date of grant, volume weighted ("vwap").
- With a weighting of 20%, ESG metrics: i) 8% reaching an specific percentage of sourcing of renewable electricity of the Group, and ii) 12% is based on three parameters: a) the employee engagement at FY21 constant perimeter (based on the pulse survey), b) the reduction of the gender pay gap by 5% at FY21 constant perimeter, and c) achieving an specific percentage of foreign Directors at the Headquarters.

Additionally, under very exceptional performance of absolute Total Shareholder Return and relative position between top 2 companies of the peer group, a booster will be applied to the pay-out capped at a maximum of 5.0x (ranking first with respect the companies of the peer group and being the share price approximately 115€/share). The achievement of the objectives established in the 2022-2024 LTIP will be assessed by the Nominations, Remunerations and Sustainability Committee and payment of any accrued amounts, if applicable, will be following approval of the annual Consolidated Financial Statements of the Group as of and for the period end on 31 December 2024, by the General Shareholders' Meeting.

For all the beneficiaries of the 2022—2024 LTIP, 40% of this remuneration will initially be paid through granted shares and the remaining 60% through options, with an obligation to permanently hold shares depending on the job levelling of each employee. The decision to receive the options part in additional shares, in cash or pension benefits is an agreement between the Group and the employee.

As of 30 June 2022, the estimated cost of the 2022-2024 LTIP amounts to approximately EUR 16.1 million.

Based on the best possible estimation of the related liability and taking into consideration all the available information, the Group has recognised a provision of EUR 2.5 million in reserves of the accompanying consolidated balance sheet as at 30

June 2022. The impact on the accompanying consolidated income statement for the 2022 6-month period amounted to EUR 2.5 million.

Reorganisation Plan (2018 – 2019)

During the first quarter of 2018, the Group reached an agreement with the workers' representatives of Retevisión-I, S.A.U. and Tradia Telecom, S.A.U. regarding a reorganisaation procedure to end up to 180 employment contracts in 2018 and 2019 ("The Reorganisation Plan").

The agreement consists of income plans for employees of 57 years of age or older as of 31 December 2017 and, on the other hand, lump-sum indemnity payments as a result of the voluntary termination of employment contracts for other employees not included in the annuity plan. The period during which employees could voluntarily participate in the annuity plan ended on 31 May 2018, whereas the period for claiming the lump-sum termination benefits started on 7 January 2019 and ended on 31 January 2019.

The provision for the workforce agreement was paid during 2018, 2019 and first months of 2020. Accordingly, opex efficiencies should crystalize from 2020 onwards.

This plan fits into the reorganisation process relating to the broadcasting business that is being undertaken by the Group's subsidiary companies in Spain. Under this plan, the Group is seeking to adapt its structure to the new business models, which have been widely modernised in recent years with the introduction of equipment, which can be maintained remotely, without the necessity to physically travel to the sites where the equipment is installed.

At 31 December 2018, a provision was recognised for this reorganisation procedure, with an estimated cost of EUR 55 million. As of 31 December 2020, the Reorganisation Plan was finalized.

The balance payable at 30 June 2022 associated with this reorganisation procedure carried out by the Group represents expected payments related to this process, amounting to EUR 9.9 million and EUR 0.3 million recorded in the long and short term, respectively, of the accompanying consolidated balance sheet (EUR 9.9 million and EUR 0.3 million recorded in the long and short term, respectively, at 31 December 2021).

Reorganisation Plan (2022)

In December 2021 an agreement was reached with the workers' representatives of Retevisión-I, S.A.U., Tradia Telecom, S.A.U. and On Tower Telecom Infrastructuras, S.A.U. in relation to a reorganisation procedure ends up to 252 employment contracts in the period from 2022 to 2025 as detailed below.

The agreement consists, on the one hand, of pre-retirement plans for employees of 57 or more years of age who, during the period from 2022 to 31 March 2025 are 57 years of age or older and have a length of service of 7 years and, on the other hand, lump-sum termination benefits as a result of the voluntary termination of their employment contracts for the rest of the employees not included in the pre-retirement plan. The voluntary participation period will begin on 17 January and end on 31 May 2022.

The workforce agreement will be executed in the period from 2022 to 2025. As a result, the opex efficiencies should start to be seen from 2025.

This plan is part of the evolution of the business model (with ever greater emphasis on Telecommunications Infrastructure Services (TIS) as opposed to broadcasting which was the core business until a few years ago) and technological changes (associated with the development of LTE, mobile broadband and the development of internal management systems that improve efficiency). Therefore, in the last few years work has continued on renewing equipment and automating the network supervision processes, enabling a more centralised management geared towards scheduled actions as a result of preventive maintenance.

At 31 December 2021, a provision was recognised for this reorganisation procedure, with an estimated cost of EUR 81 million. During the six month period ended 30 June 2022, following execution of part of this agreement, contracts ended for 43 employees for a cost of EUR 12.4 million (no contracts ended during 2021).

The balance payable at 30 June 2022 associated with this reorganisation procedure carried out by the Group represents expected payments related to this process, amounting to EUR 40.4 million and EUR 27.7 million recorded in the long and short term, respectively, of the accompanying consolidated balance sheet (EUR 53 million and EUR 28 million recorded in the long and short term, respectively, at 31 December 2021).

c) Provisions and other liabilities

The detail of "Provisions and other liabilities" at 30 June 2022 and 31 December 2021 is as follows:

In accordance with IFRS 3, Cellnex recognises contingent liabilities assumed in business combinations at the acquisition date even if it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. At 30 June 2022, the provisions for other responsibilities amounted to EUR 627,264 thousand (EUR 668,298 thousand at 2021 year-end). Regarding the Business Combinations executed in 2022 and 2021, certain risks associated with the business acquired have been assessed by the Group with the assistance of independent third party experts. Following this analysis and in accordance with IFRS 3.22-23, no provisions have been registered in the 6-month period ended on 30 June 2022 (see Note 5) (EUR 165 million in the 6-month period ended on 30 June 2021 regarding the risks assessed in Business Combinations executed in that period). During the same period, the Group has reversed provisions associated with Business Combinations of approximately EUR 20 million (EUR 44 million in the 6-month period ended on 30 June 2021) as the risks became remote, expired or the amounts were settled. The impact was registered under the Income Tax heading of the accompanying consolidated income statement. The expectations of the Group are that the provisions recognised will either be settled or will expire within the coming years, at a rate similar to this year.

The caption also includes the contractual obligation to dismantle and decommission the mobile telecom infrastructures (see Note 3.o. of the 2021 Consolidated Financial Statements). As at 30 June 2022, the provision for asset retirement obligation, amounted to EUR 420,900 thousand (EUR 474,657 thousand at 2021 year-end restated).

Moreover, the caption includes the possible sanctions levied by the National Competition Committee (see Note 19.a), which have been recorded in the consolidated balance sheet as of 30 June 2022 and 31 December 2021. Based on the opinion of its legal advisers, the provision recorded in this regard at 30 June 2022, amounted to EUR 13.8 million in the caption "non-current provisions and other liabilities" and EUR 18.7 million in the caption "current provisions and other liabilities" of the consolidated balance sheet (EUR 32.5 million at the end of 2021 in the caption "non-current provisions and other liabilities").

Furthermore, during 2021, in relation to the T-Mobile Infra Acquisition (see Note 6 of the consolidated financial statements of 2021 year-end), Cellnex, DIV and a Dutch foundation entered into an agreement, which set forth the right of DIV to sell its 37.65% non-controlling interest to Cellnex, at a price to be calculated pursuant to said agreement (the "T-Mobile Infra Put Option"). If the T-Mobile Infra Put Option is exercised, the purchase price for the shares would be their fair value calculated according to certain formulae included in the T-Mobile Infra Put Option agreement, over a maximum period of 5 years. The T-Mobile Infra Put Option could be exercised over a maximum period of five years, and Cellnex may choose to pay the purchase price in case of an exercise either in cash or with Cellnex shares. The method used for the measurement of the T-Mobile Infra Put Option is based on the best estimate, at the measurement date, of the present value of the amount that must be paid when the put option is exercised (pursuant to "IAS 32 - Financial Instruments"). The estimate of the aforementioned amount could vary depending on the evolution of parameters related to market value, determined according to the option contract entered into by the parties, of the aforementioned non-controlling interest, but does not include other variable elements. The liability recognised for the aforementioned agreement was measured by calculating discounted cash flows on the basis of the percentage of ownership. Also, the measurement includes the related financial effect. Thus, at 30 June 2022 and 31 December 2021 the aforementioned liability was recognised at its fair value. At subsequent reporting dates, this amount could be increased on the basis of its fair value; there is no maximum amount for this value, since it depends on the market value of the ownership interest. The price of this acquisition is therefore uncertain and will undoubtedly be expected to be inflationary, given the favourable performance of such assets (see Note 14.f.). Thus, as at 30 June 2022, based on the best estimation of the T-Mobile Infra Put Option and taking into account all the available information, the Group has recognised a provision of EUR 305 million (EUR 296 million at 2021 year-end) for this item in "provisions and other liabilities long-term" of the accompanying consolidated balance sheet.

In addition, this item mainly includes deferred income in certain subsidiaries in which, at the closing date, there was invoicing collected in advance, in accordance with the corresponding contractual conditions with customers. It also included amounts claimed from Group companies in ongoing litigation at the year end. The amounts were estimated based on the amounts claimed or stipulated in court rulings issued at the end of each year shown and appealed against by the aforementioned companies. At 30 June 2022, this caption amounted to EUR 124,327 thousand (EUR 143,204 thousand at 2021 year-end).

Finally, in the context of the Omtel Acquisition (see Notes 2.h and 8 of the 2020 Consolidated Financial Statements), this amount includes the remaining balance of the total acquisition price, amounting to EUR 570 million, which will be paid, on the earlier of 31 December 2027 or upon the occurrence of certain events of default. The amount of the aforementioned deferred payment is updated to its present value, at an annual market discount rate, at each period end. Therefore, as of 30 June 2022, the present value of the deferred payment amounted to EUR 496,014 thousand (EUR 489,288 thousand at 2021 year-end). Thus, the impact on "financial costs" of the accompanying consolidated income statement for the 2022 6-month period amounted to EUR 6,726 thousand (EUR 6,726 thousand at the same period of 2021).

20. Revenue and expenses

a) Operating income

The detail of operating income by item during the 6-month period ended on 30 June is as follows:

	Thousands of Euros	
	30 June 2022	**30 June 2021**
Services	1,577,620	1,019,611
Other operating income	112,420	41,214
Advances to customers (Note 10)	(1,582)	(1,523)
Operating income	**1,688,458**	**1,059,302**

"Other operating income" includes mainly income from re-charging costs related to activities for renting tower infrastructures for site rentals to third parties (pass-through). "Advances to customers" includes the amortization of amounts paid for sites to be dismantled and their corresponding dismantling costs, which are treated as advances to customers in relation to the subsequent services agreement entered into with the customer (mobile telecommunications operators). These amounts are deferred over the life of the service contract with the operator as they are expected to generate future economic benefits in existing infrastructures.

b) Staff costs

The detail of staff costs by item during the 6-month period ended on 30 June is as follows:

	Thousands of Euros	
	30 June 2022	**30 June 2021**
Wages and salaries	(100,189)	(74,254)
Social Security contributions	(20,047)	(15,008)
Retirement fund and other contingencies and commitments	(4,672)	(3,215)
Other employee benefit costs	(8,489)	(6,454)
Staff costs	**(133,397)**	**(98,931)**

c) Other operating expenses

The detail of other operating expenses by item during the 6-month period ended on 30 June is as follows:

	Thousands of Euros	
	30 June 2022	30 June 2021
Reparis and maintenance	(44,168)	(32,246)
Utilities	(134,723)	(57,388)
Other operating costs	(139,513)	(119,059)
Other operating expenses	**(318,404)**	**(208,693)**

d) Non-recurring and non-cash expenses

As of 30 June 2022 and 2021, the items "Staff costs" and "Other operating expenses" above, contains (i) certain expenses that are non-recurring, or (ii) certain expenses that do not represent a cash flow, as detailed below:

i) Covid donations, which relate to a financial contribution by Cellnex to different institutions in the context of the Coronavirus Pandemic (non-recurring item), amounted to EUR 274 thousand (EUR 1,918 thousand in the same period in 2021).

ii) Redundancy provision, which mainly includes the impact in 2022 and 2021 6-month periods derived from the reorganisation plans detailed in Note 19.b of the accompanying consolidated financial statements (non-recurring item), amounted to EUR 2,485 thousand (EUR 3 thousand in the same period in 2021).

iii) LTIP remuneration payable in shares, which corresponds to the LTIP remuneration accrued at the year-end, which is payable in Cellnex shares (see Note 19.b of the accompanying consolidated financial statements, non-cash item), amounted to EUR 8,295 thousand (EUR 7,768 thousand in the same period in 2021), and extra compensation and benefits costs, which corresponds to extra non-conventional bonus for the employees (non-recurring item), amounted to EUR 424 thousand (EUR 0 thousand in the same period in 2021).

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 38,220 thousand (EUR 37,428 thousand in the same period in 2021).

e) Depreciation and amortisation charge

The detail of "Depreciation and amortisation" in the consolidated income statement during the 6-month period ended on 30 June is as follows:

	Thousands of Euros	
	30 June 2022	30 June 2021
Property, plant and equipment (Note 7)	(316,658)	(199,879)
Right-of-use assets	(305,446)	(192,043)
Intangible assets (Note 8)	(509,834)	(285,674)
Total	**(1,131,938)**	**(677,596)**

21. Contingencies, commitments and obligations

a) Contingencies

As at 30 June 2022, the contingent liabilities of the Cellnex Group are those detailed in Note 19.a of the accompanying interim condensed consolidated financial statements.

b) Commitments and obligations

i) CK Hutchison Holdings Transactions

In the second half of 2020, the Group announced it had reached an agreement with Hutchison for the acquisition of Hutchison's European tower business and assets in Austria, Denmark, Ireland, Italy, the United Kingdom and Sweden by way of six separate transactions (i.e. one transaction per country) (the "CK Hutchison Holdings Transactions"). See Notes 6 and 21 to the Consolidated Financial Statements for the year ended on 31 December 2020 for additional information.

The CK Hutchison Holdings Transactions in respect of Austria, Denmark and Ireland were completed at the end of December 2020 following satisfaction or waiver of all applicable conditions precedent (the "CK Hutchison Holdings 2020 Completed Transactions". In addition, the CK Hutchison Holdings Transactions in respect of Sweden and Italy were completed in the first and second quarters of 2021, respectively, following satisfaction or waiver of all applicable conditions precedent (the "Hutchison Sweden Acquisition" and the "Hutchison Italy Acquisition", respectively).

Completion of the CK Hutchison Holdings Transaction in respect of the United Kingdom (the "Hutchison United Kingdom Acquisition") remains subject to certain conditions precedent, which are expected to be satisfied or waived in 2022. In accordance with IFRS 3, given that the Hutchison United Kingdom Acquisition had not been completed as of 30 June 2022, it was not accounted for in the accompanying interim condensed consolidated financial statements for the period ended 30 June 2022.

The CK Hutchison Holdings Transactions contemplates a total consideration (subject to certain adjustments) of approximately EUR 10 billion, of which approximately EUR 1.4 billion is expected to be paid in new and/or treasury Shares.

As of the date of these interim condensed consolidated financial statements, the Group has paid aggregate cash consideration to Hutchison of approximately EUR 2.2 billion pursuant to the CK Hutchison Holdings 2020 Completed Transactions and approximately EUR 0.8 billion and EUR 3.4 billion pursuant to the Hutchison Sweden Acquisition and the Hutchison Italy Acquisition, respectively.

The consideration for the Hutchison United Kingdom Acquisition is expected to be settled upon closing partly in cash and partly by the issue to Hutchison of new Shares and (if applicable) the transfer to Hutchison of treasury Shares. On 28 April 2022, the general shareholders' meeting of Cellnex (the "General Shareholder's Meeting") approved (delegating its execution on the Board of Directors) a share capital increase by means of an in-kind contribution for the payment of the portion of the consideration to be settled in Shares, which was a renewal of its initial approval for such capital increase made on 29 March 2021. It is expected that Hutchison will receive approximately EUR 1.4 billion in Shares (with the exact number of Shares to be received by Hutchison based on the Cellnex Share price at closing[(1)]). In order to deliver the number of Shares required at completion, Cellnex will issue approximately 27 million new Shares, and will transfer such number of additional treasury Shares if necessary to reach the number of the Shares consideration payable pursuant to the Hutchison United Kingdom Acquisition. The aggregate number of Shares to be delivered to Hutchison at completion is subject to adjustments under certain events (same adjustments events as in the EUR 850 million 2028 convertible bond) relating to Cellnex's share capital if they occur prior to completion of the CK Hutchison Holdings Transaction in respect of the United Kingdom, including, among others, issues of Shares in Cellnex by way of conferring subscription or purchase rights (such as the issuance of Shares by Cellnex that occurred on 23 April 2021).

As described in item 8, paragraph 10, of the resolutions passed by the 2022 Ordinary General Shareholder's Meeting, the Ordinary General Shareholders' Meeting acknowledged that the potential differences in value between (i) the implicit value attributed to Cellnex's new shares which will be issued in the context of the share capital increase; and (ii) the volume weighted average price of Cellnex's shares on a date which is close to the date where the share capital increase is executed (subject to a collar mechanism limiting, exclusively to this purpose, the potential fluctuations in the share price), will be adjusted. Such adjustment, which has a purely contractual significance and does not affect in any way the terms of the share capital Increase, will be effected, if applicable, by means of Cellnex's shares transfer and/or, if agreed between Cellnex and Hutchison, by cash payment.

Hutchison is expected to hold at closing of the Hutchison United Kingdom Acquisition an interest of between approximately 3.4% and 4.8% in Cellnex's share capital, depending on the Cellnex's share price[(1)] as explained in the presentation to the market of 12 November 2021 as well as the capital increase prospectus of 30 March 2021, assuming that no further adjustment events occur. However, in the event that the Cellnex shareholder approval to issue new Shares expires and is not renewed before completion, payment of the total consideration for the Hutchison United Kingdom Acquisition can be made fully in cash unless otherwise agreed between the parties. In relation to the consideration for the Hutchison United Kingdom Acquisition that is expected to be partially settled through the issuance to Hutchison of new Shares and (if applicable) the transfer to Hutchison of treasury Shares, if as a result of a takeover bid prior to closing of such transaction a third party (alone or in concert with another person) acquires the majority of the votes in Cellnex, instead of delivering Shares, Cellnex shall procure that Hutchison receives at completion such equivalent consideration as Hutchison would have received had it been a shareholder of Cellnex at the time of the takeover bid.

[(1)] It is currently expected that the minimum and the maximum number of Shares to be delivered to Hutchison at completion will be 23.7 million and 34.1 million, respectively, in the event the arithmetic average of the volume weighted average price of a Share on each of the 20 consecutive trading days ending on and including the date which is five trading days prior to the completion date of the Hutchison United Kingdom Acquisition equals or is above EUR 57.0 per Share and equals or is below EUR 39.6 per Share, respectively. This would result in Hutchison holding at closing of the Hutchison United Kingdom Acquisition an interest of between approximately 3.4% and 4.8% in Cellnex's share capital, depending on the closing Share price. The aggregate number of Shares to be delivered to Hutchison at completion is also subject to adjustment in case certain events relating to Cellnex's share capital occur prior to completion of the Hutchison United Kingdom Acquisition, including, among others, issues of Shares in Cellnex by way of conferring subscription or purchase rights (such as the capital increase of March 30, 2021).

Agreements in respect of the United Kingdom

Pursuant to a sale and purchase agreement dated 12 November 2020, Hutchison agreed to sell to Cellnex UK (a fully-owned subsidiary of Cellnex, which acts as guarantor) 100% of the share capital of CK Hutchison Networks (UK) Limited ("Networks Co UK") and to the Group the debt rights in respect of certain amounts owed to Hutchison by Networks Co UK (the "CK Hutchison UK SPA").

Under the terms of the CK Hutchison UK SPA, the parties agreed that upon completion of the acquisition contemplated thereby, 2,167 sites will be transferred to the Group, and a Hutchison group company and a Group company will enter into certain agreements (including, among others, an enhanced economic benefit agreement (the "CK Hutchison EEBA"), services agreement and advisory agreement) (the "CK Hutchison New Agreements"). Pursuant to the CK Hutchison New Agreements, Hutchison irrevocably will make available to On Tower UK the rights and obligations in relation to 7,324 of the sites (including any accompanying passive infrastructure) currently managed by a joint operation between Hutchison and a third party (such joint operation currently manages both active and passive infrastructure), as well as up to 342 sites that Hutchison may acquire from that third party, in return for On Tower UK undertaking certain Hutchison's financial obligations in relation to those sites. Following the termination of this joint operation, which is expected to occur in 2031, and the transfer of legal title in certain of those sites to Hutchison, the legal title to a minimum of 3,000 but up to a maximum of 3,833 sites that are the subject of the CK Hutchison EEBA will be transferred to a member of the Group. The execution of the CK Hutchison New Agreements at closing is conditional upon On Tower UK or Hutchison 3G UK Limited receiving from the HM Revenue and Customs a positive VAT ruling in relation to the initial consideration under the CK Hutchison EEBA or the parties agreeing on and implementing an alternative structure to the CK Hutchison EEBA (the "EEBA VAT Condition") unless the EEBA VAT Condition is waived, subject to the terms and conditions set forth in the CK Hutchison UK SPA.

The consideration payable upon closing by the Group under the CK Hutchison UK SPA and the CK Hutchison EEBA is expected to amount to approximately EUR 3.7 billion, of which approximately EUR 2.3 billion is expected to be paid to Hutchison in cash. The remaining consideration is expected to be satisfied by the issuance and/or (if applicable) transfer of approximately EUR 1.4 billion in new shares and (if applicable) additional treasury Shares, as applicable (with the exact number of Shares to be received by Hutchison based on the Share price at closing[(1)]). The Shares subscribed by Hutchison in connection thereto will be subject to a 12-month lock-up on customary terms.

[(1)] It is currently expected that the minimum and the maximum number of Shares to be issued and delivered to Hutchison amounts toat completion will be 23.7 million and 34.1 million, respectively, in the event the arithmetic average of the Volume Weighted Average Price of a Share on each of the 20 consecutive trading days ending on and including the date which is five trading days prior to the completion date of the CKH Hutchison Holdings Transactions in respect of the United Kingdom Acquisition equals to or is above €57.0 per share and equals to or is below €39.6 per share, respectively. The completion of the CK This would result in Hutchison Holdings Transaction in respectholding at closing of the Hutchison

United Kingdom Acquisition an interest of between approximately 3.4% and 4.8% in Cellnex's share capital, depending on the closing Share price. The aggregate number of Shares to be delivered to Hutchison at completion is also subject to adjustment in case certain events relating to Cellnex's share capital occur prior to completion of the Hutchison United Kingdom Acquisition, including, among others, issues of Shares in Cellnex by way of conferring subscription or purchase rights (such as the capital increase of March 30, 2021).

The completion of the Hutchison United Kingdom Acquisition is subject to the satisfaction or waiver of applicable conditions precedent in the CK Hutchison UK SPA in particular, the condition precedent relating to antitrust clearance in the UK. This condition precedent will be satisfied once the separate conditions precedent specified in the Final Undertakings accepted by the United Kingdom Competition and Markets Authority ("CMA") on 12 May 2022 (the "Final Undertakings") are satisfied. On 3 March 2022, the CMA approved the Hutchison United Kingdom Acquisition subject to divestiture by Cellnex of approximately 1,000 sites currently operated by Cellnex in the United Kingdom that geographically overlap with the sites owned or operated by the Hutchison Group in the UK (the "Divestment Remedy"). Completion of both the Hutchison United Kingdom Acquisition and the Divestment Remedy are expected to take place during 2022, taking into account the facts described in Note 25. If the CK Hutchison UK SPA terminates due to the failure to obtain antitrust authorization, the CK Hutchison UK SPA contemplates a break fee payable by the Group to Hutchison in certain circumstances.

Pursuant to the CK Hutchison UK SPA, it was also agreed that a Hutchison group company and a Group company would enter into a master services agreement whereby the Group will provide co-location services to Hutchison at the sites controlled by the Group (the "CK Hutchison UK MSA") in terms similar to those of the CK Hutchison Europe MSAs. The price to be paid by Hutchison in exchange for the above services in accordance with the CK Hutchison UK MSA will be annually adjusted to the CPI, taking into consideration that the increase shall not exceed 2.25% per year and the decrease cannot be less than 0%. The initial term of the CK Hutchison UK MSA is 15 years, with possible extensions for a further 15-year period and subsequent 5-year periods, on an "all-or-nothing" basis. Additionally, the CK Hutchison UK MSA sets forth the terms under which the Group will build up to approximately 600 sites by 2022, for an estimated total consideration of up to approximately EUR 340 million (which the Group expects to finance with cash generated by the portfolio), including further initiatives to be executed by 2030.

Additionally, it was agreed that Cellnex UK (or another Group company) and/or Networks Co UK will also enter into a transitional services agreement with a Hutchison group company, substantially in the same form as those signed in the context of the CK Hutchison Europe agreements, as contemplated above.

ii) Agreements with NOS in Portugal

In the first quarter of 2022, Cellnex reached an agreement with Nos Comunicações, S.A. in order to expand its BTS program for up to 150 sites to be transferred by Cellnex for approximately EUR 50 Million, subject to adjustments, if any, as part of its long-term partnership established in 2020. After this transaction, which remains subject to satisfaction of certain conditions precedent, the BTS program will total up to 550 sites to be completed by 2026.

iii) Agreements with Bouygues Telecom for the deployment of new build-to-suit programs in France

In the first quarter of 2022, the Group and Bouygues Telecom entered into agreements in order to contractualize, among other things, a new build-to-suit ("BTS") programs in France with a view to neutralize capital expenditure and adjusted EBITDA expected impacts from the remedies required by the French CA in connection with the Hivory Acquisition, on a run rate basis. In particular, the Group contracted with Bouygues Telecom a build-to-suit program of up to 1,350 sites in rural areas of France, to be deployed by 2029 with an estimated capital expenditure of up to approximately EUR 310 million. The transaction will be structured in a way similar to the Bouygues Telecom Strategic Agreement (see Note 7) and is subject to the completion or waiver of certain conditions precedent. Secondly, Cellnex France and Bouygues Telecom extended an existing build-to-suit program in very dense areas of France of up to 1,500 additional sites to be deployed by 2029 with an estimated capital expenditure of up to approximately EUR 490 million. Lastly, the Group increased the scope of its existing program with Bouygues Telecom involving strategic sites with data processing capabilities by adding up to 2 additional mobile switching centres, to be transferred by 2024 with an estimated capital expenditure of up to approximately EUR 70 million.

iv) Agreements between Cellnex France Groupe, Bouygues Telecom and Phoenix France Infrastructures to dispose approximately 3,200 urban sites in France

In the first quarter of 2022, the Group entered into several transactions with the aim to fulfil the disposals required by the French CA as a condition for the approval of the Hivory Acquisition (see Note 4 of the 2021 Consolidated Financial Statements).

Firstly, Cellnex France and Phoenix France Infrastructures (in the presence of Bouygues Telecom) entered into a business transfer agreement which sets forth the terms and conditions under which Cellnex France will sell to Phoenix France Infrastructures (or to any company controlled by Phoenix France Infrastructures that Phoenix France Infrastructure would substitute) 2,000 sites located in very dense areas of France. The sale will be carried out at a price to be calculated pursuant to the agreement which takes into account the profit generated by such sites, for an expected total amount of approximately EUR 600 million, net of taxes. The effectiveness of this agreement is subject to the French CA approval among other conditions precedent.

In addition, Hivory, Cellnex France and Phoenix Tower France II (a company of the Phoenix Tower International group) entered into a share purchase agreement which sets forth the terms and conditions under which Hivory will transfer to Phoenix Tower France II 1,226 sites located in very dense areas of France, subject to the French CA approval among other conditions precedent. The sale will be carried out at a price to be calculated pursuant to the agreement which takes into account the profit generated by such sites, for an expected total amount of approximately EUR 235 million, net of taxes.

v) Other purchase commitments

As at 30 June 2022, the purchase commitments for tangible and intangible assets are those detailed in Notes 7 and 8 of the accompanying interim condensed consolidated financial statements.

22. Segment reporting

The Group's business segment information included in this note is presented in accordance with the disclosure requirements set forth in IFRS 8, Operating Segments. This information is structured, firstly following a geographic distribution and secondly, by business segment.

Cellnex has recently expanded its business in Europe and its strategic objectives include the continuation of this growth initiative through the acquisition of assets and businesses, along with other growth opportunities both in the countries in which it is currently present and others. In this regard, as the Group continues to acquire sites in existing markets and is continuing to expand into new ones, the Group Management manages the results obtained by geographical location.

In addition, the business segments described below were established based on the organisational structure of the Cellnex Group prevailing as at 30 June 2022 and have been used by Group management to analyse the financial performance of the different operating segments.

The Group has organised its business into three different customer focused units, supported by an operations division and central corporate functions. Income from the provision of services relates mainly to:

- Telecom Infrastructure Services: this is the Group's largest segment by turnover. It provides a wide range of integrated network infrastructure services to enable access to the Group's telecom infrastructure by MNOs, other wireless telecommunications, broadband network operators, among others, allowing such operators to offer their own services to their customers. Telecom Infrastructure Services are generated from a number of sources: i) annual base fee from telecommunications customers (both anchor and secondary tenants), ii) escalators or inflation as the annual update of the base fee and, iii) New colocations and Associated revenues (which include new third party colocations as well as further initiatives carried out in the period such as special connectivity projects, indoor connectivity solutions based on DAS, mobile edge computing, fiber backhauling, site configuration changes as a result of 5G rollout and other 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 BTS programs executions.

Additionally the consolidated income statement for the period includes income from re-charging costs related to infrastructure services activities for mobile telecommunications operators to third parties.

- Broadcasting Infrastructure: this is the Group's second largest segment by turnover. Corresponding to broadcasting services in Spain, where it is the only operator offering nationwide coverage of the digital terrestrial television ("DTT") service (source: CNMC). Its services consist of the distribution and transmission of television and radio signals, the operation and maintenance of broadcasting networks, the provision of connectivity for media content and over-the-top ("OTT") broadcasting services and other services. Through the provision of broadcasting services in Spain, the Group has developed unique know-how that has helped to develop other services within its portfolio.

- Other Network Services: the Group provides the infrastructure required to develop a connected society by providing network services such as data transport, security and control, Smart communication networks including Internet of Things ("IoT"), Smart services, managed services and consulting, as well as optic fiber services. As a telecom infrastructure operator, the Group can facilitate, streamline and accelerate the deployment of these services through the efficient connectivity of objects and people, in both rural and urban environments, helping to build territories enabled by genuine Smart infrastructure services. This constitutes a specialized business that generates relatively stable cash flows with potential for further growth.

  The Group classifies Other Network Services into five groups: (i) connectivity services; (ii) PPDR services; (iii) operation and maintenance; (iv) Smart Cities/IoT ("Internet of Things"); and (v) other services.

Methodology and bases for Segment Reporting

The segmental reporting below is based on monthly reports drawn up by Group management and is generated by the same information system used to obtain all the accounting data at Group level.

Operating income of the corresponding segment corresponds to the ordinary revenues directly attributable to each segment and do not include interest income or dividends.

The majority of assets employed and underlying costs are derived from a shared network common to all operating business units. An allocation of such assets and costs to the business areas is not performed as part of the normal financial information reporting process used by the Group's Management for decision-making, and Management is of the opinion that additional segmental reporting would not provide meaningful information for decision making.

The Management Committees are the maximum decision making authority. These committees evaluate the Group's performance based on the operating profit of each company, which are not the same as the above business areas.

The assets and liabilities of each segment at 30 June 2022 and 31 December 2021 are as follows:

											Thousands of Euros
											30 June 2022
	Spain [(1)]	Italy	France	UK	Switzerland	Portugal	Austria	Poland	Netherlands	Other countries	Total
Goodwill and other intangible assets	271,581	3,919,858	7,581,528	2,606,770	1,439,888	1,466,642	1,011,416	2,093,459	1,264,867	2,009,072	**23,665,081**
Right-of-use assets	345,955	699,890	853,479	366,215	260,309	95,113	96,627	217,182	89,017	112,971	**3,136,758**
Tangible fixed assets	830,834	1,571,601	3,964,702	352,460	207,184	317,460	211,432	1,187,109	135,997	394,126	**9,172,905**
Other non-current assets	384,543	70,361	120,044	64,579	4,435	36,389	125,429	39,575	17,308	54,470	**917,133**
Total non-current assets	**1,832,913**	**6,261,710**	**12,519,753**	**3,390,024**	**1,911,816**	**1,915,604**	**1,444,904**	**3,537,325**	**1,507,189**	**2,570,639**	**36,891,877**
Total current assets	**2,396,417**	**206,443**	**368,481**	**219,921**	**45,026**	**114,887**	**18,335**	**220,591**	**29,037**	**107,144**	**3,726,282**
Non-current assets held for sale	—	—	—	243,274	—	—	—	—	—	—	243,274
TOTAL ASSETS	**4,229,330**	**6,468,153**	**12,888,234**	**3,853,219**	**1,956,842**	**2,030,491**	**1,463,239**	**3,757,916**	**1,536,226**	**2,677,783**	**40,861,433**
Borrowings and bond issues	14,120,732	—	218,228	695,233	583,048	—	—	—	278,308	—	**15,895,549**
Lease liabilities	264,343	400,701	732,384	101,801	226,439	63,280	76,646	185,893	58,578	78,818	**2,188,883**
Other non-current liabilities	899,857	707,878	1,464,593	732,309	314,884	277,258	248,467	320,274	347,376	413,751	**5,726,647**
Total non-current liabilities	**15,284,932**	**1,108,579**	**2,415,205**	**1,529,343**	**1,124,371**	**340,538**	**325,113**	**506,167**	**684,262**	**492,569**	**23,811,079**
Borrowings and bond issues	704,369	—	—	7,174	1,672	70	(236)	—	(300)	(147)	**712,602**
Lease liabilities	43,974	110,556	175,259	22,436	35,579	18,655	18,404	56,364	20,149	26,629	**528,005**
Other current liabilities	(6,723,039)	680,236	5,355,329	429,990	136,749	588,661	201,398	378,112	(37,702)	556,781	**1,566,515**
Total current liabilities	**(5,974,696)**	**790,792**	**5,530,588**	**459,600**	**174,000**	**607,386**	**219,566**	**434,476**	**(17,853)**	**583,263**	**2,807,122**
Liabilities associated with non-current assets held for sale	—	—	—	67,883	—	—	—	—	—	—	67,883
TOTAL LIABILITIES	**9,310,236**	**1,899,371**	**7,945,793**	**2,056,826**	**1,298,371**	**947,924**	**544,679**	**940,643**	**666,409**	**1,075,832**	**26,686,084**

(1) In addition to the Spanish business, it also includes the Corporation and the Cellnex Finance Company.

										Thousands of Euros
										31 December 2021 restated
	Spain [(1)]	Italy	France	UK	Switzerland	Portugal	Austria	Poland	Netherlands	Other countries	Total
Goodwill and other intangible assets	253,403	4,010,774	7,727,590	2,907,072	1,419,044	1,504,440	1,030,221	2,178,881	1,290,986	2,074,789	**24,397,200**
Right-of-use assets	348,263	747,469	860,720	431,655	245,372	80,944	101,628	254,326	96,479	113,223	**3,280,079**
Tangible fixed assets	850,711	1,539,007	3,153,484	324,705	209,462	247,382	207,763	1,151,151	152,665	379,043	**8,215,373**
Other non-current assets	282,873	73,897	91,918	70,625	5,213	20,327	139,670	44,637	2,611	51,870	**783,641**
Total non-current assets	**1,735,250**	**6,371,147**	**11,833,712**	**3,734,057**	**1,879,091**	**1,853,093**	**1,479,282**	**3,628,995**	**1,542,741**	**2,618,925**	**36,676,293**
Total current assets	**3,705,049**	**172,327**	**567,406**	**201,406**	**67,204**	**114,333**	**19,212**	**124,259**	**35,690**	**78,148**	**5,085,034**
TOTAL ASSETS	**5,440,299**	**6,543,474**	**12,401,118**	**3,935,463**	**1,946,295**	**1,967,426**	**1,498,494**	**3,753,254**	**1,578,431**	**2,697,073**	**41,761,327**
Borrowings and bond issues	13,154,150	—	208,920	708,527	564,473	—	—	—	277,989	1	**14,914,060**
Lease liabilities	269,496	479,693	738,258	122,734	221,814	54,129	89,195	200,526	77,881	82,499	**2,336,225**
Other non-current liabilities	890,113	736,504	1,523,470	840,440	323,860	293,422	268,555	336,754	355,355	424,903	**5,993,376**
Total non-current liabilities	**14,313,759**	**1,216,197**	**2,470,648**	**1,671,701**	**1,110,147**	**347,551**	**357,750**	**537,280**	**711,225**	**507,403**	**23,243,661**
Borrowings and bond issues	717,402	—	—	1,789	1,565	70	(236)	(128)	(323)	(144)	**719,995**
Lease liabilities	42,758	98,827	175,022	23,639	17,003	18,347	16,635	63,660	17,065	22,864	**495,820**
Other current liabilities	(5,992,356)	667,510	4,761,021	393,525	175,061	506,891	198,281	255,760	(19,166)	525,405	**1,471,932**
Total current liabilities	**(5,232,196)**	**766,337**	**4,936,043**	**418,953**	**193,629**	**525,308**	**214,680**	**319,292**	**(2,424)**	**548,125**	**2,687,747**
TOTAL LIABILITIES	**9,081,563**	**1,982,534**	**7,406,691**	**2,090,654**	**1,303,776**	**872,859**	**572,430**	**856,572**	**708,801**	**1,055,528**	**25,931,408**

[(1)] In addition to the Spanish business, it also includes the Corporation and the Cellnex Finance Company.

Segmental reporting is set out below:

										Thousands of Euros
										30 June 2022
	Spain [(1)]	Italy	France	Switzerland	UK	Portugal	Austria	Poland	Other countries	Total [(*)]
Operating income	276,105	358,580	366,154	77,905	168,226	61,509	39,054	203,789	137,136	**1,688,458**
Operating expenses	(128,471)	(99,160)	(48,460)	(9,768)	(60,026)	(7,732)	(7,527)	(63,224)	(33,544)	**(457,912)**
Depreciation and amortization	(91,361)	(203,143)	(342,260)	(64,103)	(99,356)	(55,724)	(36,401)	(134,155)	(105,435)	**(1,131,938)**
Net Interest	(83,566)	(55,138)	(122,991)	(16,348)	(20,638)	(11,649)	(8,717)	(21,019)	(15,891)	**(355,957)**
Profit of companies accounted for using the equity method	(33)	—	—	—	—	—	—	—	1,698	**1,665**
Income tax	9,559	4,071	42,683	964	3,941	1,871	6,084	995	4,555	**74,723**
Consolidated net profit	**(17,767)**	**5,210**	**(104,874)**	**(11,350)**	**(7,853)**	**(11,725)**	**(7,507)**	**(13,614)**	**(11,481)**	**(180,961)**
Attributable non-controlling interest	(141)	—	(2,656)	(3,149)	—	—	—	(2,361)	(2,326)	**(10,633)**
Net profit attributable to the Parent Company	**(17,626)**	**5,210**	**(102,218)**	**(8,201)**	**(7,853)**	**(11,725)**	**(7,507)**	**(11,253)**	**(9,155)**	**(170,328)**

[(*)] Corresponds to the contribution of each country segment to the Group's consolidated income statement. Therefore, these figures include the impact of the intercompany transactions that have been carried out during the 6-month period ended on 30 June 2022. Additionally, this income statement by country incorporates all of the non-recurring and non-cash items detailed in section 1.3 of the Consolidated Management Report corresponding to the first semester of 2022.

[(1)] In addition to the Spanish business, it also includes the Corporation and the Cellnex Finance Company.

										Thousands of Euros
										30 June 2021
	Spain [1]	Italy	France	Switzerland	UK	Portugal	Austria	Netherlands	Other countries	Total [*]
Operating income	264,448	178,237	172,246	72,427	154,257	50,526	35,938	35,822	95,401	**1,059,302**
Operating expenses	(113,987)	(55,196)	(20,545)	(8,460)	(44,765)	(5,333)	(4,078)	(11,402)	(40,595)	**(304,361)**
Depreciation and amortization	(87,921)	(90,536)	(151,302)	(59,085)	(106,423)	(52,465)	(36,402)	(22,084)	(71,378)	**(677,596)**
Net Interest	(128,313)	(25,145)	(36,747)	(15,302)	(19,341)	(6,329)	(8,914)	(1,496)	(12,699)	**(254,286)**
Profit of companies accounted for using the equity method	13	—	—	—	—	—	—	—	—	**13**
Income tax	18,764	64,327	4,741	1,766	(1,333)	3,111	3,156	662	619	**95,813**
Consolidated net profit	**(46,996)**	**71,687**	**(31,607)**	**(8,654)**	**(17,605)**	**(10,490)**	**(10,300)**	**1,502**	**(28,652)**	**(81,115)**
Attributable non-controlling interest	(231)	—	(4,577)	(2,567)	—	—	—	528	(7,344)	**(14,191)**
Net profit attributable to the Parent Company	**(46,765)**	**71,687**	**(27,030)**	**(6,087)**	**(17,605)**	**(10,490)**	**(10,300)**	**974**	**(21,308)**	**(66,924)**

[*] Corresponds to the contribution of each country segment to the Group's consolidated income statement. Therefore, these figures include the impact of the intercompany transactions that have been carried out during the 6-month period ended on 30 June 2021. Additionally, this income statement by country incorporates all of the non-recurring and non-cash items detailed in section 1.3 of the Consolidated Management Report corresponding to the first semester of 2022.

[1] In addition to the Spanish business, it also includes the Corporation and the Cellnex Finance Company.

The Group has two customers that exceeds 10% of its total revenue. The total income from these customers for the period ended on 30 June 2022 amounted to EUR 598,079 thousand. During the same period in 2021, the Group had two customers that exceeded 10% of its revenue and the amount ascended to EUR 360,034 thousand.

The information by business segment is set out below:

				Thousands of Euros
				30 June 2022
	Broadcasting infrastructure	Telecom Infrastructure Services	Network Services and others	Total
Services (Gross)	111,534	1,416,575	49,511	**1,577,620**
Other income	—	112,420	—	**112,420**
Advances to customers	(65)	(1,517)	—	**(1,582)**
Operating income	**111,469**	**1,527,478**	**49,511**	**1,688,458**

				Thousands of Euros
				30 June 2021
	Broadcasting infrastructure	Telecom Infrastructure Services	Network Services and others	Total
Services (Gross)	109,187	858,788	51,636	**1,019,611**
Other income	—	41,214	—	**41,214**
Advances to customers	—	(1,523)	—	**(1,523)**
Operating income	**109,187**	**898,479**	**51,636**	**1,059,302**

There have been no significant transactions between segments during 2022 and 2021.

23. Related parties

a) Directors and Senior Management

The remuneration earned by the Parent Company's directors as at 30 June 2022 and 2021 was as follows:

i. The members of the Board of Directors received EUR 1,005 thousand for exercising the duties in their capacity as directors of Cellnex Telecom, S.A. (EUR 814 thousand in the same period in 2021).

ii. For performing senior management duties, the Chief Executive Officer:

a. received EUR 650 thousand, corresponding to fixed remuneration (EUR 650 thousand in the same period in 2021).
b. accrued EUR 650 thousand corresponding to annual variable remuneration, estimated assuming 100% of accomplishment (EUR 650 thousand in the same period in 2021).
c. accrued EUR 975 thousand for the achievement of the multi-annual objectives established in the "Long Term Incentive Plan" that consolidates in December 2022, estimated assuming 100% of accomplishment.

Note: The accounting provisions for all the LTIPs in progress (2020-2022, 2021-2023 and 2022-2024), for the 6-month period ended on 30 June 2022 amount to EUR 1,194 thousand (EUR 1,257 thousand in the same period in 2021). See Note 19.b.

iii. In addition, the Chief Executive Officer of Cellnex Telecom, S.A. received, as other benefits, contributions made to cover pensions and other remuneration in kind in the amount of EUR 162 thousand and EUR 16 thousand, respectively (EUR 162 thousand and EUR 14 thousand in the same period in 2021).

Cellnex Telecom defines Senior Management as executives that perform management duties and report directly to the Chief Executive Officer. Fixed and variable remuneration for the 6-month period ended on 30 June 2022 for members of Senior Management amounted to EUR 2,911 thousand (EUR 2,537 thousand in the same period in 2021) and accrued EUR 1,759 thousand for the achievement of the multi-annual objectives established in all the "Long Term Incentive Plan" that consolidates in December 2022, estimated assuming 100% of accomplishment. Note: The accounting provisions for all the LTIPs in progress (2020-2022, 2021-2023 and 2022-2024), for the 6-month period ended on 30 June 2022 amount to EUR 1,948 thousand (EUR 2,223 thousand in the same period in 2021).

In addition, members of Senior Management received, as other benefits, contributions made to cover pensions and other remuneration in kind to the amount of EUR 250 thousand and EUR 95 thousand, respectively (EUR 209 thousand and EUR 97 thousand in the same period in 2021).

The Parent Company has taken out executives and directors civil liability policy for the members of the Board of Directors, the Chief Executive Officer and all the Senior Management of the Cellnex Telecom group at a cost amounting to EUR 476 thousand at 30 June 2022 (EUR 524.6 thousand in the same period in 2021).

b) Other disclosures on Directors

In accordance with the article 229 of the Spanish Limited Liability Companies Law, the directors have reported that neither they nor any persons related to them are involved in any situations that may lead to a direct or indirect conflict with the Company's interests.

c) Associates companies

As of 30 June 2022 and 31 December 2021 the Group does not hold balances for significant amounts with associates companies.

For its part, during the 6-month period ended on 30 June 2022 and 2021, no significant transactions have been undertaken with associates companies.

d) Other related parties

Other related parties, include shareholders (and their subsidiaries) of Cellnex Telecom, S.A. that exercise significant influence over it, those with a right to appoint a director and those with a stake above 3% (see Note 14.a).

ConnecT Due is controlled by Sintonia, a subholding company wholly-owned by Edizione and, in turn, Sintonia is the largest shareholder of Atlantia. As a result, as of the date of the accompanying consolidated financial statements, Edizione, together with its group of companies, is considered a related party to the Group.

In addition to the dividends paid to shareholders, the breakdown of the balances held and transactions performed with significant shareholders is as follows:

I) Services rendered and received

The Group, through its wholly-owned subsidiary TowerCo, entered into an agreement with Autostrade per l'Italia ("ASPI"), a subsidiary of Atlantia by virtue of which the Group can colocate certain assets to provide Telecom Infrastructure Services in Italian motorways that are under the concession of Atlantia until 2038. Pursuant to the terms of this agreement, the consideration for such location amounts to an annual fee of EUR 4 million. On 5 May 2022, Atlantia sold the subsidiary ASPI to a consortium that includes the public bank Cassa Depositi e Prestiti ("CDP") and the investment funds Blackstone and Macquarie. In this regard, as of 30 June 2022, ASPI no longer has the status of a related company of Cellnex. However, in accordance with the disclosures required by IFRS, the transactions carried out with ASPI until the date of the aforementioned control change in 2022 amounted to EUR 1.0 million (EUR 2.9 million as of 31 December 2021).

In addition to the aforementioned, during the period ended 30 June 2022 and 31 December 2021 no significant transactions with related parties have been undertaken.

The Group carries out all its transactions with related parties on an arm's length basis. Also, given that transfer prices are adequately documented, the Group's Directors consider that there are no significant risks that could give rise to material liabilities in the future.

II) Other

As of 30 June 2022 and 31 December 2021, the Group does not hold balances for significant amounts with related parties.

24. Other disclosures

a) Average number of employees

The average number of employees at Cellnex and its subsidiaries during the period, broken down by gender, is as follows:

	30 June 2022		30 June 2021	
Male	2,026	70%	1,560	69%
Female	879	30%	687	31%
Total	**2,905**	**100%**	**2,247**	**100%**

b) Seasonality

The Group's revenues from services do not exhibit a significant cyclical or seasonal pattern.

25. Post balance sheet events

At the date of preparation of these interim condensed consolidated financial statements, there have been no significant events subsequent to the closing date that could affect the financial information contained therein.

26. Explanation added for translation to English

These interim condensed consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group (see Note 2.a). Certain accounting practices applied by the Group that conform to that regulatory framework may not conform with other generally accepted accounting principles and rules.

Barcelona, 27 July 2022

Cellnex Telecom, S.A. and Subsidiaries

Consolidated interim directors' report for the 6-month period ended on 30 June 2022

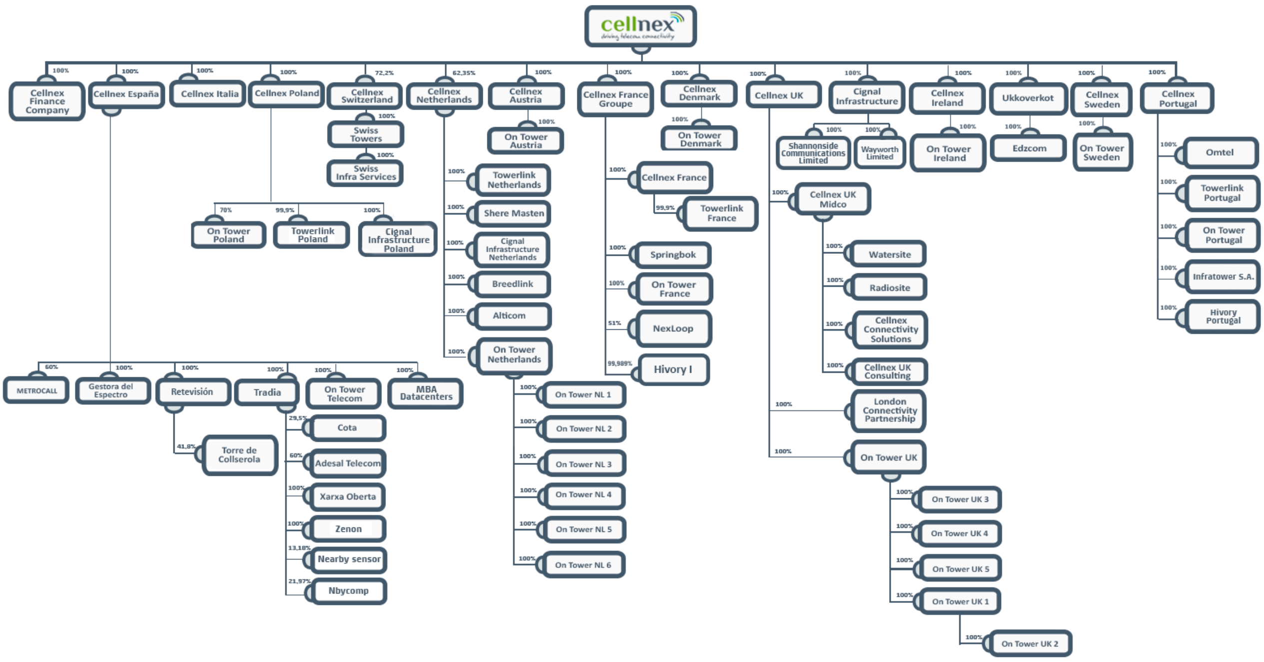
1. INFORMATION REQUIRED UNDER ARTICLE 262 OF THE SPANISH COMPANIES ACT

1.1. Situation of the Group

Corporate structure

Cellnex Telecom, S.A. (a company listed on the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges) is the Parent of a Group in which it is both the sole shareholder and the majority shareholder of the companies heading the various lines of business and geographical markets in which the Group operates.

The organisational structure of the Cellnex Group at 30 June 2022 is summarised as follows:



The detail of the Group's subsidiaries and associates at 31 December 2021 and of the percentages of ownership is shown in Appendixes I and II, respectively, to the consolidated financial statements for the year ended 31 December 2021. In addition, Note 2.h of these interim condensed consolidated financial statements includes the most significant changes in the scope of consolidation during the first half of 2022.

Cellnex Telecom is listed on the continuous market of the Spanish stock exchange and is part of the selective IBEX 35 and EuroStoxx 100 indices. It is also present in the main sustainability indexes, such as CDP (Carbon Disclosure Project), Sustainalytics, FTSE4Good, MSCI and Standard Ethics. Cellnex's reference shareholders include Edizione, GIC, TCI, Blackrock, Canada Pension Plan, Criteria Caixa, FMR and Norges Bank.

Business

The Group's business model focuses on the provision of services to MNOs, broadcasters and other public and private companies acting as a neutral infrastructure provider. This business model is based on innovative, efficient, sustainable, neutral and quality management to create value for the Group's shareholders, customers, employees and other stakeholders.

The Group provides services related to infrastructure management for terrestrial telecommunications through the following three segments: i) Telecom Infrastructure Services, ii) Broadcasting Infrastructure and iii) Other Network Services.

Telecom Infrastructure Services

This is the Group's largest segment by turnover. It provides a wide range of integrated network infrastructure services to enable access to the Group's telecom infrastructure by MNOs and other wireless telecommunications and broadband network operators, among others, allowing such operators to offer their own services to their customers. Telecom Infrastructure Services revenues are generated for a number of sources i) annual base fee from telecommunications customers (both anchor and secondary tenants), ii) escalators or inflation as the annual update of the base fee and, iii) New colocations and Associated revenues (which include new third party colocations as well as further initiatives carried out in the period such as special connectivity projects, indoor connectivity solutions based on DAS, mobile edge computing, fiber backhauling, site configuration changes as a result of 5G rollout and other Engineering Services, 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 BTS programs executions. Additionally the consolidated income statement for the period includes income from re-charging costs related to infrastructure services activities for mobile telecommunications operators to third parties (pass-through of energy and specific leases).

The Group's acquisition strategy of infrastructure portfolios is based on a disciplined and selective approach based on the business case for each acquisition. Its investments follow rigorous analysis criteria including both target equity internal rates of return for its shareholders and the quality of the relevant assets. The Group's growth strategy in new countries is based on the acquisition of an initial portfolio allowing for a subsequent market consolidation. The Group is primarily focused on pursuing acquisitions, and particularly believes that it can generate value accretive transactions in markets in which it already has a presence. By pursuing follow-on acquisitions in markets where it is already present, the Group believes it can benefit from economies of scale and synergies between the infrastructure portfolios. The Group's organic growth strategy is based on four different business models: (i) multiple allocation, (ii) Build-to-suit, (iii) rationalization, and (iv) tower-adjacent assets.

The TIS site portfolio at 30 June 2022 is summarised below:

Framework Agreement	Project	Nº of Sites acquired and build (*)	Beginning of the contract	Initial Terms + Renewals (1)
Telefónica	Babel	1,000	2012	10+10+5
Telefónica and Yoigo (Xfera Móviles)	Volta I	1,211	2013	10+10+5 (Telefónica) Until 2030+8 (Yoigo)
Telefónica	Volta II	530	2014	10+10+5
Business combination	TowerCo Acquisition	321	2014	Until 2038
Telefónica and Yoigo (Xfera Móviles)	Volta III	113	2014	10+10+5 (Telefonica) Until 2030+8 (Yoigo)
Telefónica	Volta Extended I	1,090	2014	10+10+5
Neosky	Neosky	10	2014	10+10+5
Telefónica	Volta Extended II	300	2015	10+10+5
Business combination	Galata Acquisition	7,739	2015	15+15 (Wind) (2)

Business combination	Protelindo Acquisition	261	2012	+15 (KPN)
			2016	+12 (T-Mobile)
Bouygues	Asset purchase	4,736	2016 - 2017	20+5+5+5 / 25+5+5 (3)
		41	2018	20+5 (3)
Business combination	Shere Group Acquisition	1,142	2011	+15 (KPN)
			2015	+10 (T-Mobile)
			2015	+15 (Tele2)
Business combination	On Tower Italia Acquisition	11	2014	9+9 (Wind)
			2015	9+9 (Vodafone)
K2W	Asset purchase	32	2017	Various
Business combination	Swiss Towers Acquisition	2,239	2017	20+10+10 (Sunrise Telecommunications) (4)
		296	2019	20+10+10 (Sunrise Telecommunications) (4)
Business combination	Infracapital Alticom subgroup	30	2017	Various
Others Spain	Asset purchase	45	2017	15+10
		36	2018	15+10
		375	2018	20+10
Masmovil Spain	Asset purchase	551	2017	18+3
		85	2018	6+7
Linkem	Asset purchase	426	2018	10+10
Business combination	TMI Acquisition	3	2018	Various
Business combination	Sintel Acquisition	15	2018	Various
Business combination	BRT Tower Acquisition	30	2018	Various
Business combination	DFA Acquisition	9	2018	Various
Business combination	Video Press Acquisition	8	2019	Various
Business combination	On Tower Netherlands Acquisition	114	2019	7 (5)
Business combination	Swiss Infra Acquisition	2,850	2019	20+10 (6)
Business combination	Cignal Acquisition	717	2019	20 (7)
Business combination	Business unit from Iliad Italia, S.p.A.	2,885	2019	20+10 (6)
Business combination	On Tower France Acquisition	7,958	2019	20+10 (6)
Orange Spain	Asset purchase	1,500	2019	10+10+1 (8)
Business combination	Omtel Acquisition	3,293	2018	20+5 (9)
		687	2021	20+5+5+5 (17)
		102	2022	20+5+5+5 (17)
Business combination	Arqiva Acquisition	7,385	2020	10+1+1+4 (MBNL/EE) (10)
			2014	2024 (CTIL) (10)
Business combination	NOS Towering Acquisition	1,966	2020	15+15 (11)
Business combination	Hutchison Austria Acquisition	4,509	2020	15+15+5 (12)
Business combination	Hutchison Ireland Acquisition	1,147	2020	15+15+5 (12)
Business combination	Hutchison Denmark Acquisition	1,473	2020	15+15+5 (12)
Business combination	Small M&A	9	2020	Various
Business combination	Hutchison Sweden Acquisition	2,764	2021	15+15+5 (12)
Business combination	T-Mobile Infra Acquisition	3,137	2021	15+10 (13)
Business combination	On Tower Poland Acquisition	8,008	2021	20+10 (14)
Business combination	Hutchison Italy Acquisition	9,215	2021	15+15+5 (12)
Business combination	Polkomtel Acquisition	7,056	2021	25+15 (15)
Business combination	Hivory Acquisiton	10,919	2021	18+5+5+5 (16)
Business combination	Iaso Acquisition	5	2021	Various

Shared with broadcasting business	1,682
Others	189

(*) It corresponds to TIS sites acquired, including BTS programs deployed, and the construction and acquisition of MO/COs/MSCs.

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

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

(3) In accordance with the agreements reached with Bouygues during 2016 – 2020, at 30 June 2022 Cellnex had committed to acquire and build up to up to 5,300 sites that will be gradually transferred to Cellnex until 2030 (see Note 7 of the accompanying consolidated financial statements). Of the proceeding 5,300 sites, a total of 1,609 sites have been transferred to Cellnex as of 30 June 2022 (as detailed in the previous table). Note that all Bouygues transactions, like most of the BTS programmes Cellnex has in place with other MNOs, have a common characteristic “up to” as Bouygues does not have the obligation to reach the highest number of sites. During 2016 – 2017 have been signed different MSA’s with Bouygues in accordance with the different transactions completed (Glénan, Belle-Ille, Noirmoutier). All MSAs have an initial term of 20/25 years with subsequent renewable three/two 5-year periods, on an “all-or-nothing” basis. In relation to the MSA signed with Bouygues in 2018 (Quiberon transaction) the initial term is 20 years with subsequent renewable 5-year periods (undefined maturity). The contracts with customers are linked to a fixed escalator of 2%.

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

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

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

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

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

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

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

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

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

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

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

[15] 25 years with automatic 15 year renewals.

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

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

As at 30 June 2022 the Group also maintains 6,442 antennas nodes with the DAS.

Broadcasting Infrastructure

This is the Group's second largest segment by turnover and corresponds to broadcasting services only in Spain, where it is the only operator offering nationwide coverage of the DTT service (source: CNMC). Its services consist of the distribution and transmission of television and radio signals, the operation and maintenance of broadcasting networks, the provision of connectivity for media content and over-the-top ("OTT") broadcasting services and other services. Through the provision of broadcasting services in Spain, the Group has developed unique know-how that has helped to develop other services within its portfolio.

The Group's strategy in this segment is to maintain its strong market position while capturing potential organic growth. The Group plans to maintain its leadership position in the Spanish national digital TV sector (in which it is the sole operator of national TV private multiplexs ("MUX")) by leveraging its technical knowledge of infrastructure and network infrastructure, its market understanding and the technical expertise of its staff. The contract fees with the blue-chip customers are CPI-linked. 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 client relationships to obtain business in adjacent areas where it benefits from competitive advantages. In addition to pursuing its growth strategy of internationalization and client diversification for its Telecom Infrastructure Services segment, the Group may also consider potential transactions related to its Broadcasting Infrastructure segment, provided that: (i) they allow the Group to consolidate a leading position in a country other than Spain, or (ii) if the relevant assets are part of a portfolio of infrastructures similar to its portfolio (e.g., that apart from being used for broadcasting services, they may also be used by MNOs). Any potential opportunity needs to meet the Group's strict investment criteria and be value accretive.

Other Network Services

The Group provides the infrastructure required to develop a connected society by providing network services such as data transport, security and control, Smart communication networks including IoT, Smart Services, managed services and consulting, as well as optic fiber services. As a telecom infrastructure operator, the Group can facilitate, streamline and accelerate the deployment of these services through the efficient connectivity of objects and people, in both rural and urban environments, helping to build territories enabled by genuine Smart infrastructure services. This constitutes a specialized business that generates relatively stable cash flows with potential for further growth.

The Group's strategy in this segment is based on capturing market growth to reinforce its market position. The Group aims to expand and increase its data transmission connectivity services, for both MNOs backhaul and corporate data access, by focusing on services and solutions where its valuable network can be leveraged to differentiate its proposition from its competitors, and by taking advantage of its favorable position to provide mutualized high speed data transmission to MNOs in its infrastructures. The Group plans to leverage its infrastructure and frequency planning know-how to design, roll-out and operate advanced telecom services for public administrations in the field of PPDR networks, including TETRA and 4G/LTE services networks. The Group aims to be a frontrunner in new types of infrastructure services including urban telecom infrastructure solutions.

The efficient deployment of next-generation connectivity is essential to drive technological innovation and accelerate inclusive economic growth. Cellnex believes to be the leading neutral[1] telecom infrastructure operator in Europe with a portfolio of more than 137,000 sites (including outstanding TIS sites to be rolled out by 2030) located in Spain, Italy, the Netherlands, France, Switzerland, the UK, Ireland, Portugal, Austria, Denmark, Sweden and Poland. As at 30 June 2022, the Group manages a portfolio of 103,944 sites and 6.442 nodes, which make a total of 110,386 infrastructures. The Group enables operators to access Europe's most extensive network of advanced telecommunications infrastructure on a shared-use basis, helping to reduce access barriers for new operators and to improve services in the most remote areas.This business model is based on innovative, efficient, sustainable, independent and quality management to create value for its shareholders, customers, employees and all stakeholders. In addition, the Group is the main Broadcasting Infrastructure provider in Spain with a majority share in the national and regional markets.

Strategic Plan: promoting growth and efficiency

The Group's long-term vision is to enhance its position as a leading European neutral provider of telecom infrastructure by providing innovative services and network end-to-end solutions to MNOs and media broadcasting operators. Through long-term partnerships with its customers and its role as a trusted partner, resulting from its operational excellence of delivering value-added services, the Group has been able to acquire infrastructures, and it aims to continue its strategy of rolling up the European telecom infrastructure market.

With respect to its operating costs and capital expenditures, the Group aims to continue delivering cost efficiency programs to reduce the cost of providing services while increasing its ability to expand the offer of these services with limited increases in human and technical resources. The Group plans to selectively invest in the acquisition of plots of land where infrastructures are located, as long as they are available at attractive prices and are accretive to its long-term returns. The Group intends to continue investing in information and technology ("IT") systems to improve its ability to proactively offer its customers the most suitable solutions for their strategic objectives. The Group also plans to maintain its infrastructures and active equipment in strong technical condition to continue offering high quality services to its customers. The main contributor to this efficiency plan is expected to be savings from ground leases. In this regard, the Group seeks to continue leveraging the following strategies: straight rent renegotiations to reduce the annual rent being paid and also extend the duration of ground services contracts, and cash advances, which are based on a lump sum being paid in advance in exchange for a reduction of the amount to be paid and an extension of the contract.

In this regard, Cellnex has a ground lease optimization approach that seeks long-term benefits, as well as a multi-tenant approach that allows the Group to extract network synergies, in terms of i) opex reduction through renegotiations with landlords to improve contract terms and extend contract durations using lump-sum and rent reduction landlord agreements (ground lease optimization) and ii) opex and capex reduction thanks to two or more anchor tenant networks allowing for decommissioning of redundant sites and a single BTS for more than one anchor tenant simultaneously (network synergies). As a result of this initiatives, c.€90-100Mn of recurring opex and lease savings are expected by 2025, as well as c.€250Mn of expected BTS Capex savings are also expected which could be re-invested if new opportunities with our clients are identified.

Organic growth generation

Recurring Leveraged Free Cash Flow (please see section 1.3 of this Consolidated Interim Directors' Report) organic growth generation in the first half ended June 30, 2022 amounted to 98 million euros (please see first half 2022 results presentation), driven by a number of contributors: i) BTS program execution (approximately 38 million euros), ii) escalators or inflation (approximately 28 million euros), iii) Operating expenses, ground lease efficiencies and synergies (approximately 12 million

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

euros) and, iv) New colocations and associated revenues (approximately 20 million euros). These are the assumptions that the management has taken into account:

- The contribution from BTS programs corresponds to approximately 3,500 average annual BTS PoPs, adjusting for its respective incremental contribution in 2022 compared to the first six months ended June 30, 2021, along with an approximately 20 thousand average fee (taking into account the resulting volume executed through each program). Furthermore, this average fee may change in future periods as the overall composition of the BTS programs delivered may result in a different weighted average figure. Additionally, Nexloop and other contracted projects contributed for a million euros low-single digit figure.

- Escalators or inflation as the annual update of the base fee. As per management estimates, around 65% of the total Operating Income is linked to domestic CPI with different caps and floors (depending on each contract - please see 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 first half ended 30 June 2022 management estimates assume approximately 3% average escalator. Please note this average may change in future periods.

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

- New colocations and Associated revenues corresponds to new third party colocations (around 2,500 average annual third party PoPs, adjusting for its respective incremental contribution in 2022 compared to the first six months ended June 30, 2021, along with an average fee that is less than half of the fee of BTS PoPs) as well as further initiatives carried out in the period such as special connectivity projects, indoor connectivity solutions based on DAS, mobile edge computing, fiber backhauling, site configuration changes as a result of 5G rollout and other Engineering Services (certain works and studies carried out on request of our customers such as adaptation, engineering and design services, which represent a separate income stream and performance obligation). Please see Engineering Services disclosed in Note 7 of the accompanying interim condensed consolidated financial statements and section 1.3 of this Consolidated Interim Director's Report.

Environmental, Social and Governance ("ESG") Commitment

Cellnex continues during 2022 strengthening its commitment to move towards the sustainable transition of its activity, bolstering ESG criteria as a central and integral part of the corporate strategy of all the group's areas and units. In this regard, the Group is aligned with a cross-cutting approach involving all the company's staff to achieve the Sustainable Development Goals of the 2030 Agenda.

ESG Master Plan 2021-2025: firm commitment to the Sustainable Development Goals

Since the 2016-2020 CSR Plan finished, Cellnex has established new, more ambitious objectives in its new 2021-2025 ESG Master Plan, which was approved by the Board in December 2020 and began to be implemented in 2021. In this first year of the ESG Master Plan, 97% of actions were planned and 91% of the actions defined for 2021 were implemented.

The Plan revolves around five key axes, and one cross-cutting axis dedicated to transmitting and communicating the commitments taken on, with the same goal in mind: driving telecommunications connectivity between territories with a common and inclusive culture and seeking to be part of the solution to society's challenges, through 92 actions aligned with the SDGs.

Progress in sustainability indices

The good results obtained over the past year highlight this commitment to sustainability. Indeed, Cellnex continues to improve the ratings it has obtained in the sustainability indices, and in the case of Sustainalytics - ESG Risk Rating, it is now one of the companies with the lowest ESG risk globally within its sector.

Furthermore, in February 2022, the non-profit organisation CDP recognised the Company as a "Supplier Engagement Leader 2021", as one of the most outstanding organisations in this index of 518 companies, only 16 of which are Spanish. This award highlights its commitment to assessing and mitigating climate risk within the supply chain. On top of this distinction comes the recognition, for the third year in a row, that it is among the group of companies comprising CDP's Climate Change "A List". Likewise, Cellnex was upgraded from 'BBB' to 'A' in the 2021 MSCI ESG assessment. Cellnex obtained the highest rating (10 out of 10) in the Environmental dimension, and is acknowledged as an industry leader in Corporate Governance.

Commitment to fighting climate change

In 2021, Cellnex enhanced its commitment to fighting against climate change by establishing specific emission reduction targets validated by the Science Based Targets initiative (SBTi) aligned with a scenario of limiting warming to 1.5ºC. The targets validated by the SBT involve reducing scope 1 and 2 emissions of Greenhouse Gases (GHG), as well as scope 3 emissions through a 70% cut in fossil fuel energy sources by 2030; achieving a 100% renewable electricity supply by 2025; and reducing scope 3 emissions generated by the purchase of goods and services, and a 21% reduction in GHG emissions from capital goods by 2025.

Cellnex's commitment to energy management as established in the Energy Policy was implemented with the approval of the Energy Transition Plan framework in 2021, which aims to set progressive guidelines to make the energy supply more sustainable, working together with the company's main customers to this end.

Along with the approval of the Energy Transition Plan framework, in 2021 it also launched the corporate objective of purchasing green energy, setting a goal of 100% renewable energy consumption by 2025 throughout the organisation.

Equity, diversity and inclusion

Under its Equity, Diversity and Inclusion (EDI) Policy, Cellnex is firmly committed to promoting these aspects through inclusive leadership as a lever for change and business sustainability. In this connection, it has set various objectives to be met in this area during the period 2022-2025, such as boost the percentage of women in management positions, as well as increasing the percentage of female and young talent hires and maintaining a minimum of 40% women on the Board of Directors.

In 2021, Cellnex joined Target Gender Equality, an accelerator programme for companies that have signed up to the United Nations Global Compact to deepen the implementation of the Women's Empowerment Principles (WEP) and strengthen its contribution to SDG target 5.5 (ensure women’s participation and equal opportunities for leadership). During the first half of 2022, it was included for the first year in the diversity and equality index called the Bloomberg Gender Equality Index.

Cellnex Foundation

The Cellnex Foundation responds to Cellnex Telecom’s firm will to go one step further in contributing to a better connected and socially inclusive environment as a comprehensive initiative that complements the Cellnex’s ESG (Environment, Social and Governance) strategy.

Cellnex considers connectivity to be a universal right, therefore it aims to extend connectivity to reduce inequality. In its first year, the Foundation launched initiatives such as the Cellnex Bridge, an acceleration programme for tech start-ups with a specific focus on social action. Likewise, the Foundation has continued to run its “Youth Challenge” corporate volunteer initiative which began in 2019 and aims to prevent pupils from dropping out of school and attract young people at risk of exclusion towards Information and Communication Technology (ICT) vocations. In 2021 the Cellnex Foundation extended this programme beyond Spain to include Italy, Portugal and France.

Corporate governance

The structure of the governing bodies and the decision-making process constitute further strengths of the Group. This structure is described in detail in the Annual Corporate Governance Report ("ACGR") for 2021, which forms part of the Consolidated Directors' Report for 2021.

Cellnex has implemented a defined and transparent set of rules and regulations for corporate governance which is compliant with all applicable Spanish governance standards.

The Internal Code of Conduct regulates, among other things, the directors' and managers' conduct with regard to the treatment, use and disclosure of the Group's material non-public information. The Internal Code of Conduct applies to, among other persons, all members of the Board of Directors, Senior Management and employees who have access to material non-public information and to the Group's external advisors when they handle such material non-public information.

As of the date of this Consolidated Interim Directors' Report, the Group believes that it substantially complies with the recommendations of the Spanish Unified Good Governance Code for listed companies, in its version approved as of 25 June 2020 (Código de buen gobierno de las sociedades cotizadas or the "Good Governance Code"). Certain of Cellnex's corporate practices as of the date of this Consolidated Interim Directors' Report, however, currently vary from the Good Governance Code in certain respects.

Cellnex also has a corporate website (www.cellnextelecom.com) through which it informs its shareholders, investors and the market at large of any significant events. Neither Cellnex's website nor any of its contents form part or is incorporated into this Consolidated Interim Directors' Report, whether by reference or otherwise, except as otherwise provided herein.

In addition, the Group has a code of conduct (the "Code of Ethics") approved by the Board of Directors and communicated to all employees. The Group has a Committee of Ethics and Compliance in charge of promoting the respect for business ethics and integrity and, in particular, the respect for the Code of Ethics. The Committee of Ethics and Compliance is also the responsible of criminal fulfillment of the Group. Furthermore, the Group has a whistleblowing channel accessible to all the Group's employees and stakeholders which allows them to report potentially significant irregularities detected within the companies of the Group.

The Group has also established an Internal Control over Financial Reporting System ("ICFRS") and it has a corporate risk control unit that is responsible for carrying out tests to verify compliance with the policies, manuals and procedures defined for the ICFRS, and for validating the effectiveness of controls in place to mitigate the risks related to these processes.

In relation to the Group's last completed financial year, with respect to members of the administrative, management or supervisory bodies, there are no potential material impacts on the corporate governance, including possible changes in the Board's and Board Committees' composition, already decided by the Board and/or the General Shareholders Meeting.

Changes in 2022

The most significant adaptations and changes in the Board's composition during the 6-month period ended on 30 June 2022 are as follows:

- On 24 March 2022, the Board of Directors agreed to accept the resignation of the proprietary director Mr. Christian Coco as member of the Audit and Risk Management Committee and appointed him as member of the Nominations, Remunerations, and Sustainability Committee, following a favourable recommendation from the Nominations, Remunerations and Sustainability Committee.

- On 9 June 2022, the Board of Directors of Cellnex decided to appoint, through the co-option system, Ms. Ana García Fau as an independent director of the Board with effect from 18 July 2022, to fill the vacancy that existed since last April on the Board of Directors. She was also appointed as a member of the Audit and Risk Management Committee, which now consists of five members.

1.2. Significant events in the first half of 2022

The main highlights in the 6-month period ended on 30 June 2022 are as follows:

Strong operational and financial performance in the period

During the first half of 2022, the main financial indicators continue to reflect the effect of the geographical expansion, following the consolidation of the acquisitions carried out in 2021, and the strength of the Group's organic business.

Cellnex achieved consistent and solid organic growth of over 5.2 per cent, with a significant contribution from the progress made on BTS programs. In this regard, the consistent and sustainable growth derived from both organic and inorganic sources stand out, as reflected in the strong financial performance in revenues, Adjusted EBITDA and Recurring Leveraged Free Cash Flow for the period. All the above allowed Cellnex to update the financial outlook for the 2022 financial year, with revenues between EUR 3.46 and EUR 3.51 billion, Adjusted EBITDA between EUR 2.65 and EUR 2.7 billion and Recurring Leveraged Free Cash Flow between EUR 1.35 and EUR 1.38 billion. All operational and financial metrics aligned with financial outlook for 2025 (medium term guidance). This growth will continue to have a significant carryover effect in 2022, when the latest operations carried out in Poland, Netherlands, Italy and France will have been consolidated for a full year, in addition to incorporating the completion of the CK Hutchison assets in the United Kingdom scheduled for the second half of the year.

In terms of macroeconomic conditions, during 2022, both the military conflict between Russia and Ukraine and the associated sanctions are contributing to further increases in the prices of energy, oil and other commodities, and further disrupting supply chains. This has led to a significant increase in costs that will put pressure on business margins and ultimately affect the evolution of investment. Such an increase in commodity prices adds to a context of already extraordinarily high inflation rates, in Spain, in the rest of the European markets where the Group operates and in most developed countries. In this situation, central banks have started to abandon the low interest rate environment, increasing or discussing the possibility of increasing interest rates progressively in order to address and reduce inflation, which could trigger an environment of increased risk aversion, a tightening of financial conditions globally, reduced economic growth and/or result in regional or global recessions. Inflationary pressures could further increase if the Russian invasion of Ukraine is prolonged, escalates or expands (including if additional countries become involved), if additional economic sanctions or other measures are imposed, or if volatility in commodity prices or disruptions to supply chains worsen.

Events such as the above could severely affect macroeconomic conditions and financial markets and exacerbate the risk of regional or global recessions or "stagflation" (i.e. recession or reduced rates of economic growth coupled with high inflation rates), all of which in turn may also materially and adversely affect the Group's business, results of operations, cash flows, financial condition and prospects. The conflict has not had a significant effect on the Group's results for the six-month period ended as of 30 June 2022 and, additionally, the Group has considered the uncertainty caused by the current situation and, as a conclusion, to date they have not affected the estimates that were being made and, consequently, they have not affected the book value of the assets (especially considering 2021 impairment test headroom as described in Notes 7 and 8 of the accompanying Interim Condensed Consolidated Financial Statements) and liabilities as well as certain financial risks (see Note 15 of the accompanying Interim Condensed Consolidated Financial Statements). The future evolution will depend on future developments, which are highly uncertain and cannot be predicted, including future economic conditions, and the actions to contain it or treat its impact, among others.

Main investments and commitments

France

Iliad France Acquisition

In relation with the Iliad France Acquisition (see Note 5 of the 2019 Consolidated Financial Statements), in the first quarter of 2022 Cellnex France executed the acquisition of Iliad, S.A.'s 30% non-controlling interest in On Tower France for a price of EUR 950 million (exclusive of any taxes).

Additionally, On Tower France and Free Mobile, S.A.S. (a wholly-owned subsidiary of Iliad, S.A.) entered into an agreement for the deployment by Free Mobile, S.A.S. of a minimum of 4,500 sites (and potentially, although there is no firm commitment to do so, up to 5,500 sites) in France, by 31 December 2027.

Hivory Acquisition

In the first quarter of 2022, the Group entered into several transactions with the aim to fulfil the disposals required by the French CA as a condition for the approval of the Hivory Acquisition (see Note 6 of the 2021 Consolidated Financial Statements).

Firstly, Cellnex France and Phoenix France Infrastructures (in the presence of Bouygues Telecom) entered into a business transfer agreement which sets forth the terms and conditions under which Cellnex France will sell to Phoenix France Infrastructures (or to any company controlled by Phoenix France Infrastructures that Phoenix France Infrastructure would substitute) 2,000 sites located in very dense areas of France. The sale will be carried out at a price to be calculated pursuant to the agreement which takes into account the profit generated by such sites, for an expected total amount of approximately EUR 600 million, net of taxes.

In addition, Hivory, Cellnex France and Phoenix Tower France II (a company of the Phoenix Tower International group) entered into a share purchase agreement which sets forth the terms and conditions under which Hivory will transfer to Phoenix Tower France II 1,226 sites located in very dense areas of France, subject to the French CA approval among other conditions precedent. The sale will be carried out at a price to be calculated pursuant to the agreement which takes into account the profit generated by such sites, for an expected total amount of approximately EUR 235 million, net of taxes.

The effectiveness of both agreements are subject to the French CA approval among other conditions precedent.

This reinforce the rationale of the business model based on the neutral and independent management of telecommunications infrastructures and therefore represent a further step in the consolidation of this model in France and Europe.

New projects and extension of projects with Bouygues Telecom

Likewise, in the first quarter of 2022 the Group and Bouygues Telecom entered into various agreements in order to contractualise, among other things, a new build-to-suit program in France with a view for Cellnex to neutralise capital expenditure and adjusted EBITDA expected impacts from the remedies required by the French CA in connection with the Hivory Acquisition, on a run rate basis.

In particular, the Group contracted with Bouygues Telecom a build-to-suit program of up to 1,350 sites in rural areas of France, to be deployed by 2029 with an estimated capital expenditure of up to approximately EUR 310 million. The transaction is subject to the completion or waiver of certain conditions precedent.

In addition to the foregoing, Cellnex France and Bouygues Telecom extended an existing build-to-suit program in very dense areas of France of up to 1,500 additional sites to be deployed by 2029 with an estimated capital expenditure of up to approximately EUR 490 million.

Lastly, the Group increased the scope of its existing build-to-suit program with Bouygues Telecom involving strategic sites with data processing capabilities by adding up to 2 additional mobile switching centres, to be transferred by 2024 with an estimated build-to-suit capital expenditure of up to approximately EUR 70 million.

United Kingdom

CK Hutchison Holdings Transaction in respect of the United Kingdom

As explained in detail in Note 21 of the accompanying interim condensed consolidated financial statements, the completion of the CK Hutchison Holdings Transaction in respect of the United Kingdom is subject to the satisfaction or waiver of applicable conditions precedent, in particular the condition precedent relating to antitrust clearance in the United Kingdom.

In this regard, in the first quarter of 2022 the United Kingdom Competition and Markets Authority ("CMA") approved the CK Hutchison Holdings Transaction in respect of the United Kingdom, subject to the divestiture by Cellnex of a limited subset of approximately 1,000 sites currently operated by Cellnex in the United Kingdom that geographically overlap with the sites owned or operated by a group company of Hutchison in the United Kingdom (the "Divestment Remedy"), and on 12 May 2022 the CMA announced the acceptance of the final undertakings in relation to the Divestment Remedy. Therefore, the remaining condition precedent will be completed once the separate conditions precedent specified in the final undertakings accepted by the CMA on 12 May 2022 are satisfied. Completion of both the CK Hutchison Holdings Transaction in respect of the United Kingdom and the Divestment Remedy are expected to take place during 2022. If the CK Hutchison UK SPA were to terminate due to the failure to obtain antitrust authorization, the CK Hutchison UK SPA contemplates a break fee payable by the Group to Hutchison in certain circumstances.

Poland

In relation with the Iliad Poland Acquisition (see Note 6 of the 2021 Consolidated Financial Statements), in the first quarter of 2022, Cellnex Poland executed the acquisition of Iliad Purple's 10% non-controlling interest in On Tower Poland for an amount of approximately PLN 615 million (with a Euro value of EUR 131 million as of the date of completion). Pursuant to this acquisition, Cellnex Poland held 70% of On Tower Poland as of 30 June 2022.

Portugal

Cellnex reached new agreements to expand cooperation with MEO, through the acquisition of nearly 700 additional sites, and with NOS, through the extension of the agreement announced in April 2020, as well as the acquisition of 63 sites from ONI.

Capitalisation and indebtedness

Cellnex has a debt structure marked by the flexibility provided by the various instruments used. The Group's net debt as of 30 June 2022, amounted to EUR 16.8 billion. 86% of the debt is referenced to a fixed rate. As of the end of the first half of 2022, Cellnex had access to immediate liquidity (cash and undrawn debt) amounting to approximately EUR 7.6 billion.

In March, Cellnex Finance, successfully completed a EUR-denominated bond issuance for an amount of EUR 1,000 million aimed at qualified investors under its EMTN Program and guaranteed by Cellnex (see Note 15 of the accompanying consolidated interim financial statements). The bond is maturing in April 2026 at a coupon of 2.25%.

Cellnex Telecom's bond issues maintained their "investment grade" rating from Fitch (BBB-) with a stable outlook, confirmed in January 2022. For its part, S&P maintains the BB+ rating with a stable outlook confirmed in March 2022.

1.3. Business performance and results

The 6-month period ended on 30 June 2022 highlighted a unique combination of defensive and high quality structural growth with limited exposure to COVID-19 and the Russian invasion in Ukraine, which is possible through consistent and sustainable organic growth, solid financial performance and a tireless focus on integration.

Alternative Performance Measures

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

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

In accordance with the provisions of the Guide issued by the European Securities and Markets Authority (ESMA), in force since 3 July 2016, on the transparency of Alternative Performance Measures, Cellnex provides below information on the APMs it considers significant: Adjusted EBITDA; Adjusted EBITDA Margin; Gross and Net Financial Debt; Maintenance, Expansion and M&A CAPEX; Net payment of interest; Available liquidity and Recurring leveraged free cash flow.

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

The definition and determination of the aforementioned APMs are disclosed in the accompanying Consolidated Interim Directors' Report and are therefore validated by the Group auditor (Deloitte).

The Group presents comparative financial information from the previous year as detailed in Note 2.e of the accompanying interim condensed consolidated financial statements.

Adjusted EBITDA

Adjusted EBITDA, as used in this Consolidated Interim Directors' Report, relates to the "Operating profit" before "Depreciation and amortization" and after adding back certain non-recurring expenses (such as COVID-19 donations, redundancy provision, extra compensation and benefit costs, and costs and taxes related to acquisitions), certain non-cash expenses (LTIP remuneration payable in shares) and advances to customers.

The Group uses Adjusted EBITDA as an indicator of the 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 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 standardized meaning and, therefore, cannot be compared to 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 30 June 2022 and 2021, respectively, the amounts were as follows:

	Thousands of Euros	
	30 June 2022	30 June 2021
Broadcasting infrastructure	111,469	109,187
Telecom Infrastructure Services	1,527,478	898,479
Other Network Services	49,511	51,636
Operating income [2]	**1,688,458**	**1,059,302**
Staff costs [3]	(133,397)	(98,931)
Repairs and maintenance [4]	(44,168)	(32,246)
Utilities [4]	(134,723)	(57,388)
General and other services [4]	(145,624)	(115,796)
Depreciation and amortisation charge [5]	(1,131,938)	(677,596)
Operating profit	**98,608**	**77,345**
Depreciation and amortisation [5]	1,131,938	677,596
Non-recurring expenses [6]	49,698	47,117
Advances to customers [6]	1,582	1,523
Adjusted operating profit before depreciation and amortisation charge (Adjusted EBITDA)	**1,281,826**	**803,581**

As at 30 June 2022 and 2021, non-recurring expenses and advances to customers are set out below (see in Note 20.d of the accompanying interim condensed consolidated financial statements):

i) COVID donations, which relate to a financial contribution by Cellnex to various institutions in the context of the Coronavirus Pandemic (non-recurring item), amounted to EUR 274 thousand (EUR 1,918 thousand in the same period in 2021).

ii) Redundancy provision, which mainly includes the impact in 2022 and 2021 6-month periods derived from the reorganisation plan detailed in Note 19.c of the accompanying consolidated financial statements (non-recurring item), amounted to EUR 2,485 thousand (EUR 3 thousand in the same period in 2021).

iii) LTIP remuneration payable in shares, which corresponds to the LTIP remuneration accrued at the year-end, which is payable in Cellnex shares (See Note 19.c of the accompanying consolidated financial statements, non-cash item), amounted to EUR 8,295 thousand (EUR 7,768 thousand in the same period in 2021), and extra compensation and benefits costs, which corresponds to extra non-conventional bonus for the employees (non-recurring item), amounted to EUR 424 thousand (EUR 0 thousand in the same period in 2021).

iv) Advances to customers, which Includes the amortization of amounts paid for sites to be dismantled and their corresponding dismantling costs, amounted to EUR 1,582 thousand (EUR 1,523 thousand in the same period in 2021). These costs are treated as advances to customers in relation to the subsequent services agreement entered into with the customer (mobile telecommunications operators). These amounts are deferred over the life of the service contract with the operator as they are expected to generate future economic benefits in existing infrastructures (non-cash item).

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

[3] See note 20.b of the accompanying interim condensed consolidated financial statements.

[4] See note 20.c of the accompanying interim condensed consolidated financial statements.

[5] See note 20.e of the accompanying interim condensed consolidated financial statements.

[6] See notes 10, 20.a and 20.d of the accompanying interim condensed consolidated financial statements.

v) Costs and taxes related to acquisitions which mainly includes taxes and ancillary costs incurred during the business combination processes (non-recurring item), amounted to EUR 38,220 thousand (EUR 37,428 thousand in the same period in 2021).

Adjusted EBITDA Margin

Adjusted EBITDA Margin corresponds to Adjusted EBITDA (as defined above), divided by operating income[7] excluding i) elements passed through[8] to customers from both expenses and revenues, mostly electricity costs (this concept only includes Services and and does not take into account Other operating income[9]) and ii) Advances to customers. 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.

According to the above, the Adjusted EBITDA Margin as at 30 June 2022 and 2021 was of 81% and 79%, respectively,

Gross Financial Debt

The Gross Financial Debt corresponds to "Bond issues and other loans"[10], "Loans and credit facilities"[11] and "Lease liabilities"[11], and does not include any debt held by Group companies registered using the equity method of consolidation, "Derivative financial instruments"[12] or "Other financial liabilities"[11]. "Lease liabilities" is calculated as the present value of the lease payments payable over the lease term, discounted at the rate implicit or at the incremental borrowing rate.

According to the above, its value as at 30 June 2022 and 31 December 2021, respectively, is as follows:

	Thousands of Euros	
	30 June 2022	**31 December 2021 restated**
Bond issues and other loans (Note 15)	14,626,952	13,565,690
Loans and credit facilities (Note 15)	1,977,990	2,064,351
Lease liabilities (Note 16)	2,716,888	2,832,045
Gross financial debt	**19,321,830**	**18,462,086**

Net Financial Debt

The Net Financial Debt corresponds to "Gross Financial Debt" less "Cash and cash equivalents"[13]. 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.

The "Net financial debt" at 30 June 2022 and 31 December 2021 is detailed in Section "Liquidity and Capital Resources" of this Consolidated Interim Directors' Report.

[7] See note 20.a of the accompanying interim condensed consolidated financial statements.
[8] See note 20.a of the accompanying interim condensed consolidated financial statements.
[9] See note 20.a of the accompanying interim condensed consolidated financial statements.
[10] See note 15 of the accompanying interim condensed consolidated financial statements.
[11] See note 16 of the accompanying interim condensed consolidated financial statements.
[12] See note 11 of the accompanying interim condensed consolidated financial statements.
[13] See note 13 of the accompanying interim condensed consolidated financial statements.

Net payment of interests

Net payment of interest corresponds to i) "interest payments on lease liabilities"[12] plus ii) "Net payment of interest (not including interest payments on lease liabilities)" and iii) non-recurring financing costs related to M&A projects[9].

Available liquidity

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

Capital expenditures

The Group considers capital expenditures as an important indicator of its operating performance in terms of investment in assets, including their maintenance, organic and Build-to-suit expansion, and acquisition. This indicator is widely used in the industry in which the 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

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

Expansion (or organic growth) capital expenditures

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

Expansion capital expenditures (Build-to-Suit programs)

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

Inorganic Investment

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

Total capital expenditures for the period ended 30 June 2022 and 2021 are summarised as follows:

	Thousands of Euros	
	30 June 2022	**30 June 2021**
Maintenance capital expenditures	30,800	15,948
Expansion (or organic growth) capital expenditures	120,655	90,983
Expansion capital expenditures (Build-to-Suit programs)	1,254,519	622,993
M&A capital expenditures	1,214,651	5,564,872
Total investment	**2,620,625**	**6,294,795**

"Total Investment", amounting to EUR 2,621 million (EUR 6,295 million at the same period of 2021), corresponds to "Total net cash flow from investing activities" of the accompanying Consolidated Statement of Cash Flows amounting to EUR 2,576 million (EUR 6,076 million at the same period of 2021), plus i) "Cash and cash equivalents" of the acquired companies in business combinations amounting to EUR 0 million (EUR 90 million at the same period of 2021, see Note 5 of the accompanying interim condensed consolidated financial statements); plus ii) "Cash advances to landlords" amounting to EUR 58 million (EUR 39 million at the same period of 2021, see Note 16 of the accompanying Consolidated Financial Statements); minus iii) "Others" amounting to EUR 13 million (EUR 90 million at the same period of 2021, which included the substitute tax paid in 2021 (see Note 18.b of the consolidated financial statements ended 31 December 2021)).

Recurring Leveraged Free Cash Flow

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

At 30 June 2022 and 2021 the Recurring Leveraged Free Cash Flow ("RLFCF") was calculated as follows:

	Thousands of Euros	
	30 June 2022	30 June 2021
Adjusted EBITDA [1]	1,281,826	803,581
Payments of lease installments in the ordinary course of business and interest payments [2]	(430,877)	(275,680)
Maintenance capital expenditures [3]	(30,800)	(15,948)
Changes in current assets/current liabilities [4]	(5,908)	(10,160)
Net payment of interest (without including interest payments on lease liabilities) [5]	(140,127)	(98,193)
Income tax payment [6]	(37,457)	(9,638)
Net dividends to non-controlling interests [7]	—	—
Recurring leveraged free cash flow (RLFCF)	**636,657**	**393,962**
Expansion (or organic growth) capital expenditures [8]	(120,655)	(90,983)
Expansion capital expenditures (Build-to-Suit programs) [9]	(1,254,519)	(622,993)
M&A capital expenditures (cash only) [10]	(1,214,555)	(5,475,018)
Non-Recurrent Items (cash only) [11]	(41,403)	(39,349)
Net Cash Flow from Financing Activities [12]	548,363	10,248,922
Other Net Cash Out Flows [13]	(11,041)	(3,525)
Net Increase of Cash [14]	**(1,457,153)**	**4,411,016**

(1) Adjusted EBITDA: Profit from operations before D&A (after IFRS 16 adoption) and after adding back (i) certain non-recurring items (such as COVID donations (€0Mn), costs and taxes related to acquisitions (€38Mn) and redundancy provision (€2Mn) and (ii) certain non-cash items (such as advances to customers (€2Mn) which include the amortisation of amounts paid for sites to be dismantled and their corresponding dismantling costs, and LTIP remuneration payable in shares (€8Mn)).

(2) Corresponds to i) payments of lease installments (€262Mn) in the ordinary course of business excluding short-term prepayments and; ii) interest payments on lease liabilities (€169Mn). See Note 16 of the accompanying interim condensed consolidated financial statements.

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

(4) Changes in current assets/current liabilities (see the relevant section in the Consolidated Statement of Cash Flows for the period ended on 30 June 2022).

(5) Corresponds to the net of "Interest paid" and "interest received" in the accompanying Consolidated Statement of Cash Flows for the period ended on 30 June 2022, excluding "Interest payments on lease liabilities" (€169Mn) (see Note 16 of the accompanying interim condensed consolidated financial statements) and non-recurring financing costs related to M&A projects (see caption "Net Payment of Interest").

(6) Corresponds to the "Income Tax received/(paid)" in the accompanying Consolidated Statement of Cash Flows for the period ended on 30 June 2022. It does not include the "Non-recurring Income tax paid" (€7Mn).

(7) Corresponds to the net of "Dividends to non-controlling interests" and "Dividends received" in the accompanying Consolidated Statement of Cash Flows for the period ended on 30 June 2022.

(8) Corresponds to cash advances to landlords (€58Mn), efficiency measures associated with energy and connectivity (€20Mn), and others (€42Mn, including early site adaptation to increase the capacity of sites). Thus, it corresponds to investments related to business expansion that generates additional Recurring leveraged free cash flow.

(9) Committed Build-to-Suit Programs mainly related to prepayments in France (see Note 7 of the accompanying interim condensed consolidated financial statements) and further initiatives (consisting of sites, backhaul, backbone, edge computing centers, DAS nodes or any other type of telecommunication infrastructure as well as any advanced payment in relation to them). It also includes Engineering Services or work and studies that have been contractualised with different customers, including ad-hoc capex eventually required.

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

The amount resulting from (3)+(8)+(9)+(10), hereinafter the "Total Capex" (€2,621Mn), corresponds to "Total Investment" (€2,621Mn, see caption "Capital Expenditures" in the accompanying Consolidated Interim Directors' Report for the period ended on 30 June 2022) minus the "Cash and cash equivalents" of the acquired companies (€0Mn, see Note 5 of the accompanying interim condensed consolidated financial statements).

The Total Capex (€2,621Mn) also corresponds to "Total net cash flow from investing activities" (€2,576Mn, see the relevant section in the accompanying Consolidated Statement of Cash Flows for the period ended on 30 June 2022), + Cash advances to landlords (€58Mn, see Note 16 of the accompanying Consolidated Financial Statements) - Others (€13Mn, mainly including timing effects related to assets purchases and non-recurring Income tax paid (see footnote 6)).

(11) Consists of "non-recurring expenses and advances to customers" that have involved cash movements, mainly corresponding to "Costs and taxes related to acquisitions" and "redundancy provision".

(12) Corresponds to "Total net cash flow from financing activities" (€259Mn, see the relevant section in the accompanying Consolidated Statement of Cash Flows for the period ended on 30 June 2022), excluding mainly payments of lease installments (€262Mn) in the ordinary course of business excluding short-term prepayments (see footnote 2) and Cash advances to landlords (€58Mn) (see footnote 10), and including non-recurring financing costs related to M&A projects (see caption "Net Payment of Interest").

(13) Mainly corresponds to payments related to the Reorganisation Plan (see Note 19.b of the accompanying interim condensed consolidated financial statements), timing effects and other impacts, partly offset by "Foreign exchange differences" (see the relevant section in the accompanying Consolidated Statement of Cash Flows for the period ended on 30 June 2022).

(14) "Net (decrease)/increase in cash and cash equivalents from continuing operations" (see the relevant section in the accompanying Consolidated Statement of Cash Flow for the period ended on 30 June 2022).

Revenues and results

Revenues correspond to the Operating Income[14] from the consolidated profit and loss account without considering advances paid to customers.

Operating income for the period ended on 30 June 2022 reached EUR 1,688 million, which represents a 59% increase over the same period in 2021. This increase was mainly due to the six month consolidation in 2022 of the business combinations carried out during 2021 in Sweden (the CK Hutchison Holdings Transactions), Poland (the Iliad Poland Acquisition and the Polkomtel Acquisition), the Netherlands (the T-Mobile Infra Acquisition), France (the Hivory Acquisition) and Portugal (the Infratower Acquisition). See Note 6 of the 2021 Consolidated Financial Statements.

Operating income from the Telecom Infrastructure Services segment increased by 70% to EUR 1,527 million due to both the organic growth achieved (collocations, BTS deployments, price escalators, among others) and the acquisitions performed

[14] See note 20.a of the accompanying Interim Condensed Consolidated Financial Statements.

during the 2021 year end, as detailed above. The Group provides to its customers in Telecom Infrastructure Services coverage related services and access to the Group's telecom or broadcasting infrastructures for MNOs to co-locate their equipment on the Group's infrastructures, offering additional services that allow MNOs to rationalize their networks and optimize costs, through the dismantling of duplicate infrastructures (decommissioning) and building up new infrastructures (Build-to-suit) in strategic sites that can offer service to one or more MNOs. These services have the aim to complete the deployment of 4G and 5G in the future, reduce areas with no signal coverage and extend 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 in the Board of Directors and other governance bodies) and other telecom operators who generally require complete access to network infrastructure in order to provide services to end users. The Group acts as a multi-infrastructure operator. Its customers are responsible for the individual communication equipment hosted in the Group's telecom and broadcasting infrastructures. Telecom Infrastructure Services are generated from a number of sources: i) annual base fee from telecommunications customers (both anchor and secondary tenants), ii) escalators or inflation as the annual update of the base fee and, iii) New colocations and Associated revenues (which include new third party colocations as well as further initiatives carried out in the period such as special connectivity projects, indoor connectivity solutions based on DAS, mobile edge computing, fiber backhauling, site configuration changes as a result of 5G rollout and other Engineering Services 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 BTS programs executions. In addition to its current portfolio, the Group's Management has identified several potential acquisitions which are currently being analysed using its demanding capital deployment criteria. The foreseeable new technological requirements linked to 5G along with other ordinary maintenance services such as investment in infrastructure, equipment and information technology systems, generally upon request of its customers, will translate into asset investment commitments in the future years. In this context, the Group carries out certain Engineering Services, that corresponds to works and studies such as adaptation, engineering and design services on request of its customers, which represent a separate income stream and performance obligation. The costs incurred in relation to these services, that will be classified as capital expenditures, can be an internal expense or otherwise outsourced and the revenue in relation to these services is generally recognized as the capital expense is incurred. The margin[15], which generally tends to c.20%, is significantly lower than the Adjusted EBITDA margin of the Group. The total amount of revenues associated with these engineering services during the first half of 2022 was EUR 117Mn (EUR 77Mn during the first half of 2021), that correspond mainly to engineering services in France, UK, Switzerland and Italy, amounting to EUR 46Mn, EUR 37Mn, EUR 9Mn and EUR 8Mn, respectively (EUR 23Mn, EUR 24Mn, EUR 12Mn and EUR 9Mn, respectively, during the first half of 2021). The total amount of capital expenditures incurred related to these services during the first half of 2022 is disclosed in Note 7 of the accompanying interim condensed consolidated Financial Statements. Revenue is primarily generated from customer services agreements. 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 engage in 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.

The Group has an extensive experience in DAS network solutions. The Group has deployed approximately 6,442 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 antennas connected to a common source, thus providing wireless service within a specific geographic 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 real neutral host, together with the MNOs, in order to provide the optimal solution for the increasing need for coverage and densification in complex scenarios. The Group manages the complete life cycle of the solution: infrastructure acquisition, design, installation, commissioning, O&M, supervision and service quality assurance. The Group also operates active equipment of the network in relation to the DAS nodes that the Group manages.

The Group is also developing capabilities in fiber to the tower and edge computing centers infrastructure, in order to offer its clients the data processing capacity distributed in the network, without which the potential of 5G could not be realized. As

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

such, in 2017 the Group acquired Alticom, a Dutch company that owns a portfolio of sites which has data centers, in 2018 and 2019 Cellnex signed an agreement to build 88 and acquire 62 edge computing centers for Bouygues Telecom and in 2020 it extended the scope to build another 90 sites of such characteristics with Bouygues Telecom in the context of the fiber co-investment deal to roll-out a transport network (backhaul and backbone) connecting all key elements of the telecom network of Bouygues Telecom through optic fiber.

In general, the Group's services 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), 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 Group has experienced a high renewal rate of its MSAs / MLAs with MNO customers over the last 10 years although no agreement with anchor customers has reached its initial term. 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 of the last annual fee (that reflects the cumulative inflation over the full initial term).

Operating income from the Broadcasting Infrastructure segment amounted to EUR 111 million which increased compared with the same period in 2021. 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 contents, OTT broadcasting services and other services. As of the date of this Consolidated Interim Directors' Report, the Group provides Broadcasting Infrastructure services in Spain only. The provision of these services requires unique high mast infrastructures 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 broadcast infrastructures the Group manages provide more than 99% of population coverage with DTT and radio, which is a combined portfolio larger than all of its competitors combined. The Group's Broadcasting Infrastructure segment is characterized by predictable, recurrent and stable cash flows as well as by the high 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 do not have any volume risk, they have instead stable and visible pricing of MUXs, are compliant with applicable regulations and contain 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 indexation to CPI that allows the Group to cover increases in operational costs where CPI is positive, as the decrease cannot be less than 0%. It should be noted that Cellnex completed a general cycle of renewal of contracts with customers in the broadcasting area, although in recent years the relative weight of this segment has decreased significantly. The strategy in this business segment is to maintain its strong market position while capturing potential organic growth. Cellnex plans to maintain its leading position in the Spanish national digital TV sector (in which it is the sole operator of national TV MUXs) by leveraging its technical knowledge of infrastructure and network infrastructure, its market understanding and the technical expertise of its staff. A significant portion of the contracts of the Group with these customers are inflation-linked, taking into consideration that the decrease cannot be less than 0%. The Group experienced, in the past, a high rate of renewal for the contracts in this business segment, although price pressure from customers can be possible when renegotiating contracts. The Group plans to continue working closely with regulatory authorities in relation to technological developments in both the TV and radio broadcasting markets and to leverage its existing infrastructure and customer relationships to obtain business in adjacent areas where it benefits from competitive advantages.

Operating income from the Other Network Services segment decreased its income by 4%, to EUR 50 million. The Group classifies the type of services that it provides in this segment in five groups: connectivity services, MC&PN services, O&M, urban telecom infrastructure and optic fiber. "Connectivity services" include connectivity between different nodes of the telecommunication networks (backhaul) of the Group's clients and/or connectivity with its customers' premises (enterprise leased lines), using radio-links, fiber or satellite. The Group also provides specialized leased lines to telecom operators such as MNOs or FNOs, public administrations, and small and medium enterprises as well as companies in rural areas of Spain enabling 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 risk 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 of 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 the cities. Under "optic fiber" the Group uses optic fiber to connect its, or its clients', infrastructures (macro cells, DAS and Small Cells) and edge computing facilities. Please note that when the main customer is the public administration, and not a 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.

The transactions performed during 2021 and 2022, especially in Telecom Infrastructure Services' business segment has helped boost operating income and operating profit, with the latter also being impacted by the measures to improve efficiency and optimise operating costs. In this sense, the Group makes cash advances to landlords basically with the purpose to obtain efficiencies.

In line with the increase in revenue, Adjusted EBITDA was 60% higher than in the same period of 2021 which reflects the Group's capacity to generate cash flows on a continuous basis.

In this context of intense growth, "Depreciation and amortisation" expense has increased substantially, by 67% compared to the previous period, as a result of the higher fixed assets (property, plant and equipment, and intangible assets) in the accompanying consolidated balance sheet, derived from the business combinations carried out during 2021 year end.

Moreover, the net financial loss increased by 40%, derived largely from the new bond issuances carried out during the first half of 2022 and the 2021 year end. On the other hand, the income tax for the first half of 2021 included the effect of the Reverse Big Merger (see Note 18 of the 2021 Consolidated Financial Statements), which resulted in a positive impact of EUR 60 million in the consolidated income statement for the period. As at 1 April 2022, the merger of CK Hutchison Networks Italia S.p.A. and Towerlink Italia S.r.l. into Cellnex Italia SpA was completed, with Cellnex Italia S.p.A. being the surviving entity. Furthermore, as at 1 July 2022, the merger of Towerco S.p.A. and Iaso Gruppo Immobiliare S.r.l. into Cellnex Italia SpA was completed (collectively the "Big Merger II Transaction"). The merger difference was determined at the effective accounting date (backdated to 1 January 2022) as the excess of i) the cost of the investments and ii) their respective equity. The entire merger difference was allocated to goodwill in Cellnex Italia SpA's individual financial statements, which are prepared under Italian generally accepted accounting standards (GAAP). With regards to the goodwill generated by the Big Merger II Transaction, Cellnex Italia SpA will opt to step up the tax basis of the goodwill, as provided for by Article 15 of Legislative Decree no. 185/2008. Thus, approximately EUR 320 million of substitute tax ("imposta sostitutiva") will be paid in 2023, and following such payment the tax deduction of the amortisation is allowed over five (5) years, starting from 1 January 2024.

Therefore, the net loss attributable to the Parent Company on 30 June 2022 amounted to EUR 170 million due to the substantial effect of higher amortisations and financial costs, associated with the intense acquisition process and the consequent geographic footprint expansion, as mentioned above. This scenario remains consistent with the current strong growth that the Group continues to experience and, as mentioned in the 2021 Annual Results Presentation, is expected the group to continue having a net loss attributable to the parent company in the coming quarters.

Consolidated Balance Sheet

Total assets at 30 June 2022 stood at EUR 40,861 million, a 2% decrease compared with the 2021 year-end, partly as a result of the amortisation of the intangible assets and the payment in relation with the transaction with non-controlling interests of On Tower France and On Tower Poland. Around 80% of total assets relates to 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 executed in the first half of 2022 amounted to EUR 2,620,625 thousand, partly for investments in shareholdings of companies due to the acquisition in Portugal, as well as minority stakes in On Tower France and On Tower Poland (see Note 2.h of the accompanying interim condensed consolidated financial statements). Also have been carried out investments related to business expansion that generates additional Recurring Leveraged Free Cash Flow (including decommissioning, telecom site adaptation for new tenants and prepayments of land leases), as well as expansion capital expenditures related to committed Build-to-suit programs and Engineering Services with different clients (see Note 7 of the accompanying interim condensed consolidated financial statements). In addition, during this period the Group has also invested in maintaining its infrastructure and equipment keeping sites in good working order, which is key to maintain a high level of service.

Consolidated net equity at 30 June 2022 stood at EUR 14,175 million, a (10)% decrease compared with the 2021 year-end, largely due to the acquisition of an additional stake in On Tower France and in On Tower Poland, since the aforementioned transaction was an equity transaction carried out with a non-controlling interest in the subsidiary that did not modify the controlling position, the transaction has led to the recognition of a negative impact under "Reserves of consolidated companies" in the accompanying consolidated balance sheet (see Note14 of the accompanying interim condensed consolidated financial statements).

In relation to bank borrowings and bond issues, at 30 June 2022, the Cellnex debt structure is marked by flexibility, low cost and high average life. The average life of debt is 6 years 86% at a fixed interest rate.

The Group's net financial debt as of 30 June 2022 stood at EUR 14,351 million compared to EUR 14,540 million at the end of 2021. Likewise, at 30 June 2022, Cellnex had access to immediate liquidity (cash and undrawn debt) for an amount of approximately EUR 7,7 billion (EUR 8,7 billion at the end of 2021).

Consolidated cash flow generation

Net Payment of Interest

The reconciliation of the caption "Net payment of interest" from the consolidated cash flow statement corresponding to the period on 30 June 2022 and 2021, with the "net interest expense" in the consolidated financial statements is as follows:

	Thousands of Euros	
	30 June 2022	30 June 2021
Interest Income [17]	13,673	6,959
Interest Expense [17]	(369,630)	(261,245)
Bond & loan interest accrued not paid	100,138	85,123
Amortised costs – non-cash	35,014	40,280
Interest accrued in prior year paid in current year	(103,433)	(72,529)
Net payment of interest as per the Consolidated Statement of Cashflows [1]	**(324,238)**	**(201,412)**

[1] Net payment of interest as per the Consolidated Statement of Cash Flows, which corresponds to i) "interest payments on lease liabilities" for an amount of EUR 169,264 thousand (see Note 16 of the accompanying interim condensed consolidated financial statements) plus ii) "Net payment of interest (without including interest payments on lease liabilities)" for an amount of EUR 140,127 thousand (see section "Recurring leveraged free cash flow" of the accompanying Consolidated Interim Directors' Report), and plus iii) non-recurring financing costs related to M&A projects (see section "Recurring leveraged free cash flow" of the accompanying Consolidated Interim Directors' Report).

[16] See note 20.f of the accompanying interim condensed consolidated financial statements.

Income Tax Payment

The reconciliation between the payment of income tax according to the consolidated statement of cashflows and the current income tax expense, corresponding to the period on 30 June 2022 and 2021, is as follows:

	Thousands of Euros	
	30 June 2022	30 June 2021
Current tax expense [(18)]	**(61,531)**	**(44,101)**
Payment of income tax prior year	(7,256)	(1,903)
Receivable of income tax prior year	732	849
Income tax (receivable)/payable	30,420	37,666
Non-recurring Income tax paid [(19)]	(7,342)	(78,400)
Others	178	(2,149)
Payment of income tax as per the Consolidated Statement of Cashflows	**(44,799)**	**(88,038)**

1.4. Liquidity and Capital Resources

Net financial debt

The "Net financial debt" at 30 June 2022 and 31 December 2021 is as follows: [19]

	Thousands of Euros	
	30 June 2022	31 December 2021 restated
Gross financial debt	19,321,830	18,462,086
Cash and short term deposits (Note 13) [(20)]	(2,469,425)	(3,926,578)
Net financial debt	**16,852,405**	**14,535,508**

[(1)] As defined in Section "Business performance and results" of the accompanying Consolidated Interim Directors' Report corresponding to the period ended on 30 June 2022.

At 30 June 2022, the net financial debt amounted to EUR 16,852 million (EUR 14,536 million at the end of 2021), including a consolidated cash and cash equivalents position of EUR 2,469 million (EUR 3,927 million at the end of 2021).

[17] See note 18.a of the accompanying interim condensed consolidated financial statements.

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

[19] See note 13 of the accompanying interim condensed consolidated financial statements.

Net financial debt evolution

	Thousands of Euros	
	30 June 2022	31 December 2021 restated
Beginning of Period	**14,535,508**	**6,493,463**
Recurring leveraged free cash flow	(636,657)	(980,543)
Expansion (or organic growth) capital expenditures	120,655	233,107
Expansion Capex (Build-to-Suit programs)	1,254,519	1,346,136
M&A Capex (cash only)	1,214,555	12,529,294
Non-Recurrent Items (cash only)	41,403	81,346
Other Net Cash Out Flows	11,041	1,349
Issue of equity instruments, Treasury Shares and Payment of Dividends (1)	314,027	(6,765,675)
Net repayment of other borrowings and short term prepayments (2)	6,372	—
Change in Lease Liabilities (3)	(115,157)	1,076,000
Accrued Interest Not Paid and Others (4)	106,139	521,031
End of Period	**16,852,405**	**14,535,508**

(1) Mainly corresponds to "Issue of equity instruments, Acquisition of Treasury Shares and Dividends paid" in the accompanying Consolidated Statement of Cash Flows for the period of six-months ended 30 June 2022.

(2) Corresponds to “Net repayment of other borrowings” (see the relevant section in the accompanying Consolidated Statement of Cash Flows for the period of six-months ended 30 June 2022) and short term prepayments (see Note 16 of the accompanying interim condensed consolidated financial statements).

(3) Changes in “Lease liabilities” long and short term of the accompanying Consolidated Balance Sheet as of 30 June 2022. See Note 16 of the accompanying interim condensed consolidated financial statements.

(4) “Accrued interest not paid and others” which in 2021 included the debt assumed on the T-Mobile Infra Acquisition (See Note 6 of the Consolidated Financial Statements for the year ended on 31 December 2021).

Liquidity availability

The breakdown of the available liquidity at 30 June 2022 and 31 December 2021 is as follows:

	Thousands of Euros	
	30 June 2022	31 December 2021
Available in credit facilities (Note 15)	5,138,653	4,734,696
Cash and cash equivalents (Note 13)	2,469,425	3,926,578
Available liquidity	**7,608,078**	**8,661,274**

1.5. Main risks and uncertainties

The Cellnex Telecom Group has implemented a risk management model that has been approved and is monitored by the Audit and Control Committee, and is applicable to all business and corporate units in countries where the Group operates. The risk management model is aimed at effectively ensuring that the Group’s objectives are achieved.

The main risks to the fulfillment of the Group’s objectives are as follows:

Strategic risks	I)	Risks related to the environment in which the Group operates and risks stemming from the specific nature of its businesses.
	II)	Risks of increasing competition.
	III)	The Group's status as a "significant market power" ("SMP") operator in the digital terrestrial television ("DTT") market in Spain imposes certain detrimental obligations on it compared to its competitors.
	IV)	Industry trends and technological developments may require the Group to continue investing in asset class-businesses adjacent to telecommunication towers, such as fibre, edge computing and small cells.
	V)	Spectrum is a scarce ressource and it is highly dependent on politic decisions. Access may not be secured in the future, which would prevent the Group from providing its services in accordance with his plans.
	VI)	Risk related to a substantial portion of the revenue of the Group is derived from a small number of customers.
	VII)	Risk of infrastructure sharing.
	VIII)	Risk of non-execution the entire committed perimeter.
	IX)	The expansion or development of the Group's businesses, including through acquisitions or other growth opportunities, involve a number of risks and uncertainties that could adversely affect operating results or disrupt operations.
	X)	Risks inherent to the businesses acquired and the Group's international expansion.
	XI)	Risk related to the non-control of certain subsidiaries.
	XII)	Risks related to execution of Cellnex's acquisition strategy.
	XIII)	Regulatory and other similar risks.
	XIV)	Litigation.
	XV)	Risk related to the Company's significant shareholder's interests may differ from those of the Company.

Operational risks	XVI)	Risks related to the industry and the business in which the Group operates.
	XVII)	Risk of not developing the strategic sustainability plan.
	XVIII)	Risks related to maintaining the rights over land where the Group's infrastructures are located.
	XIX)	Failure to attract and retain high quality personnel could negatively affect the Group's ability to operate its business.
	XX)	The Group relies on third parties for key equipment and services, and their failure to properly maintain these assets could adversely affect the quality of its services

Financial risks	XXI)	Financial information.
	XXII)	Expected contracted revenue (backlog).
	XXIII)	Foreign currency risks.
	XXIV)	Interest rate risk.
	XXV)	Credit risk.
	XXVI)	Liquidity risks.
	XXVII)	Inflation risk.
	XXVIII)	Risk related to the Group's indebtedness.
	XXIX)	The Company cannot assure that it will be able to implement its Shareholders' Remuneration Policy or to pay dividends (and even if able, that the Company would do so).

Compliance risks	XXX)	Fraud and compliance risks.
	XXXI)	Risk associated with significant agreements signed by the Group that could be modified due to change of control clauses.

Strategic risks

I) Risk related to the environment in which the Group operates and risks stemming from the specific nature of its businesses.

The Group's business includes the provision of services through its three different segments: (i) Telecom Infrastructure Services, (ii) Broadcasting Infrastructure and (iii) Other Network Services. Any factor adversely affecting the demand for such services, some of which are not under the control of the Group (such as, for instance, those which are a consequence of the Russian invasion of Ukraine or the Coronavirus Pandemic), could potentially have a material adverse impact on its business, prospects, results of operations, financial condition and cash flows.

Through the Telecom Infrastructure Services segment, the main business activity, the Group facilitates access to the spectrum (owned by its customers), by means of providing access to telecom through its connectivity services as well as the related passive and active infrastructure to external MNOs, typically under mid- and long-term contracts. Therefore, the Telecom Infrastructure Services segment is highly dependent on the demand for such infrastructures and a decrease in such demand may adversely affect the Group's business.

In the Broadcasting Infrastructure activity, the demand for the Group's communications depends on the coverage needs from its customers, which, in turn, depend on the demand for TV and radio broadcast by their customers.

Likewise, for the Other Network Services segment, the demand for connectivity, public protection and disaster relief ("PPDR") networks, operation and maintenance ("O&M"), Smart City and Internet of Things ("IoT") services depends on the demand from public administrations as well as entities operating in the private and public sectors.

The willingness of the Group's customers to use the Group's communications infrastructures, contract its services, or renew or extend existing contracts on its communications infrastructures on the same terms, can be affected by numerous factors (some of which are beyond the Group's control), including, among others:

- increased sharing initiatives among MNOs (both related to passive and active network sharing), roaming or resale arrangements by MNOs;
- mergers or consolidations among the Group's customers such as MNOs;
- the ability and willingness of MNOs to maintain or increase capital expenditures on network infrastructure;
- the financial condition of the Group's customers, including the availability or cost of capital;
- governmental licensing of spectrum or restrictions on or revocations of spectrum licenses;
- changes in electromagnetic emissions' regulations;
- changes in demand for TV and radio services and consumption habits (channels, etc.) by end consumers, including the level of multimedia content consumption;
- significant increases in the attrition rate of customers or decreases in overall demand for broadcast space and services, caused by, among others, the adoption of new digital patterns by customers and the obsolescence of the products and services rendered by the Group's companies;
- a decrease in consumer demand for wireless telecom and broadcasting services due to economic, political and market/regulatory conditions, disruptions of financial and credit markets or other factors, including inflation, zoning, environmental, health or other existing government regulations or changes in the application and enforcement thereof, as well as taxes/customs duties levied on the Group's services;
- the evolution of the advertising business' revenue in the media sector, and especially, TV, internet and radio;

- changes in connectivity to the internet;
- an increase in demand for private networks;
- the evolution of public internet;
- changes in the data traffic demand worldwide as well as changes in data transmission prices and speed;
- the availability or capacity of the Group's infrastructure or associated land interests where the infrastructure is located;
- the location of the Group's wireless infrastructure;
- changes in, or the success or failure of, the Group's customers' business models;
- delays or changes in the deployment of next generation wireless technologies or the failure by the Group to anticipate the development of new wireless technologies;
- technological advances and development of alternative technologies that the Groups does not currently use, such as the development of satellite-delivered and optical fibre-delivered radio and video services and internet TV;
- the existence of alternative providers of the Group's services or, alternatively, the self-provision of services by the Group's customers;
- the willingness of the Group's current or future customers to make contractual arrangements with the Group under the current terms and conditions; and
- the Group's customers' desire to renegotiate its agreements with them or to adversely amend current contractual arrangements.

As a result of these factors the Group's customers may scale back their need or demand for its services which could materially and adversely affect the degree of utilisation of the capacity of the Group's communications infrastructures and its network and connectivity development services, which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

To reduce its exposure to risks as a result of the environment in which it operates, the Group pursues a selective international expansion plan, diversification and growth policy, fostering understanding with Government Agencies to develop infrastructures. In addition, it has continued to implement an efficiency plan in order to streamline operating investments and expenditures.

II) Risk of increasing competition

The Group may experience at any time increased competition in certain areas of activity from established and new competitors, for example as a result of other infrastructure providers entering the European market. Telxius completed in 2021 an agreement with American Tower for the sale of its telecommunication towers division in Europe. Therefore, American Tower is significantly increasing its presence in the European market and becoming a key player and strong competitor of the Group. The industry is competitive and customers have access to alternatives in telecom infrastructure services and other network services, whereas for broadcasting TV the alternatives are more limited. Where the Group acts as a provider of services, competitive pricing from competitors could affect the rates and services income. In addition, competition in infrastructure services could also increase the cost of acquisition of assets and limit the Group's ability to grow its business. Moreover, the Group may not be able to renew existing services agreements or enter into new services agreements. The higher prices for assets, combined with the competitive pricing pressure on services agreements, could make more difficult for the Group to achieve targeted returns on investments.

Increasing competition for the acquisition of infrastructure assets or companies in the context of the Group's business expansion, which could make the acquisition of high quality assets significantly more costly, in the current environment of low rates and taking into consideration the Group's business nature, with long term contracts, fixed fees normally inflation-linked, more and more infrastructure funds and private equity firms are showing appetite towards this kind of assets. Some competitors are larger than the Group and may have greater financial resources (such as KKR or Brookfield), while other competitors may apply investment criteria with lower return on investment requirements. Likewise, Cellnex also faces competition or may face future competition from its US peers. Additionally, some of the Group´s customers have set up their own infrastructure companies, while more European MNOs are increasingly showing their willingness to set their own infrastructure vehicles, which could drive to scarcity in terms of assets for sale (thus generating inflation on prices for assets), combined with more competitiveness on the normal course of the Group's business limiting the organic growth potential.

Besides, if the Group is unable to compete effectively with its competitors or anticipate or respond to customer needs, the Group could lose existing and potential customers, which could reduce its operating margins and have a material adverse effect on the Group´s business, prospects, results of operations, financial conditions and cash flows.

III) The Group's status as a "significant market power" ("SMP") operator in the digital terrestrial television ("DTT") market in Spain imposes certain detrimental obligations on it compared to its competitors

In 2006, the Group was classified as a SMP operator by the competition authorities. Given its dominant market position, the National Commission of Markets and Competition (Comisión Nacional de los Mercados y de la Competencia, or "CNMC", the former Comisión del Mercado de las Telecomunicaciones, or "CMT") imposed certain regulatory remedies on it to allow it to operate in the broadcasting market which, amongst others, set out that if the Group is not able to reach a voluntary commercial agreement with an operator, the CNMC will dictate the commercial conditions of the agreements. The CNMC has introduced certain flexibility to those conditions as per the latest review of the relevant market, concluded on July 17, 2019 with the publication of Resolution approving the definition and analysis of the wholesale market for the television broadcasting transmission service (Market 18/2003), as notified to the European Commission and the European Electronic Communications Regulators Entity.

The competitors of the Group in the market who are not considered to be a SMP operator because of their low market share and limited coverage capacity are not subject to these obligations. These obligations and potential additional obligations imposed on the Group by the regulatory authorities vis-à-vis its competitors could materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

IV) Industry trends and technological developments may require the Group to continue investing in asset class-businesses adjacent to telecommunication towers, such as fibre, edge computing and small cells

European MNOs are apparently moving towards a less infrastructural business model, thus the share trends in the telecommunications sector are increasing, especially given the upcoming 5G technological cycle. In this context, Cellnex may need to reinforce its offer in order to meet the needs of its customers, increasingly investing in asset-class businesses adjacent to telecommunication towers, such as fibre, edge computing, small cells, or acqusition of lands.

While the above adjacent businesses can be managed through co-location services offered by a neutral provider (in a similar way to the Group's current Telecom Infrastructure Services business segment and potentially with comparable economic principles), the Group may face certain additional risks, such as (i) execution risk of entering into new businesses; (ii) weak local know-how about the commercial potential of new business deployments; (iii) higher financing requirements, requiring in turn increased financing capabilities; (iv) the need to be large-scale to become a relevant player in these businesses given global and local competence; (v) increased risk of overbuilding capacity affecting the price equilibrium in the market; (vi) compliance with new regulations; (vii) risk of over-paying, giving increasing valuations due to investment demand; and (viii) increased competition against players holding better operational capabilities, among others.

The Group believes it holds the technical know-how to support the long term needs of its customers and has been gradually investing in adjacent asset-class businesses in order to gain experience and mitigate potential future risks, but the investment in asset-class businesses adjacent to telecommunication towers could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

V) Spectrum is a scarce resource and it is highly dependent on politic decisions. Access may not be secured in the future, which would prevent the Group from providing its services in accordance with his plans

The Group and its customers are highly dependent on the availability and accessibility of sufficient spectrum for the provision of services. Spectrum is a scarce resource and the process for guaranteeing access to it is highly complex, costly and time-consuming.

The Group depends upon spectrum allocation for the wireless services that it provides, either in the Telecom Infrastructure Services segment (4G, 5G, etc.), the Broadcasting Infrastructure segment, (TV and radio) or Other Network Services segment, (Public Protection Disaster Relief, IoT or radio links). The Group cannot guarantee that the spectrum needed to appropriately render its services or the spectrum needed by its customers will be available in the future, and any change in spectrum allocation could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

The licenses and assigned frequency usage rights that the Group and its customers use for services such as connectivity have a finite maturity. The Group and its customers could be unable to renew or obtain their licenses and frequency usage rights necessary for their business upon expiration of their terms or they may have to make significant investments to maintain its licenses, either of which could have a material adverse effect on their business, prospects, results of operations, financial condition and cash flows.

Focusing into the Broadcasting Infrastructure segment, the Group owns the infrastructures and equipment that broadcasters use to compress and distribute their signals in Spain. The evolution of technology standards, formats, coding technologies and consumer habits is likely to influence the future spectrum demand for broadcasting services.

The Group cannot guarantee that its customers or DTT broadcasters will have sufficient access to spectrum in the long-term to maintain and develop its current services.

Following the EU regulation in this matter, the Spanish government passed Royal Decree 391/2019 approving the new National Technical Plan for DTT and the regulation of certain aspects of the liberalization of the "second Digital Dividend". This Royal Decree states that the sub-700 megahertz ("MHz") will continue to be used for DTT broadcasting until, at least, 2030. Nonetheless, since the allocation of spectrum is decided by the Spanish government, the Group is highly dependent on political decisions for the future of its DTT broadcasting business, which decisions are outside of its control.

On the same date and on October 11, 2019, respectively, the Spanish government approved the Royal Decree 392/2019 and the Royal Decree 579/2019, which regulate the granting of subsidies to compensate certain costs related to television audiovisual communication services, as a consequence of the implementation of the liberalization of the "second Digital Dividend". Also, on 28 July 2020, the Spanish government approved the Royal Decree 706/2020 and the Royal Decree 707/2020, which regulate the granting of additional direct subsidies for that same purpose of compensating the costs related to the liberalization of the "second Digital Dividend.

Due to the sanitary crisis caused by the Coronavirus Pandemic, the Spanish government declared the state of emergency by means of Royal Decree 463/2020, of 14 March. In this context, the government decided to postpone (not suspend) the execution of the pending phases for the implementation of the liberalization of the "second Digital Dividend". The Ministry of Economic Affairs and Digital Transformation, in a press note released on March 30, 2020, has explained that the above measure has been communicated to the European Commission. Notwithstanding the above, due to the ending of the state of emergency on 21 June 2020, the Spanish Council of Ministers of 23 June 2020 agreed on 31 October 2020 as the new deadline for the implementation of the liberalization of the "second Digital Dividend", which was duly complied and the liberalization has been completed. On 15 December 2020, the Spanish government launched a public consultation, which ended on 17 January 2021, on the conditions to apply to the 5G frequency auction process.

The Group believes that any delays in 5G rollouts in member states of the European Union ("Member States" and the "EU", respectively) due to the Coronavirus Pandemic are likely to be temporary rather than long lasting, considering the systemic importance of universal broadband access. However, 5G rollouts could also be adversely affected by growing concerns, fueled in part by unreliable sources propagated through social and other media, that 5G's radio waves could pose health risks, which could materially affect the Group's business, prospects, results of operations, financial condition and cash flows.

Since the allocation of spectrum is decided by the Spanish government, the Group is highly dependent on political decisions for the future of its DTT broadcasting business, which decisions are outside of its control. In the event that the number of MUXs available for DTT is further reduced, the Group's customers could lose some of its current DTT multiplex spectrum currently licensed.

VI) Risk related to a substantial portion of the revenue of the Group is derived from a small number of customers

In the Telecom Infrastructure Services segment its main clients are telecom operators (mostly MNOs); in the Broadcasting Infrastructure segment its main clients are media broadcasters (TV channels and radio stations); and in the Other Network Services segment its main clients are (i) a small number of public administrations, at national, regional and/or local levels, (ii) safety and emergency response organizations, (iii) companies operating in the utility sector, and (iv) certain telecom operators. The ongoing consolidation process in the telecom and broadcasting sectors may result in a decrease in the number of MNOs or media broadcasting operators in the future, which could potentially have a negative impact on the main segments of the Group.

The Group's reliance on a small group of customers may adversely affect the development of its business. As such, the loss of one or more of any of the Group's main customers, resulting from, amongst others, a merger, bankruptcy, insolvency, network sharing, loss of licenses, roaming, joint development, resale agreements or contract early termination may have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

The Group cannot guarantee that contracts with its major customers will not be terminated (including contractual agreements to transfer or build assets under the Group's acquisition agreements, purchase commitments and build-to-suit programs), or that these customers will renew their contracts with the Group on the same terms or at all, including due to disagreements regarding certain terms or matters or otherwise. Any of the above could potentially have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. Further, the Group is exposed to constant renegotiation and renewal processes of its contracts with its customers (especially those related to the Other Network Services segment and Broadcasting Infrastructure segment), which may result in the current contractual arrangements being adversely amended, which could in turn affect the total value of its contracts. The Group completed during last years a general cycle of renewal of contracts in the Broadcasting Infrastructures segment that has led to a downward revision of prices paid by the Group's customers. Contracts in the Other Network Services and the Broadcasting Infrastructure segments have generally shorter terms than contracts in the Telecom Infrastructures Services segment, and accordingly they need to be renewed more frequently.

In addition, the maturities of the lease contracts, sub-lease contracts and other types of contracts with third parties to operate and manage land and rooftops where the Group's telecommunications infrastructures are located, are generally shorter than the contracts that the Group has entered into with its customers for the provision of services in such infrastructures. As a result, there is a mis-match in the maturities of both contractual relationships which could prevent the Group from successfully providing agreed upon services to its customers, as the Group may not have access to primary resources essential to execute such contractual obligations. The real property interests of the Group relating to its infrastructures consist primarily of ownership interests, fee interests, easements, licenses and rights-of-way. A loss of these interests at a particular infrastructure may interfere with the Group's ability to operate infrastructures and generate revenues. Land owners could decide not to renew, or to adversely amend the terms of the land lease contracts with the relevant Group company, or landlords may lose their rights to the land they own, or they may transfer their land interests to third parties. Moreover, land aggregator entities, which tend to intermediate ground lease prices by acquiring large portfolios of land contracts, may (despite their limited presence in Europe) increase the price for the Group's land lease contracts, which could result in a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. In addition, members of the Group may in the future become involved in disputes with their landlords, which could interfere with the Group's operation of a given site or force the Group to build new sites in order to continue providing services to its customers. The Group's inability to negotiate rent renewals on attractive terms, or to protect its rights to the land on which its infrastructures are located, may result in an increase in costs and may interfere with the Group's ability to operate infrastructures and generate revenues. Any damage or destruction to the Group's infrastructure due to unforeseen events, including natural disasters, may impact the Group's ability to conduct its business. Additionally, if the loss of service is not deemed to be due to an unforeseeable force majeure event, the Group could be held responsible for failing to satisfy its obligations under its transmission contracts, which could result in service credit penalties or suspension of normal fees and annual charges. If the Group is unable to provide services to its customers, it could lead to a loss of customers, resulting in a corresponding material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

In addition, some contracts entered into by the Group provide that certain expenses are passed through to the Group's customers, such as energy costs, and the Group cannot guarantee that the pass through mechanism will protect 100% of the energy cost borne by the Group during the full term of the contract, which may have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. In addition, Cellnex could potentially be exposed to fines if Cellnex were found to be engaged in the electricity resale business simply because energy costs are included in the charges for which it bills its customers. Electricity supply is a regulated activity in countries where Cellnex operates.

In the ordinary course of its business, the Group experiences disputes with its customers, generally regarding the interpretation of terms in the Group's commercial agreements. It is possible that such disputes could lead to a termination of the Group's contracts with customers or a material modification of the terms of those agreements, either of which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. If the Group is forced to resolve any of these disputes through litigation, its relationship with the relevant customer could be terminated or damaged, which could lead to decreased revenue or increased costs, resulting in a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Additionally, in relation to Telecom Infrastructure Services, the Group currently differentiates from its competitors through the neutrality of its position in the market. The loss or weakening of such neutral position as a result of one customer becoming a reference or controlling shareholder of the Company could lead to the termination of contracts or to a loss of customers; and hence, to a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

VII) Risk of infrastructure sharing

While the Group believes the neutral operator model presents certain advantages and there is a growing trend of externalization of the provision of wireless communications infrastructure, extensive sharing of site infrastructure, roaming or resale arrangements among wireless service providers as an alternative to using the Group's services may slow down entering into new service agreements. Moreover, if MNOs utilize shared equipment (either active or passive) rather than deploy new equipment, it may result in the decommissioning of equipment on certain existing infrastructure because parts of the customers' networks may become redundant.

Any potential merger, integration or consolidation of the Group's customers would likely result in duplicate or overlapping networks, which may result in the termination or non-renewal of customer contracts (for example where they are co-customers on an infrastructure) and in the loss of commercial opportunities resulting in a lower number of potential customers for the Group. Likewise, the Judgment of the General Court (First Chamber, Extended Composition) issued on May 28, 2020 which annulled the Commission Decision C(2016) 2796 of May 11, 2016, declaring incompatible with the internal market the concentration resulting from the acquisition of Telefónica Europe Plc by Hutchison 3G UK Investments Ltd. may increase the interest of the Group's customers to merge, which could result also in the loss of commercial opportunities for the Group. These two scenarios could materially and adversely affect revenues from the Group's wireless infrastructure and its commercial prospects.

In addition, customer -consolidation may result in a reduction in their total future capital expenditures because their expansion plans may be similar. Both MNOs' and broadcasters' consolidation could decrease the demand for the Group wireless infrastructure, which in turn could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

VIII) Risk of non-execution the entire committed perimeter

The framework agreements with anchor customers may include agreements by which the parties agree further acquisitions or construction of infrastructures over a defined period or acquisition or construction of a maximum number of infrastructures. Such framework agreements may or may not be implemented, either in whole or in part, due to a potential integration or consolidation of the Group's customers. Moreover, customers could decide not to pursue such agreements due to a change in their business strategy.

In addition, framework agreements with anchor customers may include the unilateral right to dismiss a low-digit percentage of the total sites (respiration rate clause) per year.

If these circumstances occurred, there is no guarantee that the Group may have enough contractual protection in order to be compensated for such changes, which in turn could have a material adverse effect for the Group.

IX) The expansion or development of the Group's business, including through acquisitions or other growth opportunities, involve a number of risks and uncertainties that could adversely affect operating results or disrupt operations

The Group's strategy is aimed at strengthening and expanding its operations, including through the acquisition of assets, entities or minority interests (including minority stakes in companies where the Group already holds a majority interest), joint ventures, mergers and other arrangements in the countries where the Group currently operates or elsewhere, which could require, among other matters, new debt and the issuance of shares (of Cellnex or its affiliates) to finance such growth opportunities and in the case of acquisitions of minority interests as described above, payments of prices which are inflationary, strongly revaluated, or higher than the original price paid by the Group (as it is already agreed upon in the relevant shareholders agreements), following the revaluation of Cellnex's share price performance (from the signing of those transactions and until the acquisition of those minority interests). For example, in 2019 the Group purchased 90% of the share capital of Swiss Infra for a total consideration (Enterprise Value) of approximately EUR 770 million and in 2021 the Group acquired an additional 10% for EUR 131.5 million, or in 2019 the Group purchased 70% of the share capital of On Tower France for an aggregate upfront consideration of approximately EUR 1.4 billion, and in 2022 the Group acquired the remaining 30% non-controlling interest form Iliad, S.A. for EUR 950 million. Consequently, the Group expects that the acquisition of minority stakes may follow, at least, the same pattern and therefore for the price to be inflationary with respect to the purchase price of the majority stakes.

This growth strategy has contributed to the Group's accounting losses in recent years and exposes the Group to operational challenges and risks, such as the need to identify potential acquisition opportunities on favorable terms, the diversion of management's attention from existing business, the potential impairment of acquired intangible assets, including goodwill, or the acquisition of liabilities or other claims from acquired businesses, including liabilities under "successor liability" doctrines in connection with employment, pension, tax, regulatory, environmental, accounting and other matters, which may significantly impact the value of the acquired target and the overall viability and success of the intended business.

Prior to entering into an acquisition agreement, the Group generally performs due diligence with respect to the target or the relevant assets, but such inspection is limited by its nature. Additionally, the Group's analysis and risk evaluation prior to entering into any acquisition agreements are based on the accuracy and completeness of the information available to the Group. The Group may not independently verify the accuracy or completeness of certain of the information made available to it in the context of its due diligence procedures.

Any assets acquired by the Group may be subject to hidden material defects that were not apparent or that otherwise the Group failed to discover or consider at the time of the acquisition. To the extent the Group or other third parties underestimated or failed to identify risks and liabilities associated with an acquisition, the Group may incur, directly or indirectly, in unexpected liabilities, such as defects in title, an inability to obtain permits enabling the Group to use the underlying infrastructure as intended, or other environmental, structural or operational defects or liabilities requiring remediation. As such, in accordance with IFRS 3, at an acquisition's completion date Cellnex recognises contingent liabilities (which are a result of present obligations arising from past events, where the fair value can be reliably measured) arising from the purchase price allocation process in business combinations, even if it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Failure to identify any such defects, liabilities or risks or to adequately address any such defects, liabilities or risks could expose the Group to unanticipated costs and liabilities or could result in the Group having acquired assets which are not consistent with its investment strategy, which are difficult to integrate within its portfolio, which fail to perform in accordance with expectations, and/or which adversely affect the Group's reputation, which, in turn, could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

In addition, achieving the benefits of new acquisitions depends in part on the timely and efficient integration of the acquired business operations, communications infrastructure portfolio and personnel. Integration may be difficult and unpredictable for many reasons, including, among other things, differing financial, accounting, reporting, information technology and other systems and processes, cultural differences, differences in customary business practices and conflicting policies, procedures and operations. In addition, integrating businesses may significantly burden management and internal resources. There could also be integration risks related to the commercialization of the spaces where newly acquired sites are located, as well as in connection with the transition of the payments, the retention of existing customers on newly acquired sites, including obtaining the necessary prior consents to assign the relevant services agreements, and the implementation of the Group's standards, controls, procedures and policies with regards to any newly acquired towers. The Group may also face the risk of failing to efficiently and effectively integrate the new assets into the Group's existing business or to use such assets to their full capacity.

The Group's growth strategy is also linked, among other factors, to the capacity to successfully decommission and build new infrastructures. The framework agreements signed with anchor customers may include agreements for the further acquisition or construction of infrastructures over a defined period of time or for the acquisition or construction of a maximum number of infrastructures. Such framework agreements may or may not be wholly implemented, due to a potential integration or consolidation of the Group's customers or due to a change in their business strategy or to the impact of the Russian invasion of Ukraine or the Coronavirus Pandemic, among others. In addition, framework agreements with anchor customers may include the unilateral right of the customer to dismiss a low single-digit percentage of the total sites per year. Any of the foregoing could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. In addition, the Build-to-suit programs are executed on the basis of agreements with third-party suppliers or the customers that will use the new infrastructures, that may be impacted by raw materials increase, and so the Group relies on third parties to effectively execute its contractual obligations and despite long term contracts being normally based on fixed costs, the raw materials price increase might ultimately negatively affect the Group's prospects. Moreover, the Group may face additional challenges in managing its expansion into new countries or into countries where the Group may have limited knowledge and understanding of the local market, business relationships and familiarity with the local governmental procedures and regulations.

In the ordinary course of its business, the Group reviews, analyzes and evaluates potential transactions, assets, interests, activities or potential arrangements that the Group believes may add value to its business or its scope of services. Failure to timely identify growth opportunities may adversely affect the expansion or development of the Group's business. In addition, the failure to correctly assess the terms and conditions of potential transactions could imply unexpected costs to the Group, or could prevent the Group from obtaining the full benefit of the related business expansion (e.g., by way of changes in the expected perimeter of the relevant transaction upon closing), or any benefit at all, any of which could in turn materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows. Moreover, the Group may fail to sufficiently assess the price adjustments that should be effected to account for potential changes in the perimeter of the target, or may fail to successfully effect them, which could imply unexpected costs to the Group and could materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

The Group may face contingencies, including delays, in the implementation of its growth through acquisitions strategy (including due to the lack of suitable acquisitions, the failure to negotiate and agree acceptable purchase agreements or the failure to satisfactorily complete due diligence). In addition, the completion of any pending or future acquisitions may be subject to the satisfaction of certain conditions precedent, some of which may not be within the Group's control, and failure to satisfy such conditions may prevent, delay or otherwise materially adversely affect the completion of the relevant acquisition. As such, there is no assurance that any such pending or future acquisitions will be completed or, if completed, that it will be completed on the same terms as are described in the transaction agreements. For example, necessary regulatory or administrative authorizations or approvals, including antitrust approvals, may be refused or may only be granted by way of the provision of certain remedies, involving divestitures or otherwise, on onerous terms, and any such refusal or imposition of remedies, involving divestitures or otherwise, on onerous terms may limit the Group's ability to grow its portfolio of assets in a particular market or jurisdiction as expected or at all, or may result in significant delays and/or significant unexpected costs in relation to a particular acquisition.

Even if compliant with antitrust legislation, the Group may not be able to consummate such transactions, undertake such activities or implement new services successfully due to disruptions in its activities, increased risk of operations or other consequences which could negatively impact the Group's business and its prospects. In addition, the loss of the Group's neutral position may cause sellers of infrastructure assets to be reluctant to enter into new joint ventures, mergers, disposals or other arrangements with the Group, and adversely impact its growth strategy. As the Group increases its size, management expects that large MNOs may be open to collaborating with the Group in several ways, such as by selling their sites or other infrastructure assets to the Group, including in exchange for Shares, which could negatively impact the Group's business and its prospects as this type of transactions could affect the perception of the Group's neutrality.

Market conditions and other factors, such as the Group's competitors' willingness to also expand their businesses through the acquisition of the same assets, entities or minority interests that the Group seeks to acquire, may also adversely affect the Group's ability to identify and execute acquisitions or increase the acquisition costs.

Additionally, the Group may experience at any time increased competition in certain areas of activity from established and new competitors, for example as a result of other infrastructure providers entering the European market. Further, any such competitors could become a significant landlord of the Group's portfolio. The Group's main competitors are Vantage Towers, American Tower, Phoenix Tower, TOTEM, Inwit, TDF or CTIL. A potential combination of any of those would create a more predominant competitor.

The industry is competitive and customers have access to alternatives in telecom infrastructure services and other network services, whereas for broadcasting TV the alternatives are more limited. Where the Group acts as a provider of services, competitive pricing from competitors could affect the Group's rates and services income. In addition, competition in infrastructure services could also increase the cost of acquisition of assets and limit the Group's ability to grow its business. Moreover, the Group may not be able to renew existing services agreements or enter into new ones. Higher prices for assets, combined with the competitive pricing pressure on services agreements, could make it more difficult for the Group to achieve its return on investment criteria. Increasing competition for the acquisition of infrastructure assets or companies in the context of the Group's business expansion could make the acquisition of high quality assets significantly more costly (taking into consideration the nature of the Group's business, with long-term contracts and fixed fees which are normally inflation-linked, infrastructure funds and private equity firms are showing increasing appetite towards this class of assets), and could materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows. Some competitors are larger than the Group and may have greater financial resources, while other competitors may apply investment criteria with lower return on investment requirements. Likewise, the Group also faces competition or may face future competition from its peers. In addition, some of the Group's customers have set up their own infrastructure companies and more European MNOs are increasingly showing their willingness to establish their own infrastructure vehicles, which could lead to increases in the demand for assets for sale (thus leading to increases in asset prices), as well as increased competition in the ordinary course of the Group's business, limiting potential growth. Moreover, these MNO-captive infrastructure vehicles could eventually join together, further limiting the Group's inorganic growth prospects.

If the Group is unable to compete effectively with such customers and other competitors, or to effectively anticipate or respond to customer needs or consumer sentiment, it could lose existing and potential customers, which could reduce the Group's operating margins and have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

The Group is also subject to a number of construction, service provision, financing, operating, regulatory and other risks related to the development, expansion and maintenance of its infrastructure, many of which are beyond its control. The operation, administration, maintenance and repair of some of the Group's infrastructures requires coordination and integration of highly sophisticated and specialized hardware and software technologies and equipment, which, consequently, require significant operating expenses and capital expenditures, as well as highly- qualified personnel with the relevant technical know-how. Any failure in the functioning of any of such technologies or equipment may expose the Group to reputational risks, as well as the risk of losing clients, amongst others.

There are additional risks associated with doing business internationally, including changes in a specific country's or region's political or economic conditions, inflation, deflation or currency devaluation, expropriation, unwind of state aids, subsidies and contracts or governmental regulation restricting foreign ownership or requiring reversion or divestiture, increases in the cost of labor (as a result of unionization or otherwise), power and other goods and services required for the Group's operations and changes in consumer price indexes in foreign countries which could adversely affect the Group's results of operations.

As a result, the Group is unable to predict the timeline for the successful execution of its growth strategy (or M&A pipeline) and there is no guarantee that the Group will be successful in identifying such acquisitions or making any investments in a timely manner or at all. Generally, if the Group cannot identify, implement or integrate attractive acquisition opportunities on favorable terms or at all, or if the Group's foreign operations and expansion initiatives do not succeed as expected, they could adversely affect the Group's ability to execute its growth strategy. Any of the foregoing could materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

X) Risks inherent in the businesses acquired and the Group's international expansion

Notwithstanding the Group's diversification of its risk exposure through the internationalisation of its operations, the Group cannot assure that the countries where it operates will not experience economic or political difficulties in the future.

The Group's customers in European markets such as Spain, Italy, France, the United Kingdom, Switzerland, Portugal and the Netherlands represent a significant portion of the operating income of the Group, therefore especially exposing it to risks affecting these countries. The Group will increase its presence in the United Kingdom, following completion of the Hutchison United Kingdom Acquisition, and thereby increasing its exposure to risks affecting this country. Notwithstanding the above, the Group is in the process of completing certain disposals in France, as required in the context of the Hivory Acquisition.

Adverse economic conditions may have a negative impact on demand for the services the Group provides and on its customers' ability to meet their payment obligations. In periods of recession, the demand for services provided by the Group tends to decline, adversely affecting the Group's results of operations. A negative or low growth cycle could affect the Group in the European markets where the Group operates as of the date of the accompanying Consolidated Interim Directors' Report and where the Group (in particular, in those countries where there are customers representing a significant portion of the operating income of the Group).

In particular, adverse economic conditions may be further accentuated in the markets where the Group operates and in others due to the full-scale invasion of Ukraine launched by Russia on 24 February 2022. As a result of the invasion, the European Union (the "EU"), EU member states, Canada, Japan, the United Kingdom and the United States, among others, have developed and continue to develop coordinated sanctions and export-control measure packages. The uncertain nature, magnitude and duration of Russia's war in Ukraine and potential effects of it and of actions taken by Western and other states and multinational organisations in response thereto (including, amongst other things, sanctions, export-control measures, travel bans and asset seizures) as well as of any Russian retaliatory actions (including, amongst other things, restrictions on oil and gas exports and cyber-attacks), on the world economy and markets, have contributed to increased market volatility and uncertainty. Such geopolitical risks may have a material adverse impact on macroeconomic factors which affect the Group's business, results of operations, cash flows, financial condition and prospects.

In addition, both the military conflict between Russia and Ukraine and the associated sanctions are contributing to further increases in the prices of energy, oil and other commodities, and further disrupting supply chains. This has led to a significant increase in costs that will put pressure on business margins and ultimately affect the evolution of investment. Such an increase in commodity prices adds to a context of already extraordinarily high inflation rates, in Spain, in the rest of the European markets where the Group operates and in most developed countries. In this situation, central banks have started to abandon the low interest rate environment, increasing or discussing the possibility of increasing interest rates progressively in order to address and reduce inflation, which could trigger an environment of increased risk aversion, a tightening of financial conditions globally, reduced economic growth and/or result in regional or global recessions. Inflationary pressures could further increase if the Russian invasion of Ukraine is prolonged, escalates or expands (including if additional countries become involved), if additional economic sanctions or other measures are imposed, or if volatility in commodity prices or disruptions to supply chains worsen.

Events such as the above could severely affect macroeconomic conditions and financial markets and exacerbate the risk of regional or global recessions or "stagflation" (i.e. recession or reduced rates of economic growth coupled with high inflation rates), all of which in turn may also materially and adversely affect the Group's business, results of operations, cash flows, financial condition and prospects.

Besides, the coronavirus COVID-19 pandemic (the "Coronavirus Pandemic") which began in China in late 2019 and subsequently spread globally, has significantly affected the European markets where the Group operates as of the date of this Consolidated Interim Directors's Report (in particular, in those countries where there are customers representing a significant portion of the operating income of the Group), as well as the global economy, impacting global growth. While the actions of the central banks in response to the Coronavirus Pandemic, however, allowed an overall context of favourable financing conditions and the macro-financial outlook for the global economy improved mainly as a result of vaccines having been rolled out, some vulnerabilities continue to remain, such as the weak financial situation of some segments of households and companies, the growing public indebtedness of the low profitability of entities. Moreover, the appearance and spread of new COVID-19 variants may result in the reintroduction of containment measures. While the Group's business activity has remained largely unaffected by the uncertain effects of the Coronavirus Pandemic, the extent to which the Coronavirus Pandemic impacts the Group's business and results of operations in the future will depend on future developments. For example, in addition to affecting demand for the Group's services (or the Group's customers' services) and its customers' ability to meet their payment obligations, the Group could, among others, suffer delays in the execution of build-to-suit programs, changes in the expected organic growth or severe disruptions due to its suppliers being unable to meet their current commitments.

Likewise, the Group is directly exposed to adverse political conditions in the European markets where the Group operates as of the date of this Consolidated Interim Directors's Report (in particular, in those countries where there are customers representing a significant portion of the operating income of the Group). Also, changes in the international financial markets' conditions as a result of the effects of the Russian invasion of Ukraine or the Coronavirus Pandemic pose a challenge to the Group's ability to adapt to them as they may have an impact on its business. The Group cannot predict how the economic and political cycle in such markets will develop in the short-term or in the coming years, or whether there will be a deterioration in political stability in them.

Therefore, the Group may be adversely affected by the adverse economic conditions or potential instability in the European markets where the Group operates as of the date of this Consolidated Interim Directors's Report (in particular, in those countries where there are customers representing a significant portion of the operating income of the Group), while at the same time a more geographically diversified revenue source allows a lower risk exposure to specific country-related issues. In addition, the Group may be adversely affected by economic, social and political conditions in the countries in which its customers, suppliers and other counterparties operate.

Countries or supranational organizations, such as the EU, in the markets where the Group or its customers operate may develop and implement legislation, adopt decisions or otherwise change laws, regulations and treaties, or their interpretation thereof, which could materially and adversely affect the Group's business, prospects and results of operations. The European Commission has conducted investigations in multiple countries focusing on whether local rulings or local legislation violate EU state aid rules and concluded that certain countries, including Spain, have provided illegal state aid in certain cases. The decisions of the European Commission and the national authorities in relation to such investigations, and any such changes to laws, regulations and treaties, or their interpretation thereof, and any related expropriation, cancellation, unwind, claw-back and recovery of state aids and subsidies could materially and adversely affect the Group's business, prospects and results of operations.

Because of the Group's significant presence in the United Kingdom, it may face the risk of political and economic uncertainty derived from the United Kingdom's decision to leave the EU which became effective on 31 January 2020 ("Brexit"). Prior to that, on 24 January 2020, the United Kingdom signed the Agreement on the withdrawal of the United Kingdom from the EU and the European Atomic Energy Community (the "Withdrawal Agreement"). Under the terms of the Withdrawal Agreement, a transition period ran until 31 December 2020, during which time the United Kingdom continued to benefit from, and was bound by, many EU laws. On 24 December 2020, the EU and the United Kingdom entered into three agreements setting out the terms of their post-Brexit relationship, namely the Trade and Cooperation Agreement, the Agreement on Nuclear Cooperation, and the Agreement on Security Procedures for Exchanging and Protecting Classified Information. The Trade and Cooperation Agreement covers the general objectives and framework of the relationship between the United Kingdom and the EU, including in relation to trade, transport, visas, judicial, law enforcement and security matters, and mechanisms for dispute resolution. Under the terms of the Trade and Cooperation Agreement, the United Kingdom firms no longer benefit from automatic access to the EU single market and there is no longer free movement of people between the United Kingdom and the EU. In addition, while domestic law derived from EU law, EU law directly applicable in the United Kingdom, and EU rights, powers, liabilities and obligations recognised and available in the United Kingdom, in each case immediately before 31 December 2020, were, subject to certain exceptions, retained by the United Kingdom, the United Kingdom's law may diverge from EU law in the future. The legal, political and economic uncertainty resulting from Brexit may adversely affect the Group's business, prospects, results of operations, financial condition and cash flows in the United Kingdom, in particular because of the Group's significant presence in the United Kingdom (which will be further increased upon completion of the CK Hutchison Holdings Transaction in respect of the United Kingdom).

Growing public debt, reduced growth rates and any measures of monetary policy that may be implemented in the future in the credit markets all could affect the Group's business. A change in any of these factors could affect the access of the Group to the capital markets and the terms and conditions under which it can access such capital, which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. In this regard, on 9 June 2022 the European Central Bank Governing Council announced that while reinvestments of the principal payments from maturing securities purchased under the asset purchase programmes will continue in full for an extended period of time, net asset purchases under such asset purchase programmes will be discontinued as of 1 July 2022.

Furthermore, as a significant portion of the contracts of the Group with operators are inflation-linked and some do not have a minimum limit or floor, deflationary macroeconomic circumstances will have an adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. Moreover, in a high interest rate scenario, most of the Group's contracts that are linked to inflation are capped at various levels, whereas the Group's operating expenses and payment of lease instalments are generally uncapped, which would negatively impact the Group's business, prospects, results of operations, financial condition and cash flows. However, even if contractually agreed, certain operators may not agree to bear the cost of the inflation impact on the Group's contracts.

As a consequence of the foregoing, the Group cannot assure that any estimates, forecasts, forward-looking statements or opinions contained herein or which may have been expressed in the past will remain accurate or will not abruptly change as a result of the effects of adverse economic and/or political conditions, in particular those deriving from the Russian invasion of Ukraine or the Coronavirus Pandemic. Consequently, the Group's inability to reduce the impact of the foregoing could have a material and adverse effect on its business, results of operations, financial condition and prospects.

Risks related to acquisitions

Completion of any new acquisition is subject to the satisfaction of certain conditions, some of which are not within the Group's control, and failure to satisfy such conditions may prevent, delay or otherwise materially adversely affect the completion of the acquisition. Such conditions include the obtaining of an antitrust clearance decision by the relevant antitrust authority.

If the Group fail to complete a previously announced acquisition on the terms described in the agreements, it may not be able to obtain the expected synergies of the proposed business expansion represented by such transaction, and this failure could result in significant costs to the Company, all of which could materially and adversely affect the value of the Company's shares and the Group's expansion plans, business, prospects, results of operations, financial condition and cash flows. Additionally, liabilities and defects may emerge that are hidden or unknown at the time of the execution of any agreement.

Prior to entering into any agreements, the Group usually perform due diligence to identify any risks, including any potential liability arising out of the business and defects of the acquired tower business. However, the Group's capacity to physically inspect the acquired towers is limited and such towers may be subject to defects or risks that were unknown at the time of the execution of the agreements or at the time of completion of the transaction or were known but were not considered material.

In addition, the Group assume all rights and liabilities of the acquired business since the closing of the transaction, including liabilities under "successor liability" doctrines in connection with employment, pension, tax, regulatory, environmental, accounting and other matters. The Group may be subject to unknown or non-disclosed liabilities or contingencies, including those resulting from tax, labor, regulatory or accounting matters, as well as new contingencies derived from past events which the Group is unaware of or could not anticipate.

To the extent that the Group failed to identify, fully quantify or assess the materiality of such risks, the Group may incur unexpected liabilities and further costs, relating to, among others, property, environmental, labor, tax or regulatory matters, as well as structural and operational defects.

The Group may be unable to adequately address any such risks and the realization of any such risks could expose the Group to unanticipated costs and liabilities and prevent or limit the Group from realizing the projected benefits of the transaction, which could adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

The Group could not independently verify the accuracy or completeness of the information on the acquisitions

The Group's analysis and risk evaluation prior to entering into any agreements assumed on the accuracy and completeness of the information available to the Group. The Group could not independently verify the accuracy or completeness of certain of the information made available to it context of its due diligence procedures.

The Group may be unable to successfully integrate the new business into the Group from an operational perspective

The operational integration of a new business into the Group could prove to be difficult and complex, and the benefits and synergies from such integration may not be in line with the Group's expectations. This may imply difficulties and costs in the integration process which are beyond the Group's control and may exceed those foreseen at the time of the signing of the agreements.

Difficulties may arise as a result of conflicts between control structures, procedures, standards, business cultures and policies, or compensation structures of the Group and those of business acquired, or the need to implement, integrate and harmonize diverse business operating procedures and financial, accounting, reporting, information technology and other systems, which could adversely affect the Group's ability to maintain relationships with the customers of the business acquired, employees, suppliers and other business partners following the acquisition.

There is also an integration risk related to the commercialization of the space where the sites are located, as well as in connection with the transition of the payments, the retention of existing customers on sites operated by the business acquired, including obtaining the necessary prior consents to assign the relevant service agreements and the maintenance of the Group's standards, controls, procedures and policies with regards to towers operated by the business acquired.

The Group may also face the risk of failing to efficiently and effectively integrate the new assets into the Group's existing business or to use such assets to their full capacity. The Group expects to successfully combine both businesses; however, in the event it cannot reach its objectives within the anticipated timeframe, or at all, or if the underlying assumptions for its expectations prove to be incorrect, the expected anticipated benefits and cost savings may not be fully realized, which could materially and adversely affect the Group's business and the value of the Company's shares, prospects, results of operations, financial condition and cash flows.

Additionally, the significant demands on the attention of the Group's management arising from the integration of the business acquired could result in other areas of the Group's business not receiving the attention they require, which could have an adverse effect on its business. If the Group is unable to manage the expanded organization efficiently, this could result in a loss of market share and of key customers, in addition to any other difficulties that could arise if full integration of assets and resources of the business acquired is not achieved, which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

XI) Risk related to the non-control of certain subsidiaries

Although Cellnex has full control and a 100% stake in the vast majority of its subsidiaries, Cellnex has made and may continue to make equity investments, which may include minority investments, in certain strategic assets managed by or together with third parties, including governmental entities and private entities. In addition, the Group has full control over certain subsidiaries in which shareholders are holders of a minority investment. As of 30 June 2022, the Group subsidiary with the highest percentage of minority shareholders was On Tower Poland (see Note 14.f of the accompanying interim condensed consolidated financial statements).

Investments in assets over which Cellnex has partial, joint or no control are subject to the risk that the other holders of interest in the assets (making use their minority rights), who may have different business or investment strategies than Cellnex or with whom it may have a disagreement or dispute, may have the ability to independently make or block business, financial or management decisions, such as the decision to distribute dividends or the appointment of members of management, which may be crucial to the success of the project or Cellnex's investment in the project, or otherwise implement initiatives which may be contrary to its interests, creating impasses on decisions and affecting its ability to implement the foreseen strategy. Additionally, the approval of other shareholders or partners may be required to sell, pledge, transfer, assign or otherwise convey Cellnex's interest in such assets. Alternatively, other shareholders may have rights of first refusal or rights of first offer in the event of a proposed sale or transfer of Cellnex's interests in such assets. These restrictions may limit the price or interest level for Cellnex's interests in such assets, in the event it wants to dispose such interests. In addition, minority shareholders may target an exit through different mechanisms (i.e. put options, right of first offers, rights to acquire belonging to Cellnex, etc.) and the Company has the willingness to acquire such minority stakes. However, the price of this acquisition may be inflationary and strongly revaluated (as happened with the acquisition of the additional 30% of On Tower France described in Note 2.h.II of the accompanying interim condensed consolidated financial statements) or because this mechanisms may have already a defined price in the SHA, which is higher than the current original price paid by Cellnex.

In the first quarter of 2022, Cellnex France Groupe, Iliad, On Tower France and Free Mobile entered into two agreements amending the exercise conditions of Iliad's right and the Iliad Master Agreements (defined in the consolidated financial statements ended as of 31 December 2019). Pursuant to the terms of such agreements, Cellnex (through Cellnex France Groupe, of which Cellnex owns 100%) acquired 30% interest of the share capital of On Tower France, S.A.S ("On Tower France") from Iliad, S.A. ("Iliad"), for an amount of EUR 950 million, exclusive of taxes. The price paid was calculated pursuant to said agreement, which was very inflationary as happened with the acquisition of the additional 10% of Swiss Infra. Pursuant to this acquisition, Cellnex France Groupe held 100% of On Tower France as of 30 June 2022. On top of that, Cellnex has enhanced the build-to-suit programmes with 2,000 new sites (additional to the minimum 2,500 sites already committed -see Note 5 of the consolidated financial statements ended as of 31 December 2019-) until 2027, with an Enterprise Value of EUR 639 million. Moreover, in the first quarter of 2022, Cellnex Poland and Iliad Purple entered into an agreement amending the exercise conditions of Iliad Purple's right on 10% of the share capital of On Tower Poland. Pursuant to the terms of this agreement, Cellnex (through Cellnex Poland, of which Cellnex owns 100%) acquired 10% interest of the share capital of On Tower Poland, for an amount of PLN 615 million (approximately EUR 140 million at the current exchange rate) (exclusive of taxes). This price implies the same valuation of On Tower Poland applied at the closing of the Iliad Poland Acquisition. The Iliad Poland SHA is very similar to the Iliad France SHA with regards to the referred right to sell. Pursuant to this acquisition, Cellnex Poland held 70% of On Tower Poland as of 30 June 2022.

Other holders of interest in the Group´s assets may become insolvent or file for bankruptcy at any time, or fail to fund their share of any capital contribution that might be required. Finally, they may be unable, or unwilling, to fulfil their obligations under the relevant shareholder or joint investment agreements or may experience financial or other difficulties that may adversely affect Cellnex's investment in a particular joint venture. This may result in litigation or arbitration procedures generating costs and diverting Cellnex's management team from their other managerial tasks. In certain of Cellnex's joint ventures, it may also be reliant on the particular expertise of other holders of interest and, as a result, any failure to perform Cellnex's obligations in a diligent manner could also adversely affect the joint venture. If any of the foregoing were to occur, Cellnex's business, prospects, results of operations, financial condition and cash flows could be materially and adversely affected.

XII) Risks related to execution of Cellnex's acquisition strategy

Cellnex' strategy includes the aim to strengthen and expand its operations, among others, through acquisitions. This strategy of growth exposes Cellnex to operational challenges and risks, such as the need to identify potential acquisition opportunities on favourable terms. It also may expose Cellnex to other risks such as the diversion of management's attention from existing business or the potential impairment of acquired intangible assets, including goodwill, as well as the acquisition of liabilities or other claims from acquired businesses.

Prior to entering into an acquisition agreement, Cellnex generally performs a due diligence exercise on the potential changes to existing or new tax laws or international tax treaties, methodologies impacting the Group's international operations, or fees directed specifically at the ownership and operation of communications infrastructures or its international acquisitions, which may be applied the acquisition. To the extent Cellnex or other third parties underestimated or failed to identify risks and liabilities associated with an acquisition, it may incur, directly or indirectly, in unexpected liabilities, such as defects in title, an inability to obtain permits enabling Cellnex to use the underlying infrastructure as intended, environmental, structural or operational defects or liabilities requiring remediation. Failure to identify any defects, liabilities or risks could result in Cellnex having acquired assets which are not consistent with its investment strategy which are difficult to integrate with the rest of the portfolio or which fail to perform in accordance with expectations, and/or adversely affect Cellnex's reputation, which, in turn, could have a material adverse effect on its business, prospects, results of operations, financial condition and cash flows.

Generally, if Cellnex cannot identify, implement or integrate attractive acquisition opportunities on favourable terms or at all, it could adversely impact its ability to execute its growth strategy.

XIII) Regulatory and other similar risks

Risks related to changes in tax and legal regulations and socio-political changes are significant, given that the Group carries out an activity subject to government regulations, as well as to the regulatory framework in the European Union (the "EU"). These changes in tax and legal regulations could be applied or enforced retroactively. The main rules applicable to the Group and its customers include the availability and granting of licences for the use of the spectrum, the rates for its use and the commercial framework for the sale of terrestrial radio broadcasting assets and the obligations imposed on the Group by the Spanish competition authorities in relation to its broadcasting infrastructure activities.

Moreover, environmental and health regulation imposes additional costs and may affect the Group's results of operations. In the countries in which the Group operates, it is subject to environmental laws and electromagnetic regulations, as well as to the EU laws and regulations, concerning issues such as damage caused by air emissions, noise emissions and electromagnetic radiation. These laws are increasingly stringent and may create in the future substantial environmental compliance liabilities and costs.

Public perception of possible health risks associated with cellular and other wireless communications technologies could affect the growth of wireless companies, which could in turn slow down the Group's growth. In particular, negative public perception of these health risks could undermine the market acceptance of wireless communications services, increase opposition to the development and expansion of telecom infrastructures and lead to price increases of the infrastructure services where the infrastructures are located. The potential connection between radio frequency emissions and certain negative health or environmental effects has been the subject of substantial study by the scientific community in recent years and numerous health-related lawsuits have been filed against wireless carriers and wireless device manufacturers. If a scientific study or court decision in the jurisdictions in which the Group operates or elsewhere resulted in a finding that radio frequency emissions pose health risks to consumers, it could negatively impact the Group's customers and the market for wireless services, which could materially and adversely affect the Group's business, prospects, financial condition, results of operations and cash flows. The Group insurance coverage may not be sufficient to cover all or a substantial portion of any liability it may have.

The Group's services are affected by the current electromagnetic emission rules applicable in terms of limiting the emissions coming from equipment of the Group's customers hosted by the Group. Despite the fact that the ratio emitting equipment is held by Cellnex, the Group´s customers are liable for the emissions of their own equipment. In the event that such rules were amended against the Group´s interest, they could limit its growth capacity and may adversely affect its business, prospects, results of operations, financial condition and cash flows.

The Group mitigates the risks to which is exposed from possible regulatory changes through coordination in the relevant areas to ensure that it follows prevailing local legislation and that it is able to anticipate regulatory changes.

XIV) Litigation

The Group is subject to the risk of legal claims and proceedings and regulatory enforcement actions in the ordinary course of business and otherwise. The results of legal and regulatory proceedings cannot be predicted with certainty. The Group cannot guarantee that the results of current or future legal or regulatory proceedings or actions will not materially harm the Group's business, prospects, financial condition, results of operations or cash flows, nor can it guarantee that it will not incur losses in connection with current or future legal or regulatory proceedings or actions that exceed any provisions that it may have set aside in respect of such proceedings or actions or that exceed any available insurance coverage, which may have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

XV) The Company's significant shareholder's interests may differ from those of the Company

As of the date of this Consolidated Interim Directors' Report, there are two significant shareholders of Cellnex represented in the Board of Directors with one director each: (i) Edizione S.R.L ("Edizione"), which pursuant to publicly available information on the website of the Spanish Securities Market Commission (the "CNMV"), indirectly holds approximately 8.532% of Cellnex's share capital; and (ii) GIC Private Limited ("GIC"), which pursuant to publicly available information on the website of the CNMV, directly and indirectly holds approximately 6.989% of Cellnex's share capital. Pursuant to publicly available information on the website of the CNMV, there are other significant shareholders with stakes above 3% of the share capital.

Cellnex's principal significant shareholders may have an influence over those matters requiring shareholders' approval, including the appointment and dismissal of the members of the Board of Directors, the payment of dividends, changes in the issued share capital of Cellnex and the adoption of certain amendments to the bylaws. There can be no assurance that any current or future significant shareholder will act in a manner that is in the best interest of the Group, which could, in turn, adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

Operational risks

XVI) Risks related to the industry and the business in which the Group operates

The sector where the Group develops its activities is characterized by rapid technological changes and it is essential to be able to offer the products and services demanded by the market and to select the appropriate investments.

The development and implementation of new technologies designed to enhance the efficiency of wireless networks or new technologies developing alternative network solutions (either broadcasting infrastructure or alternative technologies to the network services provided), or changes in the Group customers' business models, could reduce the need for infrastructure-based wireless services, reduce the need for broadcasting or network services, decrease demand for the Group's infrastructure space or reduce rates or other fees obtained in the past. In this regard, the Group faces the risk that its customers may not adopt the technologies the Group invests in. For example, as communication technologies continue to develop, competitors may be able to offer wireless telecom infrastructure products and services that are, or that are perceived to be, substantially similar to or better than those offered by the Group, or offer technologies that provide similar functionality with competitive prices and with comparable or superior quality.

The Group cannot be certain that existing, proposed or as yet undeveloped technologies of its complementary segments (such as, 5G, "Small Cells", DAS, data centres/edge computing and fibre) will not become dominant in the future and render the technologies and infrastructure the Group currently uses obsolete. Should the Group's competitors develop and commercialize new technologies designed to improve and enhance the range and effectiveness of wireless telecom networks, it could significantly decrease demand for existing infrastructure. In fact, the Broadcasting Business is threaten due to substitute new technologies such as cable TV, satellite TV, or OTTs, or low-orbit satellites might in the future challenge network configuration, negatively impacting the Telecommunications Infrastructure Service business prospects.

The Group's business and growth prospects could be jeopardized if it was not able to promptly identify and adapt to shifting technological solutions and/or if it failed to acquire or develop the necessary capabilities and expertise to meet the clients' changing needs. The development and implementation of new services with a significant technological component is also subject to inherent risks that the Group may not be able to overcome.

In addition, customers of the Group's services may reduce the budgets they may have allocated to telecom infrastructure, broadcasting infrastructure or other services, as the industry constantly invests in the development and implementation of new technologies or because of changes in their business model. Examples of these technologies include spectrally efficient technologies, which could reduce the Group´s customers' network capacity needs and as a result could reduce the demand for infrastructure-based wireless services.

Moreover, certain Small Cell-based complementary network technologies, in which the Group is actively working, could shift a portion of its customers' investments away from the traditional infrastructure-based networks, which may reduce the need for MNOs to add more equipment at communication infrastructures. Moreover, the emergence of alternative technologies could reduce the need for infrastructure-based broadcast or network services. For example, the growth in the delivery of wireless communications, radio and video services by direct broadcast satellites could materially and adversely affect demand for the Group's infrastructure services. Further, a customer may decide to no longer outsource infrastructures or otherwise change its business model, which would result in a decrease in the Group's revenue.

In the Broadcasting Infrastructure activity, digital terrestrial television ("DTT") is the method most widely used to transmit TV signals in Europe but an eventual unexpected increase in Spain of the use of alternative distribution platforms (such as satellite, cable or internet protocol television ["IPTV"]) or the growth and deployment of Wi-Fi network could reduce the Group's current business volume. In the Other Network Services activity the Group uses, among other technologies, terrestrial trunked radio ("TETRA") services technology or radio links to deliver its services, and the use of alternative technologies could reduce its revenues and limit potential future growth. The development and implementation of any of these and similar technologies, as well as of new products and technologies, may render some of the products and services offered by the Group obsolete which could have a material adverse effect on its business, prospects, results of operations, financial condition and cash flows

XVII) Risk of not developing the strategic sustainability plan

Cellnex's degree of involvement and commitment to the environment and the fight against climate change has led it to develop a Strategic Plan for sustainability based on 11 lines of action, all of which are aligned with the United Nations' ODS.

Failure to develop the plan would entail a reputational risk. A worse rating in the sustainability indices and in the analyses of proxy advisors would mean a worse valuation by investors. It would also represent a failure to comply with the commitments acquired in environmental matters with various international bodies and institutions (United Nations, Global Compact, Business for 1.5°C or Science Based Targets initiative according to IPPC (SBTi)), as well as with our stakeholders and society in general.

The Group may not comply with the environmental requirements established in the Spanish and/or European Legislative Framework, or with the requirements of listed companies such as those established in the Non-Financial Information and Diversity Act.

Failure to implement the measures set out in the Strategic Sustainability Plan to reduce the impact of climate change would ultimately have direct consequences for the company's activity. Among these are the management of energy efficiency and the associated carbon footprint, due to the impact on, for example, cooling systems to compensate for the increase in temperatures at the various types of the Group's telecommunications sites; or supply chain management by incorporating suppliers into the sustainability and carbon footprint reduction criteria. Failure to implement the mentioned Plan, could also have an impact on the financing costs due to the increase in margins, as a consequence of sustainability KPIs not achieved.

XVIII) Risks related to maintaining the rights over land where the Group's infrastructures are located

The Group's real property interests relating to its infrastructures consist primarily of ownership interests, fee interests, easements, licenses and rights-of-way. A loss of these interests at a particular infrastructure may interfere with the Group's ability to operate infrastructures and generate revenues. In the context of acquisitions, the Group may not always have the ability to access, analyse and verify all information regarding titles and other issues prior to completing an acquisition of infrastructures and the absence of title or other issues can affect the Group's rights to access and operate an infrastructure.

The Group owns the majority of its telecommunications infrastructures it operates; however, the vast majority of the land and rooftops where these infrastructures are located is operated and managed through lease contracts, sub-lease contracts or other types of contracts with third parties (with the exception of the UK, where the group owns a large amount of the land where its sites are located). Thus, for various reasons, land owners could decide not to renew, or to adversely amend the terms of the ground lease contracts with the Group. In particular, the increasing presence of ground lease aggregators may negatively affect the Group´s ability to renew those contracts under commercially acceptable terms. For instance, the Group could lose its rights over the land, the land could be transferred to third parties or reversion of assets may be mandatory at the end of the relevant concession period. The Group also has long-term rights to use third party infrastructures and the non-compliance with its obligations would lead to the loss of the right to use these infrastructures. Lastly, in the future the Group must revert back to the corresponding government authorities certain assets under the terms of certain concession agreements.

In addition, the maturities of the lease contracts, sub-lease contracts or other types of contracts with third parties to operate and manage land and rooftops where the Group's telecommunications infrastructures are located, are generally shorter than the contracts that the Group has entered into with its customers to provide services. In that sense, there is a mismatch in the maturities of both contractual relationships which could prevent the Group from successfully providing agreed upon services, as the Group may not have access to primary resources essential to execute those contractual obligations.

The Group's inability to use the land where its infrastructures are located may have a material adverse effect on the Group's ability to comply with its contractual obligations and to complete its current or future infrastructure or growth projects as expected on schedule or within budget, if at all. This may in turn have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Likewise, and in line with the Group's industry peers that operate telecom or broadcasting infrastructure, the Group may not always have all the necessary licenses and permits of its infrastructure assets. The lack of necessary licenses, property titles and permits could give rise to monetary fines and, as an interim measure, the authorities could order that the affected equipment or infrastructures be sealed-off or even decommissioned until the required authorization or license is obtained. Criminal liability could also arise in certain circumstances. Similarly, the basic resources to provide service to the Group's customers may not be guaranteed.

To minimise these risks, the Group has specific control policies, procedures, plans and systems for each area, which are periodically reviewed and updated by specific external auditors for each area (financial reporting, quality, occupational risks, etc.). The Group also continually monitors and analyses its insurable risks and has implemented an insurance programme to ensure a level of coverage and risk in keeping with the policies that have been introduced.

XIX) Failure to attract and retain high quality personnel could negatively affect the Group's ability to operate its business

The Group's ability to operate its business, grow and implement its strategies depends, in part, on the continued contributions of its senior executive officers and other key employees. The loss of any of its key senior executives, especially if lost to a competitor, could have an adverse effect on its business unless and until a replacement is found. The Group may not be able to locate or employ qualified executives on acceptable economic terms. Moreover, if the relationship with one or more of the Group's key employees ends for any reason, there is no assurance that the Group will be able to replace them in the short term with people of comparable experience and qualifications. Any material delay in replacing such individuals may have an adverse effect on the public perception of the strength of the Group's business, prospects, results of operations, financial condition and cash flows. In addition, the Group believes that its future success, including the ability to internationally expand the Group's business, will depend on its continued ability to attract and retain highly skilled personnel with experience in its key business areas. Labour markets are becoming tight and with inflationary pressure on hiring. Demand for high quality personnel is intense and the Group may not be able to successfully recruit, train or retain qualified personnel, especially in new markets where the Group may operate.

Any failure by the Group to attract and retain skilled and experienced employees or the loss of any of its key employees, could harm its business and growth prospects and have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

XX) The Group relies on third parties for key equipment and services, and their failure to properly maintain these assets could adversely affect the quality of its services

The Group relies on third-party suppliers to provide key equipment and services that are essential for the Group's operations. Some of these are only available from a limited number of third parties. For example, the Group relies on transmission capacity and other critical facilities that are owned by third parties. In addition, the build-to-suit programs are executed on the basis of agreements with third-party suppliers, and so the Group relies on third-parties to effectively execute its contractual obligations. The Group does not have operational or financial control over these partners, and it has no influence with respect to the manner in which these suppliers conduct their business. If these suppliers fail to provide equipment or services on a timely basis or in accordance with the agreed terms, the Group may be unable to provide services to its customers until an alternative supplier can be found. In addition, existing or new competitors in the markets where the Group operates may compete for services from the Company's existing suppliers and such competitors may obtain more favorable terms than those the Group currently benefits from. Additionally, it is possible that current suppliers of services could become competitors, therefore competing as consumers of services they provide. Either of these occurrences could result in upward pricing pressure on these contracts and the Group may not be able to renew its contracts at all or at the same rate as in the past, and could lose market share. If any of these contracts are terminated or the Group is unable to renew them on favorable terms or negotiate agreements for replacement services with other providers at comparable terms, this could have a material adverse effect on the Group's business and capacity to fulfil their contractual obligations, prospects, results of operations, financial condition and cash flows.

Likewise, any commercial dispute with a supplier, the termination of a relationship, as well as insolvency, bankruptcy, end of or curtailing business, so forth, of any supplier, including such situations in which the supplier is forced to cease the provision of services to the Group for any reason or fails to provide the services or goods deemed necessary for the Group to carry out its activities, the Group may be exposed to additional costs and may not be able to comply in full with all the contracts with its customers. If this circumstance occurred, it could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Financial risks

XXI) Financial information risk

To mitigate risks relating to financial reporting and to ensure the reliability of such information, the Group has established an Internal Control over Financial Reporting System ("ICFRS"). The Group has a corporate risk control unit that is responsible for carrying out tests to verify compliance with the policies, manuals and procedures defined for the ICFRS, and for validating the effectiveness of controls in place to mitigate the risks related to these processes.

However, there can be no assurance that any policies and procedures established by the Group will be followed at all times or effectively detect and prevent all violations of the applicable laws and regulations in every jurisdiction in which one or more of the Group employees, consultants, agents, commercial partners, contractors, sub-contractors or joint venture partners are located. As a result, the Group could be subject to penalties and reputational damage if its employees, agents, suppliers or business partners take actions in violation of the compliance systems as well as violate any anti-corruption or anti-bribery laws. Violations of such laws may also lead to other consequences such as the early termination of the financing contracts, which, together with the above, could materially and adversely affect the Group business, prospects, financial conditions, results of operations and/or cash flows.

XXII) Expected contracted revenue (backlog)

Expected contracted revenues from the service agreements (backlog) represents management's estimate of the amount of contracted revenues that the Group expects will result in future revenue from certain existing contracts. This amount is based on a number of assumptions and estimates, including assumptions related to the performance of a number of the existing contracts at a particular date but does not include adjustments for inflation or deflation. One of the main assumptions for calculating backlog is the automatic renewal of contracts for services with the Group's anchor customers. Such contracts have renewable terms including, in some cases, 'all or nothing' clauses that only allow the renewal of the entire portfolio of the relevant project (not the renewal of a portion thereof) on terms that are generally pre-agreed and may result an increase or a decrease in price, within certain parameters. In addition, the Group calculates backlog assuming that acquisitions which are subject to the satisfaction of conditions precedent will be completed on the terms described in the applicable transaction agreements in their entirety. However, there is no assurance that any pending or future acquisitions will be completed or, if completed, that they will be completed on such same terms. For example, necessary regulatory or administrative authorisations or approvals, including antitrust approvals, may be refused or may only be granted by way of the provision of certain remedies, involving divestitures or otherwise, on onerous terms, which may limit the Group's ability to grow its portfolio of assets in a particular market or jurisdiction as expected or at all. As a result, the assumptions the Group uses to calculate backlog may prove to be incorrect, which in turn could have an adverse effect on the Group's backlog estimates.

It should be noted that the first renewals of the Telecom Infrastructure Services contracts are expected to occur in 2023, being Telefónica (as defined herein) the customer of the relevant contract. In addition, contracts with major customers in the Broadcasting Infrastructure segment will face a new cycle of renewals in 2025 (although one of the main contracts was renewed in 2021). In addition, certain contracts for services may be cancelled under certain circumstances by the customer at short notice without penalty. The termination of the contracts ("churn") with major customers in both of the segments above may materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows. It should also be noted that contracts in place with Telefónica and Wind Tre S.p.A. ("Wind Tre") may be subject to changes in relation to the fees being applied at a time of a renewal, set within a predefined range taking into account the last annual fee (which reflects the cumulative inflation of the full initial term), that in the case of Telefonica ranges from -5% to +5% and of -15% to +5% for Wind Tre. Regarding the contracts in Polkomtel, it should be noted that the Polkomtel MSA is following a business model consisting in a long-term revenue that ensures the profitability and return on investment (Capex) executed by Cellnex on behalf of the client, encouraging investment in the expansion and modernization of client infrastructure and allowing better client quality services owing to new investments (Capex). This long term revenue model presents a tariff scheme that allow Cellnex to increase revenue in line with opex increases following the Polish CPI. This business model presents similar characteristics to the BTS programs, as Cellnex is remunerated when Cellnex invests in the new Capex program agreed with the client. Also, Cellnex i) can share the infrastructure with third parties, ii) has operating leverage, iii) strong backlog and iv) maintenance capex higher to its c. 3% of total Revenues. Additionally, the Group´s definition of backlog may not necessarily be the same as that used by other companies engaged in similar activities. As a result, the amount of the Group backlog may not be comparable to the backlog reported by such other companies. The realization of the Group backlog estimates is further affected by the performance under its contracts. The ability to execute the Group's backlog is dependent on its ability to meet the clients' operational needs, and if the Group was unable to meet such needs, the ability to execute its backlog could be adversely affected, which could materially affect the Group's business, prospects, financial condition, results of operations and cash flows. There can be no assurance that the revenue projected in the Group's backlog will be realized or, if realized, will result in profit. Contracts for services are occasionally modified by mutual consent. Because of potential changes in the scope or schedule of services the Group provides to its clients, the Group cannot predict with certainty when or if its backlog will be realized. Even where a project proceeds as scheduled, it is possible that the client may default and fail to pay amounts owed to the Group. Delays, payment defaults or cancellations could reduce the amount of backlog currently estimated, and consequently, could inhibit the conversion of that backlog into revenues, which would in turn materially affect the Group business, prospects, financial condition, results of operations and cash flows.

XXIII) Foreign currency risk

As the Group's reporting currency is the euro, fluctuations in the value of other currencies in which borrowings are instrumented and transactions are carried out with respect to the euro may have an effect in future commercial transactions, recognized assets and liabilities, and net investments in foreign operations.

Furthermore, the Group operates and holds assets in the United Kingdom, Switzerland, Denmark, Sweden and Poland, all of which are outside the Eurozone. It is therefore exposed to foreign currency risks and in particular to the risk of currency fluctuation in connection with exchange rate between the euro, on the one hand, and the pound sterling, the Swiss franc, the Danish krone, the Swedish krona and the Polish zloty, respectively, on the other. The Group's strategy for hedging foreign currency risk in investments in non-euro currencies does not necessarily attempt to fully hedge this risk and tends towards a balanced hedge of this risk. In fact, the Group is open to assessing different hedging strategies, including allowing the Group to have significant positions not covered. These different hedging strategies might be implemented over a reasonable period depending on the market and the prior assessment of the effect of the hedge. Hedging arrangements can be instrumented via derivatives or borrowings in local currency, which act as a natural hedge.

Although the majority of the Group transactions are denominated in euros, the volatility in the exchange rate between the euro, and, respectively, the pound sterling, the Swiss franc, the Danish krone, the Swedish krona and the Polish zloty may have negative consequences on the Group, affecting its overall performance, business, results in operations, financial condition and cash flows.

XXIV) Interest rate risk

The Group is exposed to interest rate risk through its current and non-current borrowings.

Borrowings issued at floating rates expose the Group to cash flow interest rate risk, while fixed-rate borrowings expose the Group to fair value interest rate risk. Additionally any increase in interest rates would increase Group finance costs relating to variable-rate indebtedness and increase the costs of refinancing existing indebtedness and issuing new debt. Recently, further credit spread widening in Cellnex has brought long-term Cellnex's notes to yields of approximately 6.5%

The aim of interest rate risk management is to strike a balance in the debt structure which makes it possible to minimise the volatility in the consolidated income statement in a multi-annual setting.

The Group can use derivative financial instruments to manage its financial risk, arising mainly from changes in interest rates. These derivative financial instruments are classified as cash flow hedges and recognised at fair value (both initially and subsequently). The required valuations were determined by analysing discounted cash flows using assumptions mainly based on the market conditions at the reporting date for unlisted derivative instruments (see Note 11 of the accompanying interim condensed consolidated financial statements).

As at 30 June 2022 and 31 December 2021 there are financing granted from third parties covered by interest rate hedging mechanisms (see Note 11 of the accompanying interim condensed consolidated financial statements).

XXV) Credit risk

Each of the Group's main business activities (Telecom Infrastructure Services, Broadcasting Infrastructure and Other Network Services) obtain a significant portion of revenues from a limited number of customers, many of which are long-term customers and have high-value contracts with the Group.

The MNOs are the Group's main customers in the Telecom Infrastructure Services; television and radio broadcasting operators are the main clients in the broadcasting infrastructure; and certain central, regional and local government authorities, emergency and security forces, the public service sector and telecommunications operators are the main customers in its activities relating to Other Network Services.

The Group is sensitive to changes in the creditworthiness and financial strength of its main customers due to the importance of these key customers to the overall revenues. The long-term nature of certain Group contracts with customers and the historically high renewal ratio of these contracts helps to mitigate this risk.

The Group depends on the continued financial strength of its customers, some of which operate with substantial leverage and are not investment grade or do not have a credit rating.

Given the nature of the Group's business, it has significant concentrations of credit risk, since there are significant accounts receivable as a result of having a limited number of customers. To mitigate this credit risk, the Group has place contractual arrangements to transfer this risk to third parties via non-recourse factoring of trade receivables in which case the Group would not retain any credit risk.

Credit risk also arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, and other debt, including unsettled receivables and committed transactions.

To mitigate this credit risk, the Group carries out derivative transactions and spot transactions mainly with banks with strong credit ratings as qualified by international rating agencies. The solvency of these institutions, as indicated in each institution's credit ratings, is reviewed periodically in order to perform active counterparty risk management.

The loss of significant customers, or the loss of all or a portion of the Group's expected services agreements revenues from certain customers and an increase in the Group's level of exposure to credit risk, or its failure to actively manage it, could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

XXVI) Liquidity risk

The Group carries out a prudent management of liquidity risk, which involves maintaining cash and having access to a sufficient amount of financing through established credit facilities as well as the ability to settle market positions. Given the dynamic nature of the Group's businesses, the policy of the Group is to maintain flexibility in funding sources through the availability of committed credit facilities. Due to this policy the Group has available liquidity amounting to EUR 7,608 million, considering cash and available credit lines, as at 30 June 2022, and has no immediate debt maturities (the maturities of the Group's financial obligations are detailed in Note 15 of the accompanying interim condensed consolidated financial statements).

As a consequence of the aforementioned the Group considers that it has liquidity and access to medium and long-term financing that allows the Group to ensure the necessary resources to meet the potential commitments for future investments.

However, the Group may not be able to draw down or access liquid funds in a sufficient amount and at a reasonable cost to meet its payment obligations at all times. Failure to maintain adequate liquidity levels may materially and adversely affect the Group business, prospects, results of operations, financial conditions and/or cash flows, and, in extreme cases, threaten the Group future as a going concern and lead to insolvency.

XXVII) Inflation risk

Despite a long period of historically low inflation, inflation is on the increase around the world during the first half of 2022, with food, energy and petrol prices hitting record highs. A significant portion of the Group's operating costs could rise as a result of higher inflation and monetary policies of the European Central Bank. Further, most of the Group's infrastructure services contracts are indexed to inflation. As a consequence, its results of operations could be affected by inflation and/or deflation, specially if Cellnex is not successful in passing through the inflation to the customers.

XXVIII) Risk related to Group indebtedness

The Group's present indebtedness, which has increased significantly in recent years as the Group has expanded its business, or future indebtedness could have significant negative consequences on its business, prospects, results of operations, financial condition, corporate rating and cash flows, and there can be no assurance that the Group will generate sufficient cash flows from operations to service its present or future indebtedness or that future borrowing will be available in an amount sufficient to enable the Group to pay its indebtedness or to fund other liquidity needs.

Additionally, the Group's future performance and its ability to generate sufficient cash flows from operations, to refinance its indebtedness or to fund capital and development expenditures or opportunities that may arise is, to a certain extent, subject to general economic, financial, competitive, legislative, legal and regulatory factors, as well as to other of the factors discussed above, many of which are beyond the Group's control.

In particular, if future cash flows from operations and other capital resources are insufficient to pay its obligations as they mature, the Group may be forced to, among others, (i) issue equity capital or other securities or restructure or refinance all or a portion of its indebtedness, (ii) accept financial covenants in the Group's financing contracts such as limitations on the incurrence of additional debt, restrictions in the amount and nature of the Group's investments or the obligation to pledge certain Group's assets, or (iii) sell some of its core assets, possibly not on the best terms, to meet payment obligations. There can be no assurance that the Group would be able to accomplish any of these measures in a timely manner or on commercially reasonable terms, if at all. In addition, in the event that any change of control clause contained in the Group financings is triggered, the Group may be required to early repay its outstanding debt. Any of these aspects could impact in a potential downgrade in the Group's credit ratings from a rating agency, which can also make obtaining new financing more difficult and expensive.

On the other hand, if as a result of its present or future indebtedness the Group is required to dedicate a substantial portion of its cash flows from operations to service Group debt, it would have to also reduce or delay its business activities and/or the amount of cash flows available for other liquidity needs or purposes, including, among others, dividends or capital expenditures. This could, in turn, force the Group to forego certain business opportunities or acquisitions and place it at a possible competitive disadvantage to less leveraged competitors and competitors that may have better access to capital resources.

In terms of interest rate risk, the Group is exposed through its current and non-current borrowings. Borrowings issued at floating rates expose the Group to cash flow interest rate risk.

Any increase in interest rates would increase the Group's finance costs relating to its variable-rate indebtedness and increase the costs of refinancing its existing indebtedness and issuing new debt, which could adversely affect the Group's business, prospects, results of operations, financial condition and cash flows. To mitigate this risk, the Group maintains the 86% of its debt at fixed rate. Thus, at 30 June 2022 and 2021 a change on the interest rates would not have a significant impact on the consolidated financial statements.

XXIX) The Company cannot assure that it will be able to implement its Shareholder's Remuneration Policy or to pay dividends (and even if able, that the Company would do so)

If there are any distributable profits, declaration of a dividend requires a resolution of the General Shareholders' Meeting upon the recommendation of the Board of Directors In the implementation of the Company's Shareholder's Remuneration Policy (as defined herein), Cellnex is focused on distributing an annual dividend in an amount increased by 10% with respect to the dividend distributed the year before. However, the Company's ability to distribute dividends in an amount increased by 10% with respect to the dividend distributed the year before, depends on a number of circumstances and factors including, but not limited to, the amount of net profit attributable to the Company in any financial year, any limitations to the distribution of dividends included in the Company's financing agreements and the Company's growth strategy. In the future, the Company may not have cash available to pay dividends in an amount increased by 10% with respect to the dividend distributed the year before or have the reserves legally required for the Company to be able to do so. Even if the Company does have adequate cash and reserves, the Company's shareholders and Board of Directors may choose not to distribute dividends in an amount increased by 10% with respect to the dividend distributed the year before. In addition, the Company's ability to distribute dividends at all, depends on the same circumstances and factors and even if the Company does have adequate cash and reserves, the Company's shareholders and Board of Directors may choose not to distribute dividends at all.

Consequently, the Company cannot assure that it will pay a dividend in the future in compliance with the Company's Shareholder's Remuneration Policy, or that it will pay any dividend.

Compliance risks

XXX) Fraud and compliance risks

The Group's operations are also subject to anti-bribery and anti-corruption laws and regulations and affect where and how its business may be conducted. The Group has established certain systems to monitor compliance with applicable laws and regulations and provides training to its employees to facilitate compliance with such laws and regulations.

The Cellnex group has a code of conduct (the "Ethics' Code") approved by the Board of Directors. The corporation prepares an Ethics' Code Framework which is then adapted in each country . This Ethics' Code is communicated to all employees.

The Group has created a corporate compliance function to improve compliance with the Group's Ethics' Code, implemented through specific regulations for each country and the establishment of whistle-blowing channels and the supervision of oversight and control measures to prevent criminal acts. The main values and principles included in the Ethics' Code are: integrity, honesty, transparency, loyalty, commitment to and defense of Group interests, and responsibility in all actions. The Ethics' Code includes among its fundamental principles the commitment to strictly comply with the obligation of the Group to offer reliable financial information prepared in accordance with applicable regulations, and the responsibility of its employees and management to ensure this is so, by correctly carrying out of their functions and by notifying the governing bodies of any circumstance which might affect that undertaking.

XXXI) Risk associated with significant agreements signed by the Group that could be modified due to change of control clauses

Certain material contracts entered into by the Group, including the Group's material debt agreements and most of the Group's agreements with anchor customers, could be modified or terminated if a change of control clause is triggered. A change of control clause may be triggered if a third-party, either alone or in conjunction with others, obtains "significant influence" and/or "control" (which is generally defined as having (i) more than 50% of shares with voting rights (except in a few exceptional cases where this threshold is defined as having 29% or more of shares with voting rights) or (ii) the right to appoint or dismiss the majority of the members of the board of directors of the relevant Group company). A change of control clause may be triggered at the level of Cellnex or only at the level of the relevant subsidiary that has entered into the relevant contract. In certain contracts, the definition of control, and therefore of a change of control, makes specific reference to the applicable law in the relevant jurisdiction. Moreover, in relation with the consideration for the Hutchison Transaction in the United Kingdom that is expected to be partially settled upon closing partly in cash and partly by the issue to Hutchison of new Shares and (if applicable) the transfer to Hutchison of treasury Shares, if as a result of a takeover bid prior to closing of such transaction a third party (alone or in concert with another person) acquires the majority of the votes in Cellnex, instead of delivering Shares, Cellnex shall procure that Hutchison receives at completion such equivalent consideration as Hutchison would have received had it been a shareholder of Cellnex at the time of the takeover bid (see Note 21 of the accompanying consolidated interim financial statements).

With regards to the material contracts entered into by Group companies with anchor customers, the triggering of a change of control provision is generally limited to events where the acquiring company is a competitor of the anchor customer. In such circumstances, the anchor customer may be granted an option to buy back assets (generally the infrastructures where they are being serviced). Such buy back option may also be granted in the event that a competitor of the anchor customer acquires a significant portion of the shares or obtains voting or governance rights which can be exercised in a way that can negatively affect the anchor customer's interests. For example, in the context of the Polkomtel Acquisition, the Group entered into a buyback agreement with Polkomtel (as defined herein) by virtue of which Polkomtel (or its nominee) will be granted the right to require Cellnex Poland or Cellnex to sell and transfer back the shares of Polkomtel Infrastruktura (sold pursuant to the Polkomtel SPA, as defined herein) to Polkomtel (or its nominee) in the event (i) shares in Polkomtel

Infrastruktura are issued or sold to a Restricted Entity (as such term is defined in the Polkomtel Buyback Agreement), (ii) there is a change of control, without the prior written consent of Polkomtel, by means of which a Restricted Entity gains majority ownership or control over Polkomtel Infrastruktura or any of its holding companies (other than Cellnex), (iii) there is a change of control, without the prior written consent of Polkomtel, by means of which a Restricted Entity gains ownership of more than 30% of Cellnex or gains control over Cellnex, or (iv) in certain circumstances, if a critical failure under the Polkomtel MSA occurs. In the event any of the triggering events (i) to (ii) occurs, Polkomtel may opt to exercise its right pursuant to the Polkomtel Buyback Agreement within three months or, alternatively, to have the fees of the Polkomtel MSA reduced by 50%.

On the other hand, the bonds issued under the EMTN Programme, and the Guaranteed EMTN Programme, other debt securities issued by the Group, the Convertible Bonds, (see note 15 of the accompanying interim condensed consolidated financial statements) and the bank financing contracts of the Group include certain change of control clauses that could trigger an early repayment under the respective debt arrangement.

Finally, asset buy back options can also be exercised in case of an explicit breach by a Group company of the contractual obligations under services level agreements with its customers (“SLAs”). These asset buy back options will be executed at a price below fair market valuation. In addition, the Group may enter into contracts related to joint future investments that have a buy back clause whereby the customer has the right to acquire the related assets during defined periods. While the Group’s management currently believes that the likelihood of exercising such option is not high, given it would require the relevant customer to make a significant payment to the Group, the Group can provide no assurance that any such options will not be exercised.

If a change of control clause included in any of the Group’s material contracts is triggered, or if a company of the Group fails to comply with its contractual obligations under an SLA or a joint investment agreement, it may materially and adversely affect the Group’s business, prospects, results of operations, financial condition and cash flows.

1.6. Use of financial instruments

During the 6-month period ended on 30 June 2022 the Group followed the policy for the use financial instrument described in Note 3 of the 2021 Consolidated Financial Statements.

1.7. R&D+i activities

Cellnex is committed to investing in Research, Development and Innovation (“R&D+i”) that is closely linked to its strategy, and in doing so contribute to its objective of being a company that generates value for society, customers and shareholders, through innovative, efficient, neutral and high-quality management in delivering service and contributing technological solutions”. This commitment to R&D+i represents one of the main challenges for the Group in the current context of digital and communication technology evolution.

To deliver towards this commitment, the Group promotes three streams of activities: open innovation projects, new and emerging product formulation, and technology scouting activities. These activities are underpinned by a cross-cutting approach with multidisciplinary teams and enhanced cooperation with internal and external stakeholders:

- Open innovation projects: scoping and delivering projects in collaboration with consortiums of entities from the public and private sector. These are typically three-year term projects that are in their initial experimental phase and partially subsidized by the public sector. The most relevant projects fall into three areas: 5G, Security and ITS (Intelligent Transport Systems).
    - 5G Networks: consists of deploying 5G networks based on Open RAN, Mobile Edge Computing and 5GSA Core technologies to deliver on a wide range of use cases. For example, “5G Catalunya Pilot” underpins seven use cases including developing holographic solutions for the education sector; autonomous and connected transport vehicles for industrial environments; immersive remote shopping experiences in urban markets; optimization of radio network in high footfall locations; public surveillance and emergencies services in Barcelona; and television production using 5G based broadcast cameras.

  - Security: the Group has several initiatives such as AI Mars, a project in collaboration with the Spanish military police, aiming at investigating technologies and methodologies to support surveillance and crime prevention in areas with high concentration of people, and Resisto, a cybersecurity and physical security project for critical infrastructure such as Torre de Collserola, Torrespaña, seaports, etc.

  - ITS: the Group coordinates one of European Union´s sponsored 5G corridors (“5G Mediterranean”) which will demonstrate a contiguous 5G coverage and advanced communication applications cross-border, as well as participates in Estiba, aimed at the development of 4.0 technologies for the digitalization of Spanish ports, Resiltrak, a project focused on the railway world and its maintenance and repair, and Bicisendas, the development of innovative cycle lanes.

- New and emerging product formulation: definition and development of products and commercial opportunities that are in a more advanced stage of the innovation process and with mid to long-term commercialization potential for the Group. These are classified in four areas: Mobility, Site of the future, Broadcast evolution and Portfolio enrichment.

  - Ongoing enhancement of Media Services such as HbbTV and its flagship application, Loves TV.

  - Scouting and developing products in several strategic areas such as next generation central office and MEC (Multi-Access Edge Computing) for mobile network operators and private network applications.

  - In the site of the future, the Group is evaluating and testing new radio access technologies (such as OpenRAN, vRAN, C-RAN and mmWave) to be offered as a service to mobile network operators.

  - On Mobility, leveraging on the 5GMED project as reference, the team has been exploring how to expand the model to other cross-border corridors as well as private racing and testing circuits throughout Europe.

- Technology scouting activities: together with these areas, the Group is driving open innovation, in order to explore external capabilities to be introduced into new potential products either from start-ups or other relevant corporations. At the same time, it aims to share knowledge, making innovation accessible to other internal areas, such as business or operations.

  - In this regard, the Group is participating in “Alaian”, where six major global telecommunications companies have come together in a unique alliance with the mission of reinventing the industry by discovering the most disruptive startups and the potential to provide access to a network of 700 million customers. Among these telcos are included Telefonica, Bouygues Telecom, WindTre or KPN.

  - The Group is also participating in Retail Tech Innovation Hub with Lanzadera and Merlin Properties where we look for innovative and disruptive solutions or products that allow us to innovate within shopping centers, managing to improve the customer experience, increase their loyalty, and/or increase their length of stay.

  - Moreover, the Group collaborated in The Collider, an entrepreneurship program from the Mobile World Capital. The programme is designed to identify early-stage technological initiatives and provide them with business and economic support.

  - In the same line of innovation, the Group is participating in the Telecom Infra Project (“TIP”), a global community of companies working together to accelerate the development and deployment of open and disaggregated technology solutions to deliver high quality connectivity. The Group is currently engaging in some initiatives with TIP.

  - The Group also participated in Enterprise challenge, a program organized by the BEST (Barcelona Education in Science and Technology) Foundation, which fosters Open Innovation through collaboration between companies and universities.

- Furthermore, the Group is a relevant technological player at the global level, being part of the board and cooperating with several research centers and universities, such as Eurecat, i2Cat, Gradiant, Tecnalia. University of Bristol and many others.

The Group has an efficient and consolidated innovation model based on streamlined integration processes, as well as on standardizing the development of innovative activity. This model fosters a culture of innovation throughout the Group that encourages everyone to continue working in line with the vision of cross-cutting integration of innovation, and working with multidisciplinary teams, both within and outside the Group.

1.8. Sustainability

Cellnex's key objective is to generate sustained value in the short, medium and long term, through responsible management of the business, incorporating the interests and expectations of the Company's stakeholders. References to countries in this section correspond to the operations of the Group in the relevant geography.

The increasing regulation in Europe in the field of sustainability, the greater awareness of those aspects beyond the purely economic ones, as well as the challenges faced by organizations such as Cellnex (greater transparency, shareholder involvement, climate change, risks in the value chain, circular economy, SDGs, etc.) have made the Company to bolster its commitment to Environmental, Social and Governance ("ESG") issues in recent years.

The Cellnex ESG Master Plan 2021-2025 constitutes the reference framework and the tool for systematizing the strategic objectives, monitoring indicators and the actions and programmes under way for each of the axes of the ESG Master Plan. One of these axes is related to growing with a long-term sustainable environment approach..

In this sense, Cellnex has developed a sustainability and climate change policy for the entire Group in line with the United Nations Sustainable Development Goals (the "SDGs") and has implemented an Integrated Management System Model that incorporates the Quality, Environment and Health and Safety Management Systems. The environmental management system seeks to ensure compliance with local environmental regulations and will seek to continuously improve the environmental management processes of its activities and facilities.

Cellnex considers that in the context of its operations it complies with applicable environmental protection laws and the Company has procedures designed to encourage and ensure such compliance. For the years ended 31 December 2021, 2020, 2019 and 2018, the Group did not account for any provision to address potential environmental risks since it considered that there were no significant contingencies associated with potential lawsuits, indemnities or other items, as its operations comply with environmental protection laws and as procedures are in place to foster and ensure compliance.

It is the Group's policy to pay maximum attention to environmental protection and conservation, and it seeks to adopt the necessary measures to minimize the environmental impact of the infrastructure and the telecommunications networks that it manages and ensure the maximum degree of integration into the surrounding area.

With the aim to raise the level of the company's responsibility in the field of sustainability, Cellnex defined a Strategic Sustainability Plan, which was approved by the company's senior management during the year ended 31 December 2019 (the "Strategic Sustainability Plan"). The project aims to raise the level of the Group's responsibility in the field of sustainability to work towards becoming a leader in environmental management. The plan also seeks to achieve a high level of commitment among the Group's stakeholders that contributes to increasing their environmental awareness. The Strategic Sustainability Plan covers five years (2019-2023) and is currently under review for the following years.

The Strategic Sustainability Plan is part of the Group's daily activities and is structured around 11 lines linked to the SDGs. To that end, the Group carried out an analysis of risks and opportunities in order to identify the SDGs that Cellnex may influence, beginning with the definition of three strategic goals related to sustainability: (i) leading the sustainability indexes of the telecommunications sector; (ii) reducing the Group's carbon footprint by 30% by 2025, 50% by 2030 and 100% by 2050 (in line with the United Nations' goal); and (iii) improving infrastructure resilience to climate change. On the basis of the corporate goals, it will set up specific goals for the different geographical areas and standardize global management systems and regulations at Group level.

The first strategic line of the Strategic Sustainability Plan consists of planning and management of sustainability, for which an action plan will be devised (the "Action Plan"). The Action Plan will include more detailed actions that facilitate the execution of the Strategic Sustainability Plan in order to plan, communicate, train and implement a certifiable management system.

Following this strategy, Cellnex implemented several actions during 2021: among others, the company has established specific objectives and milestones for the reduction of emissions validated by the Science Based Targets Initiative (SBTi), aligned with a 1.5ºC scenario; according to the recommendations of the TCFD, 9 risks & 9 opportunities derived from climate change have been identified, thanks to the analysis of climate scenarios carried out in 2020; a Life Cycle Assessment (LCS) of the existing products' portfolio of the company has carried out, in order to incorporate circular economy criteria when launching new products; an study of the natural capital contribution of Cellnex has elaborated, or the impact on biodiversity and natural capital has identified and assessed.

Owing to the nature of Cellnex's business, energy management is one of the material environmental issues. In this context, Cellnex monitors its energy consumption to achieve maximum efficiency and the lowest possible impact on the environment and hence on society.

The energy transition is a great challenge and opportunity for the upcoming years. The Global Energy department is finalizing an Energy Transition Plan, for which the Sustainability department is collaborating by setting appropriate guidelines in carbon emissions reduction calculation and SBTi (as defined herein) management. The aim is to achieve emission reduction targets of 50% by 2030 and 100% by 2050. Strategic Sustainability Plan and the Energy Transition Plan will be a key levers to achieve Cellnex's carbon footprint reduction goals via, amongst other actions, ensuring that energy supplies to Cellnex are from renewable sources. The Energy Transition Plan will be implemented in all countries in which Cellnex operates and will be based on (i) Smart Energy; (ii) Purchase of renewable energy; and (iii) Energy efficiency and (iv) Renewable energy self-generation.

Thanks to these actions, at the end of 2021 40.5% of Cellnex's energy consumption is green energy, certified with Guarantees of Origin. Moreover, Cellnex will actively promote and closely work with its customers to ensure that 100% of the Group's energy consumption, based on its actual perimeter, will be green by 2025, and in not more than 3 years for any new acquisition.

In terms of energy efficiency, Cellnex continued working towards achieving more efficient procedures and taking initiatives to reduce energy consumption. One of the main energy efficiency measures implemented on sites is a type of cooling system that lowers the air temperature of the sites by using external cool air which leads to a more efficient air conditioning than traditional systems. These free-cooling systems have already been installed at numerous sites in Spain, Italy and the Netherlands.

Cellnex measures and obtains independent third-party verification of its carbon footprint, to ascertain the Group's impact on climate change and to set a baseline for managing and reducing its emissions. Since 2015, the carbon footprint has been calculated yearly at the Group level. Each year, the companies acquired by Cellnex are incorporated into the carbon footprint calculation. The operational scope is based on the ISO 14064-1:2018 as well as the Greenhouse Gas Protocol (GHG Protocol) criteria. Cellnex carried out in 2020 a complete screening of its indirect emissions for the eight countries where Cellnex is already operating, in order to determine their significance as per the Greenhouse Gas Protocol Corporate Value Chain ("Scope 3") and the ISO 14064-1:2018. This is the basis on which the emission reduction targets have been defined to keep the increase in global temperature below 1.5 °C, as marked by the Science Based Target initiative ("SBTi") to which Cellnex has joined. These relevant categories have also been included in the carbon footprint calculation, that has been verified following the ISO 14064-1:2018 Standard.

As part of its efforts to manage greenhouse gas emissions, in 2021 Cellnex offset 3,494 tons of CO_2eq from scope 1 (2,850 tons in 2020) by acquiring 3,494 CER credits (Certified Emission Reductions) (2,850 CER credits in 2020) in the market Wind Energy Project in Tirunelveli and Coimbatore (India) according to CDM (Clean Development Mechanism), to achieve neutrality in emissions with carbon footprint of Scope 1 of all countries. The project consists of a package of 250 wind turbines for a total installed capacity of 56.25 MW.

Once again Cellnex also took part in the Carbon Disclosure Project (CDP) Climate Change, one of the most highly recognized organizations for its work on climate change, which seeks to assess the quality of – and systems for reporting – the information provided by private companies or by the public sector. In 2021 Cellnex obtained an "A" for the third consecutive year, which means that it continues to be a Leadership Brand. Being included in the "A List" is the highest acknowledgement allocated by CDP. Cellnex also received an "A" in the CDP Supply Chain, consolidating as CDP Supplier Engagement Leader.

Cellnex has implemented a management system based on the company's organizational model and Process Management. Based on the Integrated Management System, the Quality and Certifications Department has focused in 2021 and until 2023 on implementing global certifications in non-certified countries. At the end of 2021, Cellnex Spain, Cellnex Italy, Cellnex France, Cellnex Netherlands, Cellnex Switzerland, Cellnex UK, Cellnex Portugal and Cellnex Ireland were ISO 9001, ISO 14000, ISO 45001, ISO 27001, ISO 14064, ISO 14046 certified. In addition, Cellnex Spain was also ISO 50001 (Energy) and ISO 2000001 (Service Management) certified.

Finally, in May 2022, Cellnex received a ESG Risk Rating score of 14 by Sustainalytics (c. 10% year-on-year improvement), consolidating in the 'low' risk ESG category and once again ranking among the top-rated companies in the telecom sector by this index.

The Company has invested significant amounts in environmental activities regarding civil works, equipment and environmental licensing projects. The Group considers that the potential contingencies, indemnities and other environmental risks associated with its activities are adequately covered by civil liability insurance policies that the Group has subscribed.

1.9. Employees

The Group's team is distributed geographically, as of the date of this Consolidated Interim Directors' Report, in Spain, Italy, France, the Netherlands, the United Kingdom, Switzerland, Ireland, Portugal, Austria, Denmark, Sweden and Poland. This multidisciplinary team is key to a successful business, which enables the Group to be one of the main telecommunications infrastructure operators in Europe.

The Group's workforce is predominantly male, reflecting the current situation of the sector. Regarding equity, diversity and inclusion, during the first half of 2022 the Group continued working on the roll-out across the countries where the Group operates of the Equity, Diversity and Inclusion Programme for the 2019-2022 period.

Additionally, the Group approved a Protocol against harassment and discrimination based on sexual orientation or gender identity within the Group. Additionally, an inclusive language manual has been prepared including the five diversity axes of the Group (gender, generational, affective-sexual, cultural and functional). In this regard, the Group's current equality plans are being updated and a new Equality Plan for the Group will be prepared. Cellnex continues to reinforce its commitment with Equity, Diversity and Inclusion with several internal awareness initiatives: celebration of the EDI Week, workshops on the five different diversity pillars, promoting the existence of employee resource groups, Diversity Statement signed by Senior Management and Managing Directors.

The Group reinforced its commitment with gender equality by introducing an objective associated with the performance of the company related to gender issues as part of the variable remuneration of the Senior Managers and Country Managing Directors. As for the boost of the Group's female talent, different programs have been launched such as an acceleration development program for women.

As for the governance on Equity, Diversity and Inclusion, a new role it's starting to be implemented: a Diversity Champion in the countries specifically for one of each diversity pillar (gender, generational, LGTBIQ+, functional and cultural).

Thus, to create an inclusive culture among the Group, different actions have been lunched such as a program being rolled out throughout 2022 to work on the inclusive leadership skills of the Senior Management, Country Managing Directors, Country and Global Directors and Heads, to develop and work on these skills, acting as role models and levers of change in the Group.

2. OTHER INFORMATION

2.1. Shareholder Remuneration

The dividends the Parent Company intends to distribute against distributable reserves and/or against the net profit attributable to the Parent Company for the year ending on 31 December 2022, will be equivalent to the dividend distributed corresponding to the year ended on 31 December 2021, increased by 10%.

The Parent Company has approved a shareholders' remuneration policy, as amended from time to time, which aims to keep the appropriate balance between shareholder remuneration, the Parent Company's profit generation and the Group's growth strategy, pursuing an adequate capital structure. In the implementation of the Shareholders' Remuneration Policy, the Parent Company is focused on distributing an annual dividend in an amount increased by 10% with respect to the dividend distributed the year before (understanding as dividend any distribution made to shareholders against either net profit or distributable reserves attributable to the Parent Company for that financial year) (the "Shareholders' Remuneration Policy"). As a result, each year the Parent Company distributes dividends against either net profit or distributable reserves attributable to the Parent Company for the respective financial year.

According to the Shareholders' Remuneration Policy, (i) the shareholder remuneration corresponding to the fiscal year 2021 was equivalent to that of 2020 (EUR 29.3 million) increased by 10% (to EUR 32.2 million) and (ii) the shareholder remuneration corresponding to the fiscal year 2022 will be equivalent to that of 2021, increased by 10% (to EUR 35.4 million).

The payment of these dividends distributed against distributable reserves and/or against the net profit attributable to the Parent for the period, will be made on the specific dates to be determined in each case and will be duly announced.

On 21 July 2020, the Annual Shareholders' Meeting approved the distribution of a dividend charged to the share premium reserve to a maximum of EUR 109 million, to be paid upfront or through installments during the years 2020, 2021, 2022 and 2023. It was also agreed to delegate to the Board of Directors the authority to establish, if this is the case, the amount and the exact date of each payment during said period, always attending to the maximum overall amount stipulated.

During the first half of 2022, in compliance with the Parent Company´s dividend policy, the Board of Directors, pursuant to the authority granted by resolution of the Annual Shareholders' Meeting of 21 July 2020, approved the distribution of a cash pay-out charged to the share premium reserve of EUR 11,820 thousand, which represented EUR 0.01761 for each existing and outstanding share with the right to receive such cash pay-out.

Notwithstanding the above, the Parent Company's ability to distribute dividends against distributable reserves and/or against the net profit attributable to the Parent Company for the period, depends on a number of circumstances and factors including, but not limited to, the amount of net profit attributable to the Parent Company in any financial year, any limitations on the distribution of dividends included in the Group's financing agreements (as of the date of this Consolidated Interim Directors' Report, there is no covenant limiting the distribution of dividends in any financing agreement entered into by the Company, other than the Nexloop Senior Facility and the syndicated facilities agreement entered into by Swiss Towers, which include covenants restricting the distribution of dividends by Nexloop and by Cellnex Switzerland and Swiss Towers, respectively, subject to certain conditions), and the Group's growth strategy. As a result of such or other circumstances and factors, the Parent Company may modify the Shareholders' Remuneration Policy or may not pay dividends in accordance with the Shareholders' Remuneration Policy at any given time. In any case, the Parent Company will duly announce any future amendment to the Shareholders' Remuneration Policy.

2.2. Business outlook

The Group expects its revenues for the year ending 31 December 2022 to increase to approximately between EUR 3,460 million and EUR 3,510 million and its Adjusted EBITDA to increase to approximately between EUR 2,650 million and EUR 2,700 million, as a result of (i) the organic growth and (ii) the contribution of the transactions closed during 2021; such transactions being: the CK Hutchison Holdings Swedish transaction (which has been accounted for during approximately eleven months in 2021), the Iliad Poland Acquisition (which has been accounted for during approximately nine months in 2021), the T-Mobile Infra Acquisition (which has been accounted for during approximately seven months in 2021), the CK Hutchison Holdings Transaction with regards to Italy (which has been accounted for during approximately six months in 2021), the Polkomtel Acquisition (which has been accounted for during approximately five months and a half in 2021) and the Hivory Acquisition (which has been accounted for during approximately two months in 2021). The Group expects the CK Hutchison Holdings Pending Transaction with regards to the United Kingdom to close around mid 2022. Additionally, the Business Perspective reflects the contribution from new deals signed in 2021 and early 2022 and from expected disposals as described in detail below.

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

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

Business Perspective 2025 unchanged

Additionally, the Group has previously issued long-term targets through 2025 that are considered valid by the Group as of the date of this Integrated Annual Report (the “2025 Targets”). The 2025 Targets are underpinned by highly visible financials, targeting a revenue CAGR of approximately 13% in the 2021 – 2025 period, an Adjusted EBITDA CAGR of approximately 15% for the same period and a RLFCF CAGR of approximately 21% for the same period. The Group also expects an increase in PoPs above 5%, including new BTS sites to be deployed by 2030.

The 2022 Profit Forecasts and the 2025 Targets are based on several assumptions. All of the assumptions relate to factors which are outside the full control of the Board of Directors. The 2022 Profit Forecasts have been compiled and prepared on a basis which is both comparable with the historical financial information and consistent with the Group’s accounting policies.

2.3. Market figures: Cellnex in the stock market

On 20 June 2016, the IBEX 35 Technical Advisory Committee approved Cellnex Telecom’s (CLNX: SM) inclusion 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 85% - is a recommendation to buy.

Cellnex’s share price experienced a -28% decrease during the first half of 2022. The average volume traded has been approximately 1,920,133 shares a day. The IBEX 35 and the STOXX Europe 600 decreased by -7% and -17% respectively and the STOXX Europe 600 Telecom remained flat +0% during the same period.

The detail of the main stock market indicators of Cellnex in 30 June 2022 and 31 December 2021 is as follows:

	30 June 2022	31 December 2021
Number of shares	679,327,724	679,327,724
Stock market capitalisation at period/year end (millions of euros)	25,156	34,768
Share price at close (EUR/share)	37.00	51.20
Maximum share price for the period (EUR/share)	51.70	61.90
Date	3/1/2022	24/08/2021
Minimum share price for the period (EUR/share)	35.39	39.20
Date	15/6/2022	3/8/2021
Average share price for the period (EUR/share)	41.60	50.40
Average daily volume (shares)	1,920,133	1,622,122

2.4. Treasury shares

In accordance with the authorisation approved by the Board of Directors, at 30 June 2022 the Parent Company held 8,083,831 treasury shares (1.19% of its share capital). The use to which the treasury shares will be put has not been decided upon and will depend on such resolutions as might be adopted by the Group's governing bodies.

During the first half of 2022, the treasury shares transactions carried out, are disclosed in Note 14.a to the accompanying interim condensed consolidated financial statements.

2.5. Post balance sheet events

At the date of preparation of these interim condensed consolidated financial statements, there have been no significant events subsequent to the closing date that could affect the financial information contained therein.

2.6. Other public documents

At the date of issue of the accompanying Consolidated Interim Directors' Report for the 6-month period ended on 30 June 2022, information of a public nature is available, which must be read in conjunction with it, and which is detailed below on a non-exhaustive illustrative basis. Such information is not incorporated by reference into this Consolidated Interim Directors' Report.

- Prospectus Offer of Sale and Admission to Negotiate Shares of Cellnex Telecom, S.A.U (https://www.cellnex.com/app/uploads/2021/11/Oferta-Venta-y-Admision-a-Negociacion-Acciones-de-Cellnex-Telecom-23-de-abril-de-2015.pdf)
- Supplement to the informative prospectus for the sale and admission to trading of shares of Cellnex Telecom, S.A.U. (https://www.cellnex.com/app/uploads/2021/11/Suplemento.pdf).
- Prospectus March 2019 Capital Increase (https://www.cellnex.com/app/uploads/2021/11/Prospectus-Capital-Increase.pdf)
- Prospectus October 2019 Capital Increase (https://www.cellnex.com/app/uploads/2021/11/Prospectus-Capital-Increase.pdf)
- Prospectus July 2020 Capital Increase (https://www.cellnex.com/app/uploads/2021/11/Prospectus-Capital-Increase.pdf)
- Prospectus March 2021 Capital Increase (https://www.cellnex.com/app/uploads/2021/11/20210330-Cellnex-Offering-Memorandum.pdf)
- Debt Programs (https://www.cellnex.com/investor-relations/fixed-income/#shareholders-investors-debt-programs)
- Universal Registration Document (https://www.cellnex.com/app/uploads/2017/11/Folleto.pdf).
- Euro Medium Term Note Program (EMTN) Base Prospectus (https://www.cellnex.com/app/uploads/2015/12/Base-Prospectus_9a658ab1-a8aa-40f6-a58a-135203155a1e.pdf).

- Euro-Commercial Paper Programme (https://www.cellnex.com/app/uploads/2018/06/Cellnex-ECP-Programme_Information-Memorandum_FINAL.pdf).
- Report of the Board of Directors on Convertible Bonds (https://www.cellnex.com/app/uploads/2018/01/Informe-Consejo-de-Administraci%C3%B3n-Bonos-Convertibles.pdf).
- Auditor's Report on Convertible Bonds (https://www.cellnex.com/app/uploads/2018/01/Informe-Auditor-Bonos-Convertibles.pdf).
- Ratings Rating Agencies (https://www.cellnex.com/investor-relations/fixed-income/#shareholders-investors-debt-programs).
- Corporate Policies (https://www.cellnex.com/investor-relations/corporate-governance/#shareholders-investors-corporate-policies).
- Press releases (https://www.cellnex.com/mediacenter/).
- Inside Information (https://www.cellnex.com/investor-relations/cnmv-notifications/).
- Quarterly Results (https://www.cellnex.com/sections/shareholders-investors-financial-quarterly-table/).
- ESG (https://www.cellnex.com/sustainability/)
- Annual/half-yearly reports (https://www.cellnex.com/investor-relations/financial-information/#shareholders-investors-financial-reports).
- Corporate Bylaws of Cellnex Telecom S.A. (https://www.cellnex.com/app/uploads/2022/05/20220428-Estatutos-sociales-refundidos-ENG.pdf)
- Comisión Nacional del Mercado de Valores ("CNMV") website (https://www.cnmv.es/portal/home.aspx).
- Cellnex Telecom website (https://www.cellnex.com/)
- Research released by the sell-side community covering the stock are highly recommended. Please find Analysts relation at: https://www.cellnextelecom.com/en/recomendaciones-analistas/
- The Hutchison shareholder Circular (https://www1.hkexnews.hk/listedco/listconews/sehk/2020/1201/2020120101741.pdf)

2.7. Explanation added for translation to English

These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group in Spain (see Note 2.a of the accompanying interim condensed consolidated financial statements). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

Barcelona, 27 July, 2022