Cellnex Finance Company, S.A. (Sole-Shareholder Company)

Financial Statements for the year ended 31 December 2023 and Directors' Report, together with Independent Auditor's Report

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To the Sole Shareholder of Cellnex Finance Company, S.A. (Sole-Shareholder Company),

Report on the Financial Statements

Opinion

We have audited the financial statements of Cellnex Finance Company, S.A.U. (the Company), which comprise the balance sheet as at 31 December 2023, and the statement of profit or loss, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended.

In our opinion, the accompanying financial statements present fairly, in all material respects, the equity and financial position of the Company as at 31 December 2023, and its results and its cash flows for the year then ended in accordance with the regulatory financial reporting framework applicable to the Company (identified in Note 2.1 to the financial statements) and, in particular, with the accounting principles and rules contained therein.

Basis for Opinion

We conducted our audit in accordance with the audit regulations in force in Spain. Our responsibilities under those regulations are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those pertaining to independence, that are relevant to our audit of the financial statements in Spain pursuant to the audit regulations in force. In this regard, we have not provided any services other than those relating to the audit of financial statements and there have not been any situations or circumstances that, in accordance with the aforementioned audit regulations, might have affected the requisite independence in such a way as to compromise our independence.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessment of the recoverable amount of receivables from Group companies	
Description	**Procedures applied in the audit**
As described in Note 1 to the financial statements, the Company's object consists of carrying on activities relating to the financing of, and provision of financial support to, the companies in the Group of which Cellnex Telecom, S.A., the Company's sole shareholder, is the parent. In this regard, the Company had non-current and current accounts receivable from Group companies totalling EUR 11,568 million at 31 December 2023 (see Notes 6 and 14.3). In this context, as described in Notes 4.1 and 6, each year the Company assesses the recoverable amount of those receivables, irrespective of whether there are any indications of impairment. This assessment is performed on the basis of cash flow projections aligned with projected earnings and the necessary investments, as well as other assumptions obtained from the budget and from the business plan approved by the directors of the Group to which each debtor Group company belongs. The performance of these estimates requires the Company's sole director to make significant judgements and estimates.	Our audit procedures included, among others, obtaining an understanding of the Company's process for measuring the recoverable amount of the receivables from Group companies. Also, we performed substantive tests based on the obtainment and analysis of the impairment tests conducted by the Company, verifying their clerical accuracy and analysing the consistency of the future cash flow projections considered in those tests with the most recent budget and business plan approved by the Group's directors. In addition, we evaluated the reasonableness of the key assumptions considered (such as revenue growth, cost inflation and the discount rate), and performed a sensitivity analysis of those key assumptions and a review of their consistency with the actual data relating to the performance of the debtor Group companies.

Assessment of the recoverable amount of receivables from Group companies	
Description	**Procedures applied in the audit**
As a result of the foregoing, as well as of the significance of the accounts receivable concerned, this matter was determined to be a key matter in our audit.	Also, we involved our internal valuation experts in order to evaluate, mainly, the methodology employed by the Company in the impairment tests conducted, the discount rates considered and the terminal value, expressed in perpetuity growth terms, of the projected future cash flows. Lastly, we evaluated whether the disclosures included in Notes 4.1, 6 and 14.3 to the accompanying financial statements in connection with this matter were in conformity with those required by the applicable regulatory financial reporting framework.

Other Information: Directors' Report

The other information comprises only the directors' report for 2023, the preparation of which is the responsibility of the Company's sole director and which does not form part of the financial statements.

Our audit opinion on the financial statements does not cover the directors' report. Our responsibility relating to the directors' report, in accordance with the applicable audit regulations, consists of evaluating and reporting on whether the directors' report is consistent with the financial statements, based on our knowledge of the entity obtained in the audit of those financial statements, as well as evaluating and reporting on whether the content and presentation of the directors' report are in conformity with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described in the preceding paragraph, the information in the directors' report is consistent with that contained in the financial statements for 2023 and its content and presentation are in conformity with the applicable regulations.

Responsibilities of the Sole Director and of the Audit and Risk Management Committee for the Financial Statements

The sole director is responsible for preparing the accompanying financial statements so that they present fairly the Company's equity, financial position and results in accordance with the regulatory financial reporting framework applicable to the Company in Spain, and for such internal control as the sole director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the sole director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the sole director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit and risk management committee of the Company's sole shareholder is responsible for overseeing the process involved in the preparation and presentation of the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the audit regulations in force in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditor's report. This description, which is on pages 6 and 7 of this document, forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

Additional Report to the Audit and Risk Management Committee

The opinion expressed in this report is consistent with the content of our additional report to the audit and risk management committee of Cellnex Telecom, S.A. dated 29 February 2024.

Engagement Period

The Company's sole shareholder, per the minutes of resolutions dated 10 December 2020, appointed us as auditors for a period of four years from the year ended 31 December 2019.

DELOITTE, S.L.
Registered in ROAC under no. S0692

Iván Rubio Borrallo
Registered in ROAC under no. 21443

29 February 2024

Appendix to our auditor's report

Further to the information contained in our auditor’s report, in this Appendix we include our responsibilities in relation to the audit of the financial statements.

Auditor’s Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with the audit regulations in force in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the sole director.

- Conclude on the appropriateness of the use by the sole director of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the sole shareholder's audit and risk management committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the sole shareholder's audit and risk management committee with a statement that we have complied with relevant ethical requirements, including those regarding independence, and we have communicated with it to report on all matters that may reasonably be thought to jeopardise our independence, and where applicable, on the related safeguards.

From the matters communicated with the sole shareholder's audit and risk management committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Cellnex Finance Company, S.A. (Sole-Shareholder Company)

Financial Statements for the year ended 31 December 2023 and Director's Report

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 18). In the event of a discrepancy, the Spanish-language version prevails.

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CELLNEX FINANCE COMPANY, S.A.U.

BALANCE SHEET AS AT 31 DECEMBER 2023

(Thousands of Euros)

ASSETS	Notes	31/12/2023	31/12/2022	EQUITY AND LIABILITIES	Notes	31/12/2023	31/12/2022
NON-CURRENT ASSETS:				**EQUITY:**	**Note 8**		
Non-current investments in Group companies-	**Notes 6.1 and 14.3**	**11,016,118**	**9,635,591**	**NET EQUITY-**			
Non-current loans to Group companies		11,016,118	9,635,591	**Capital**		**60**	**60**
Non-current investments-	**Notes 6.1 and 9.3**	**73,260**	**113,380**	**Reserves**		**12**	**-**
Derivative financial instruments		73,260	113,380	**Prior period's losses-**		**-**	**(6,577)**
Deferred tax assets	**Note 10.5**	**11,184**	**16,216**	Prior period's losses		-	(6,577)
Total non-current assets		**11,100,562**	**9,765,187**	**Other shareholder contributions**		**699,222**	**1,000,000**
				Profit of the year		**256,872**	**33,660**
				VALUATION ADJUSTMENTS-			
				Hedging operations		**623**	**21,025**
				Total equity		**956,789**	**1,048,168**
				NON-CURRENT LIABILITIES:			
				Long-term provisions		**107**	**-**
				Non-current borrowings-	**Note 9**	**9,906,006**	**8,929,804**
				Bond issues		6,955,532	6,933,450
				Bank borrowings		2,934,560	1,971,064
				Derivative financial instruments	Note 9.3	15,914	25,290
				Non-current loans to Group companies	**Notes 9 and 14.3**	**11,450**	**18,668**
				Deferred tax liabilities	**Note 10.5**	**11,368**	**22,854**
				Total non-current liabilities		**9,928,931**	**8,971,326**
CURRENT ASSETS:				**CURRENT LIABILITIES:**			
Trade and other receivables-		**3,825**	**5,044**	**Current borrowings-**	**Note 9**	**97,102**	**82,121**
Receivables from Group companies	Notes 6.1 and 14.3	1,106	1,839	Bond issues		58,070	58,926
Other tax receivables from Public Authorities	Note 10.1	2,719	3,205	Bank borrowings		37,433	23,195
Current investments in Group companies-	**Notes 6.1 and 14.3**	**552,350**	**862,773**	Derivative financial instruments	Note 9.3	1,599	-
Current loans to Group companies		552,350	862,773	**Current loans from Group companies**	**Notes 9 and 14.3**	**1,849,815**	**1,391,891**
Short-term financial investments-	**Note 9.3**	**21,579**	-	**Trade and other payables-**	**Note 9**	**8,493**	**7,565**
Derivative financial instruments		21,579	-	Payables to Group companies	Note 14.3	8,359	7,009
Cash and cash equivalents-	**Note 7**	**1,162,814**	**868,067**	Other payables		16	418
Cash		233,817	538,625	Staff		80	54
Cash equivalents		928,997	329,442	Other payables to Public Authorities	Note 10.1	38	84
Total current assets		**1,740,568**	**1,735,884**	**Total current liabilities**		**1,955,410**	**1,481,577**
TOTAL ASSETS		**12,841,130**	**11,501,071**	**TOTAL EQUITY AND LIABILITIES**		**12,841,130**	**11,501,071**

The accompanying Notes 1 to 18 are an integral part of the balance sheet at 31 December 2023.

CELLNEX FINANCE COMPANY, S.A.U.

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

(Thousand of Euros)

	Notes	2023	2022
ONGOING OPERATIONS:			
Revenue-	**Note 12.1**	**610,644**	**268,410**
Interest income from Group companies	Note 14.3	576,998	247,235
Interest income		33,646	21,175
Other operating income-	**Note 14.3**	**1,267**	**712**
Non-core and other current operating income		1,267	712
Finance costs-	**Note 12.2**	**(358,702)**	**(200,617)**
Borrowings from Group companies	Note 14.3	(65,517)	(26,232)
Borrowings from third parties		(293,185)	(174,385)
Staff costs-	**Note 12.3**	**(1,758)**	**(1,533)**
Wages, salaries and similar expenses		(1,528)	(1,328)
Employee benefit costs		(230)	(205)
Other operating expenses-	**Note 12.4**	**(2,014)**	**(3,737)**
External services		(2,014)	(3,737)
Profit/(Loss) from operations		**249,437**	**63,235**
Changes in fair value of financial instruments	Note 12.5	12,297	6,785
Exchange differences	Note 12.5	81,049	(25,135)
Net financial profit/(loss)		**93,346**	**(18,350)**
Profit/(Loss) before tax		**342,783**	**44,885**
Income tax	Note 10.3	(85,911)	(11,225)
Profit/(Loss) for the period		**256,872**	**33,660**

The accompanying Notes 1 to 18 are an integral part of the income statement for 2023.

CELLNEX FINANCE COMPANY, S.A.U.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

A) STATEMENT OF RECOGNISED INCOME AND EXPENSE

(Thousands of Euros)

	Notes	2023	2022
PROFIT/(LOSS) FOR THE YEAR PER INCOME STATEMENT		**256,872**	**33,660**
Income and expense recognised directly in equity		**(20,635)**	**24,717**
Changes in cash flow hedges	Note 9.3	(27,513)	36,881
Net investment hedge in currency other than euro	Note 9.3	-	(3,924)
Tax effect		6,878	(8,240)
Transfers to the income statement		**233**	**(372)**
Changes in cash flow hedges	Note 9.3	311	(496)
Tax effect		(78)	124
Total recognised income and expense		**236,470**	**58,005**

The accompanying Notes 1 to 18 are an integral part of the statement of recognised income and expense for 2023.

CELLNEX FINANCE COMPANY, S.A.U.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

B) STATEMENT OF TOTAL CHANGES IN EQUITY

(Thousands of Euros)

	Notes	Capital	Reserves	Prior period's losses	Other Shareholders Contributions	Profit for the year	Valuation adjustments	Total
Total Balance 2021		**60**	**-**	**(3,712)**	**1,000,000**	**(2,865)**	**(3,320)**	**990,163**
Distribution of the result from the previous year		-	-	**(2,865)**	-	**2,865**	-	-
Total income and expenses		-	-	-	-	33,660	24,345	58,005
Total Balance 2022	Note 8	**60**	**-**	**(6,577)**	**1,000,000**	**33,660**	**21,025**	**1,048,168**
Distribution of the result from the previous year		-	27,083	6,577	-	(33,660)	-	-
Total income and expenses		-	-	-	-	256,872	(20,402)	236,470
Other shareholders contributions		-	-	-	315	-	-	315
Dividend distribution		-	(27,071)	-	-	-	-	(27,071)
Other changes in equity		-	-	-	(301,093)	-	-	(301,093)
Total Balance 2023	**Note 8**	**60**	**12**	**-**	**699,222**	**256,872**	**623**	**956,789**

The accompanying Notes 1 to 18 are an integral part of the statement of total changes in equtiy 2023.

CELLNEX FINANCE COMPANY, S.A.U.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

(Thousand of Euros)

	Notes	2023	2022
CASH FLOWS - OPERATING ACTIVITIES (I):		**200,035**	**17,371**
Profit for the year before tax		**342,783**	**44,885**
Adjustments to profit-		**(344,866)**	**(49,443)**
Changes in provisions		422	-
Gains/(losses) on derecognition and disposal of financial instruments	Note 12.5	(12,297)	(6,785)
Financial income	Note 12.1	(610,644)	(268,410)
Financial costs	Note 12.2	358,702	200,617
Exchange differences		(81,049)	25,135
Changes in working capital-		**2,147**	**(5,988)**
Trade and other receivables		733	2,189
Other current assets and liabilities		486	(1,828)
Trade and other payables		928	(6,349)
Other cash flows from operating activities-		**199,971**	**27,917**
Interest paid		(317,740)	(158,879)
Interest received		541,178	186,796
Income tax recovered (paid)		(23,467)	-
CASH FLOWS - INVESTING ACTIVITIES (II)		**(1,567,904)**	**(3,955,377)**
Payments due to investments-		**(1,803,182)**	**(4,215,377)**
Group companies and associates	Notes 6.1 and 14.3	(1,803,182)	(4,215,377)
Proceeds from divestments-		**235,278**	**260,000**
Group companies and associates	Notes 6.1 and 14.3	235,278	260,000
CASH FLOWS - FINANCING ACTIVITIES (III)		**1,662,616**	**1,442,642**
Proceeds and payments relating to financial liabilities		**1,689,687**	**1,442,642**
Proceeds from issue of bank borrowings	Note 9.2	2,118,201	1,745,358
Bond issues	Note 9.1	-	982,525
Debt issues with Group companies and associates	Note 14.3	4,498,187	6,832,000
Repayment and redemption of bank borrowings	Note 9.2	(1,158,720)	(71,882)
Repayment and redemption of Group copmanies and associates	Note 14.3	(3,767,981)	(8,045,359)
Dividend and remuneration payments on other equity instruments		**(27,071)**	**-**
Dividend payments		(27,071)	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III)		**294,747**	**(2,495,364)**
Cash and cash equivalents at beginning of period		868,067	3,363,431
Cash and cash equivalents at end of period		1,162,814	868,067

The accompanying Notes 1 to 18 are an integral part of the statement of cash flows for 2023.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 18). In the event of a discrepancy, the Spanish-language version prevails.

Cellnex Finance Company, S.A.
(Sole-Shareholder Company)

Notes to the financial statements
for the year ended 31 December 2023

1. General information

Cellnex Finance Company, S.A.U. ("the Company") was incorporated in Barcelona on 30 October 2020 and its registered office is at Calle Juan Esplandiú nº 11 (Madrid).

The Company's object, as set out in its by-laws, consists of carrying on financial activities or providing financial support for the companies of the Group, the parent of which is Cellnex Telecom, S.A. and to which the Company belongs, including:

- the issuance of bonds and other marketable securities that recognise or create debt, as well as the subscription of any banking or other financing instruments, or the subscription of any instruments that have a financing motive or purpose,

- the management, optimisation and channelling of monetary resources and attention to the needs of the companies of the Group to which the Company belongs, and

- the granting of financing of any type, as well as the granting of guarantees of any type and nature to secure obligations assumed by all the companies of the Group to which the Company belongs.

In accordance with the foregoing, the Company forms part of the Cellnex Telecom Group, the parent of which is Cellnex Telecom, S.A. In this context, the Sole Shareholder of the Company coordinates the Company's strategic, operational and financial decisions and, therefore, the Company's economic and financial position should be evaluated in the context of the Group to which it belongs taken as a whole.

Figures in all the accounting statements (balance sheet, income statement, statement of changes in equity and statement of cash flows) and the notes to the financial statements are expressed in thousands of euros, which is the Company's presentation and functional currency, unless otherwise stipulated.

2. Basis of presentation

2.1. Regulatory financial reporting framework applicable to the Company

The accompanying financial statements were formally prepared by the Sole Director in accordance with the regulatory financial reporting framework applicable to the Company, which consists of:

- The Spanish Commercial Code and all other Spanish corporate law.

- The Spanish National Charter of Accounts approved by Royal Decree 1514/2007, which has been modified by Royal Decree 1159/2010 of 17 September, Royal Decree 602/2016 of 2 December and Royal Decree 1/2021 of 12 January, and its industry adaptations, and the provisions approved by the National Securities Market Commission.

- The mandatory rules approved by the Spanish Accounting and Audit Institute (ICAC) to implement the National Charter of Accounts and supplementary regulations.

- All other applicable Spanish accounting regulations.

2.2. Fair presentation

The accompanying financial statements have been obtained from the Company's accounting records and are presented in accordance with the regulatory framework of financial information that is applicable to it and in particular, with the accounting principles and rules contained therein and, accordingly, present fairly the Company's equity, the financial situation, the results of the Company and the cash flows during the corresponding year. These financial statements, which have been formally prepared by the Sole Director of the Company on February 29, 2024, will be submitted for approval by the Sole Shareholder, and it is estimated that they will be approved without any modification. For its part, the financial statements for 2022 were approved by the Sole Shareholder on June 1, 2023.

In preparing these financial statements, the Company omitted any information or disclosures which, not requiring disclosure due to their qualitative importance, were considered non-material or with no relative importance according to the concept of materiality or relative importance defined in the conceptual framework of the Spanish General Accounting Plan in force.

2.3. Non-obligatory accounting principles applied

Non-mandatory accounting principles were not applied. However, the Sole Director drew up these financial statements in due consideration of all mandatory accounting principles and standards with a significant impact on the statements. All mandatory accounting principles were applied.

2.4. Key issues in relation to the measurement and estimation of uncertainty

In preparing the accompanying financial statements, estimates were made based on historical experience and on other factors considered to be reasonable in view of the current circumstances; these estimates formed the basis for establishing the carrying amounts of certain assets, liabilities, income, expenses and obligations whose value is not readily determinable using other sources. The Company reviews its estimates on an ongoing basis.

The main future assumptions made and other relevant sources of uncertainty in the estimates at year-end that could have a significant effect on the financial statements in the coming year were as follows:

- Recoverable amount of loans to Group companies (see Notes 4.1.1 and 6.1).

- Valuation of derivative financial instruments and other financial instruments (see Notes 4.1.3 and 9.3).

- The criteria for recognition of deferred tax assets and its recoverability plan (see Notes 4.2 and 10.5).

- Assessment of litigations, commitments and contingent assets and liabilities at year-end (see Notes 4.3 and 13).

Although these estimates have been made on the basis of the best information available at the end of the 2023 financial year, future events may force them to be changed (upwards or downwards) in the coming financial years, which would, where appropriate, be done prospectively.

Adverse economic conditions may be further accentuated in the markets where the Company and the Group to which it belongs operate, as well as in other markets due to large-scale events, mainly as a result of the remaining impact of the COVID-19 pandemic, the heightened geopolitical tensions following the Russian invasion of Ukraine or the ongoing military conflict in the Middle East which have exacerbated inflationary pressures, slowed overall economic growth, created supply chain bottlenecks and increased volatility in commodity and financial markets.

In this regard, the Sole Director of the Company highlights that these aspects have not had a substantial effect on the business, financial condition or operating results of the Company nor the Group it belongs to as of December 31, 2023 and 2022 and, therefore, has not had a significant impact on the financial statements for that year.

2.5. Comparative information and correction of errors

The application of the accounting criteria in the year 2023 and 2022 has been uniform, and there are, therefore, no operations or transactions that have been recorded following different accounting principles that could lead to discrepancies in the interpretation of the comparative figures of both periods.

The information contained in the accompanying notes for 2022 is presented, for comparative purposes, with the information for the 2023 financial year.

2.6. Grouping of items

Certain items on the balance sheet, income statement, statement of changes in equity and statement of cash flows are grouped together to make them easier to understand; however, whenever the amounts involved are material, the information is broken down in the notes concerned.

2.7. Changes in accounting criteria

During the 2023 financial year, there have been no significant changes in accounting criteria compared to the criteria applied in 2022.

2.8. Financial Situation

As indicated in Note 1, the economic-financial position of the Company must be evaluated in the context of the Group to which it belongs (see Note 1). In this context, the Company maintains credit facilities ("cash pooling") that the Company has signed with different Group companies (see Note 14.3) which have been classified in the current of the attached balance sheet taking into account their maturity in the next twelve months, tacitly renewable and, consequently, attends to the normal flow of the Group's financing operations. Likewise, the Company has a liquidity of EUR 4,007 million, composed of "cash and cash equivalents" and credit facilities available at the date of formulation of these financial statements.

In this sense, the Sole Director of the Company has formally prepared these financial statements based on the principle of going concern, taking into account the situation of the Group and, especially, that Cellnex Telecom, S.A. continues to act as guarantor of the Company's debt (see Note 9.4).

3. Distribution of result

The distribution of 2023 result proposed by the Company's Sole Director for approval by the Sole Shareholder is as follows:

	Thousands of Euros
Basis of distribution:	
Result for the year	256,872
	256,872
Application:	
Voluntary Reserves	256,872
	256,872

Over the last three years, the Company has distributed the following dividends since its incorporation date on October 30, 2020:

	Thousands of Euros		
	2023	2022	2021
Dividends distributed	328,164	-	-
Total	**328,164**	-	-

The dividends distributed in the current fiscal year 2023 include the dividend in kind agreed on November 2, 2023 and December 1, 2023 consisting of the accounts receivable from the Danish, Swedish and Finnish subsidiaries. In this regard, the Company has distributed the receivables with Cellnex Denmark, Aps in the amount of EUR 91,000 thousand, with On Tower Denmark, Aps in the amount of 200,000 thousand Danish kroner (with an equivalent value in euros of EUR 26,793 thousand), with Cellnex Sweden, A.B. in the amount of EUR 176,000 thousand, with the Finnish subsidiary Edzcom Oy in the amount of EUR 7,097 thousand and with the subsidiary Ukkoverkot Oy in the amount of EUR 203 thousand.

4. Accounting policies and measurement bases

As indicated in Note 2, the Company has applied the accounting policies in accordance with the accounting principles and standards contained in the Commercial Code, which are developed in the General Accounting Plan in force, as well as the rest of the commercial legislation in force at the date of closing of these financial statements. In this sense, only those policies that are specific to the activity of the Company and those considered significant according to the nature of its activities are detailed below.

4.1. Financial instruments

4.1.1 Financial assets

Allocation

The financial assets held by the Company are classified as financial assets at amortized cost including those loans and accounts receivable that the Company has and that arise from the sale of goods or the provision of services in the ordinary course of business. Also, those that do not have a commercial origin, are not equity instruments or derivative financial instruments and whose collections are fixed or determined and are not traded on an active market.

In general, the category includes:

i) Trade receivables: arising from the sale of goods or the rendering of services with deferred payment in the ordinary course business; and

ii) Non-trade receivables: arising from loans granted by the Company and other receivables with fixed or determinable payments

Initial recognition

In general terms, financial assets are initially recognised at the fair value of the remuneration given, plus any directly attributable transaction costs.

Subsequent measurement

Financial assets at amortised cost shall be recognised using the foregoing valuation criteria by allocating accrued interest to the income statement using the effective interest rate method. The effective interest rate is the discount rate that exactly matches the value of a financial instrument to all of its cash flows estimated by all concepts throughout its remaining life. For fixed-rate financial instruments, the effective interest rate coincides with the contractual interest rate established at the time of their acquisition plus, where appropriate, commissions which, by their nature, are similar to an interest rate. In variable interest rate financial instruments, the effective interest rate coincides with the current rate of return for all items until the first revision of the benchmark interest rate takes place.

At least at year-end, the Company performs an "impairment test" for financial assets that are not recorded at fair value with changes in the income statement. It is considered that there is objective evidence of impairment if the recoverable value of the financial asset is less than its carrying value. When it occurs, the record of this impairment is recorded in the income statement.

In particular, with regard to valuation adjustments relating to financial assets at amortised cost, the criterion used by the Company to calculate the corresponding valuation corrections, if any, is to estimate the fair value of those balances on the basis of estimated future cash flows.

The Company derecognizes financial assets when the rights on the cash flows of the corresponding financial asset expire or have been transferred and the risks and benefits inherent in its property have been substantially transferred, such as in firm sales of assets, assignments of commercial loans in "factoring" operations in which the company does not retain any credit or interest risk, sales of financial assets with a repurchase agreement at their fair value or securitizations of financial assets in which the assignor does not retain subordinated financing or grant any type of guarantee or assume any other type of risk.

On the contrary, the Company does not derecognize the financial assets, and recognizes a financial liability for an amount equal to the consideration received, in the assignments of financial assets in which the risks and benefits inherent in its property are substantially retained, such as the discount of effects, the "factoring with recourse", the sales of financial assets with repurchase agreements at a fixed price or at the sale price plus an interest and securitizations of financial assets in which the transferor retains subordinated financing or other collateral that absorbs substantially all expected losses.

4.1.2 Financial liabilities

The financial liabilities assumed or incurred by the Company are classified in the category of valuation of financial liabilities at amortized cost and are those debits and items to be paid that the Company has and that have been originated in the purchase of goods and services by traffic operations of the company, or those that, without having a commercial origin, not being derivative instruments, come from loan or credit operations received by the Company.

These liabilities are initially valued at the fair value of the consideration received, adjusted for directly attributable transaction costs. These liabilities are then valued according to their amortised cost.

Assets and liabilities are presented separately in the balance sheet and are only presented for their net amount when the Company has the enforceable right to offset the recognized amounts and, in addition, intends to liquidate the amounts for the net or to realize the asset and cancel the liability simultaneously.

The Company cancels financial liabilities when the obligations that have generated them are extinguished.

Borrowings are initially recognized at fair value including the costs incurred in raising the debt. In subsequent periods, the difference between the funds obtained (net of the costs required to obtain them) and the repayment value, and if it is significant, is recognized in the income statement over the term of the debt at the effective interest rate.

If existing debts are renegotiated, it is considered that there are no substantial modifications in the financial liability when the lender of the new loan is the same as the one that granted the initial loan and the present value of the cash flows, including net commissions, does not differ by more than 10% from the present value of the unpaid cash flows from the original liability calculated under that same method. Certain changes in the determination of cash flows may not exceed this quantitative analysis but may also result in a substantial change in financial liabilities, such as: a change from fixed to variable interest rate in the remuneration of financial liabilities, the restatement of financial liabilities to a different currency, among other cases.

4.1.3 Derivative financial instruments

Company uses derivative financial instruments to hedge its financial risk mainly from changes in interest rate and exchange rate (see Note 5). These derivative financial instruments have been classified as cash flows hedges or as hedges of net investment in currencies other than the euro and have been recognised at fair value (both initially and subsequently) using valuations based on the analysis of discounted cash flows using assumptions that are mainly based on the market conditions at the reporting date and adjusting for the bilateral credit risk in order to reflect both the Company's risk and the counterparty's risk.

In order for these derivative financial instruments to qualify as accounting hedges, they are initially designated as such, documenting the hedging ratio. At the inception of the hedge, the Company documents the relationship between the hedging instruments and the hedged items, in addition to its risk management objective and the strategy for undertaking the hedge. The Company also documents how it will assess, both initially and on an ongoing basis, whether the derivatives used in the hedges are highly effective for offsetting changes in the fair value or cash flows attributable to the hedged risk.

The fair value of derivative financial instruments used for hedging purposes, is set out in Note 9.3.

Hedge accounting, when considered to be such, is discontinued when the hedging instrument expires or is sold, terminated or exercised or when it no longer qualifies for hedge accounting. Any accumulated gain or loss on the hedging instrument recognised in equity is retained in equity until the expected transaction occurs. If a hedged transaction is no longer expected to occur, the net accumulated gain or loss recognised in equity is transferred to net profit or loss for the year.

Classification on the balance sheet as current or non-current will depend on whether the maturity of the hedge at year-end is less or more than one year.

The criteria used to account for these instruments are as follows:

a) Cash flow hedge

   The positive or negative variations in the valuation of the derivatives qualifying as cash flow hedges are charged, in their effective portion, net of the tax effect, to equity under "Hedging Operations", until the hedged item affects the income (or when the underlying part is sold or if it is no longer probable that the transaction will take place), which is when the accumulated gains or losses in net equity are released to the income statement for the year.

   Any positive or negative differences in the valuation of the derivatives corresponding to the ineffective portion are recognised directly in profit or loss for the year under "Change in fair value of financial instruments".

   This type of hedge corresponds primarily to those derivatives entered into by the Company to convert financial debt in foreign currency to the functional currency, this being the euro (see Note 1).

b) Hedges of a net investment in currencies other than the euro

   The Company finances its major foreign investments in the same functional currency in which they are held so as to reduce the foreign exchange risk. This is carried out by obtaining financing in the corresponding currency or by entering into cross-currency and, or interest-rate swaps.

   The exchange-rate component of hedges of net investments in foreign operations in subsidiaries and associated companies are accounted for as a fair value hedge.

The changes in fair value of the designated derivatives, which meet the conditions for qualifying as hedges of net investments in foreign operations, are recognised in the income statement under “Change in fair value of financial instruments”, together with any changes in the fair value of the hedged investment in subsidiaries, jointly controlled entities or associates that is attributable to foreign-exchange risk.

c) Fair value hedges

In this case, the value changes of the hedging instrument and of the hedged item, attributable to the hedged risk, are recognized in results.

d) Derivative financial instruments that are not accountably qualified as hedging

In the case of derivatives that do not qualify as hedging instruments, the positive or negative difference resulting from the fair value adjustments are taken directly to the income statement for the year.

e) Fair value and valuation technique

Fair value is defined as the price that would be received to sell an asset or paid for transfer a liability in an orderly transaction between market participants on the date of measurement, regardless of whether that price is directly observable or estimated using another valuation technique.

For financial reporting purposes, fair value measurements are classified at level 1, 2 or 3 depending on the extent to which the inputs used are observable and their importance for the measurement of fair value as a whole, as described below:

- Level 1 – Inputs are based on quoted (unadjusted) prices for identical instruments traded on active markets.

- Level 2 – Inputs are based on quoted prices for similar instruments on asset markets (not included in level 1), prices quoted for identical or similar instruments on non-asset markets, and techniques based on valuation models for which all significant inputs are observable in the market or can be corroborated by observable market data.

- Level 3 – In general, inputs are unobservable and reflect estimates based on market assumptions to determine the price of the asset or liability. Unobservable data used in the valuation models are significant in the fair values of the assets and liabilities.

To determine the fair value of its derivatives, the Company uses valuation techniques based on expected total exposure (which includes both current exposure as well as potential exposure) adjusted for the probability of default and loss given default of each counterparty.

The expected total exposure of the derivatives is obtained using observable market inputs such as interest rate, exchange rate and volatility curves in accordance with the market conditions at the measurement date. The inputs used for the probability of default by the Company and by the counterparties are estimated on the basis of the credit default swap (CDS) prices observed in the market

In addition, in order to reflect the credit risk in the fair value the market standard of 40% is applied as a recovery rate, which relates to the CDS in relation to senior corporate debt.

4.2. Income tax

The income tax expense or income includes the portion relating to the expense or income for current tax and the portion corresponding to the deferred tax expense or income.

The company is subject to corporation tax under the tax regime of Tax Consolidation according to Chapter VI of Title VII of Law 27/2014, of 27 November on Corporation Tax, being the tax identification number of the group on 520/15. Consequently, corporation tax expenditure includes those advantages arising from the use of negative tax bases and uninvolved deductions that had not been recorded in the event of individual taxation of the companies that make up that tax group.

Current income tax expense is the amount the Company pays as a result of income tax settlements for a given year. Tax credits and other tax benefits applied to taxable profit, excluding tax withholdings, prepayments and tax loss carryforwards from previous years, reduce current income tax expense.

Deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences, measured as the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, as well as unused tax losses and tax credits. These amounts are measured by applying to the corresponding temporary difference or tax asset, the tax rate at which the asset is expected to be realised or the liability is expected to be settled.

Deferred tax liabilities are recognised in respect of all taxable temporary differences, with the exception of those arising from initial recognition of goodwill or other assets and liabilities in an operation that does not affect either taxable profit or accounting profit and is not a business combination.

Deferred tax assets are recognised only to the extent that it is considered likely the Company will have sufficient taxable profit in the future against which the deferred tax assets can be offset.

Deferred tax assets and liabilities arising from operations that are charged or credited directly to equity accounts are also recognised with a balancing entry under equity.

The deferred tax assets recognised are reconsidered at each closing date, and any necessary corrections are made if there are any doubts concerning future recovery. Deferred tax assets not recognised on the balance sheet are also assessed at each closing date and are recognised if it is likely they will be recovered with future tax gains.

In the determination of deferred tax assets, the tax group to which the Company belongs, establishes a finite time horizon for the recovery of them on the basis of the best estimates made. Thus, on the basis of the estimation of the individual tax bases of the companies that make up the group, the expected period for the application of deferred tax assets has been determined, also taking into account the timetable for the use of the outstanding deductions, as well as the tax losses subject to compensation in subsequent years within the legal time limits for the use of them.

The expense accrued by corporation tax is determined by taking into account, in addition to the parameters to be considered in case of individual taxation set out above, and in accordance with the Resolution of 9 February 2016, of the Institute of Accounting and Audit of Accounts, which develops the rules for the registration, valuation and preparation of the financial statements for the accounting of the Income Tax, the following:

- The permanent and temporary differences produced as a result of the elimination of results arising from the process of determining the consolidated tax base.

- The deductions and bonuses that correspond to each company of the tax group under the company group regime; for this purpose, deductions and bonuses are attributed to the company carrying out the activity or obtaining the necessary return to obtain the right to deduction or tax bonus.

- For the part of the negative tax results from some of the companies in the tax group that have been compensated by the rest of the companies belonging to that group, as indicated above, an account receivable with the tax group arises. On the part of the negative tax result not offset by the companies in the tax group, the company to which it corresponds posts an asset by deferred tax according to the aforementioned criterion.

4.3. Provisions and contingent liabilities

When preparing the financial statements the Company's Sole Director made a distinction between:

a. Provisions: credit balances that cover current obligations derived from past events, whose cancellation is likely to result in an outflow of resources, but which are indeterminate in terms of their amount and / or time of cancellation.

b. Contingent liabilities: possible obligations arising as a result of past events, whose future materialization is conditioned on the occurrence, or not, of one or more future events independent of the Company's will.

The financial statements include all provisions with respect to which it is estimated that the probability of having to meet the obligation is greater than otherwise. Unless they are considered remote, contingent liabilities are not recognized in the financial statements, but they are reported in the notes to the report (see Note 13.2).

Provisions are valued at the present value of the best possible estimate of the amount necessary to cancel or transfer the obligation, taking into account the information available on the event and its consequences, and recording the adjustments arising from the updating of such provisions as a financial expense as it accrues.

The compensation to be received from a third party at the time of settlement of the obligation, provided that there is no doubt that said reimbursement will be received, is recorded as assets, except in the case that there is a legal link through which part of the risk, and by virtue of which the Company is not obliged to respond; in this situation, the compensation will be taken into account to estimate the amount for which, in its case, the corresponding provision will appear.

4.4. Current/Non-current classification

Current assets are those linked to the normal operating cycle that is generally considered to be one year, as well as those other assets whose maturity, disposal or realization is expected to occur in the short term from the closing date of the year. Financial assets held for trading, with the exception of financial derivatives whose settlement period is greater than one year and cash and other equivalent liquid assets. Assets that do not meet these requirements are classified as non-current.

Similarly, current liabilities are liabilities linked to the normal operating cycle, financial liabilities held for trading, with the exception of financial derivatives whose settlement period is greater than one year and, in general, all the obligations whose maturity or extinction will occur in the short term. Otherwise, they are classified as non-current.

4.5. Revenue and expense recognition

Based on the corporate purpose of the Company described in Note 1, the financial income and expenses incurred correspond to operating income and expenses. Therefore, income from financing Group companies has been classified under the heading "Revenue". Likewise, the financial expenses incurred in carrying out its financial intermediation activity have been classified in the operating margin, under the heading "Finance costs".

Income and expenses are recognised on an accrual basis, i.e., when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the reporting date, provided that the outcome of the transaction can be estimated reliably.

Interests received on financial assets are recognized using the method of the effective interest rate. In any case, interests on financial assets accrued after the time of acquisition are recognized as income in the profit and loss account.

4.6. Cash and cash equivalents

For the purposes of the statement of cash flows, “Cash and cash equivalents” includes the Company's cash and current deposit accounts with an initial maturity of three months or less, or current investments that the Company can withdraw cash without giving any notice and without suffering any significant penalty. The carrying amount of these assets is similar to their fair value.

4.7. Related party transactions

The Company carries out all its transactions with related parties on an arm's length basis. Also, as transfer prices are adequately documented, the Company’s Sole Director feel there are no significant risks that could give rise to material liabilities in the future.

For balance sheet presentation purposes, Group companies are considered as those that are direct or indirect subsidiaries of Cellnex Telecom, S.A., and associates are considered as companies that have this status with respect to companies controlled by Cellnex Telecom, S.A.

4.8. Transactions in foreign currencies

Transactions in currencies other than the euro are translated into the functional currency of the Company (the euro) using the exchange rates in effect on the transaction date.

Gains and losses on currencies other than the euro arising from the settlement of these transactions and from the translation of monetary assets and liabilities held in currencies other than the euro at the year-end exchange rates are recognised in the income statement.

4.9. Activities affecting the environment

The Company's activities and business purpose are such that it has no environmental impact, and therefore it is not necessary to incur any expenses or invest to meet the environmental requirements laid down in law.

The potential impact on the financial statements of the risks arising from climate change described in Note 16 have been duly considered, without significant impacts. Therefore, it has not been considered necessary to record any provision for environmental risks and expenditures, as there are no contingencies in relation to climate change or environmental protection.

5. Financial risk management

5.1. Financial risk factors

The Company's activities are exposed to various financial risks, which are described below.

Financial risk management of the companies in the Cellnex Group of which the Company is integrated, is led by the Corporate Treasury and Finance Department and following authorisation by the most senior executive officer of Cellnex Telecom, S.A. as part of the respective policy adopted by the Board of Directors.

a) Foreign currency risk

The Company presents its financial statements in euros, therefore, fluctuations in the exchange rate of the currencies in which loans are instrumented and transactions are carried out, can have an impact on: future financial transactions, the recognition of assets and liabilities, as well as investments in currency other than the euro.

The strategy of the Cellnex Group, in which the Company is integrated, to hedge exchange rate risk in investments in currencies other than the euro does not necessarily attempt to fully hedge this risk, considering that the Group is a long-term investor in the aforementioned currencies and aims at a balanced coverage of this risk. In fact, the Group is open to evaluating different hedging strategies, depending on, among other things, the depth of the local currency financing and hedging market and its corresponding cost. These strategies could eventually allow the Group to have significant unhedged positions. These different hedging strategies may be implemented within a reasonable timeframe depending on the market and the prior assessment of the impact of the hedging. Hedging arrangements can be instrumented through derivatives or local currency loans, which act as a natural hedge.

Despite the fact that most of the Company's transactions are carried out in euros, the volatility in the conversion into euros of the agreements formalized in pounds sterling, Swiss francs, US dollars, Swedish krone, Polish zlotys and Danish krone may have negative consequences for the Company, affecting its business prospects, projections, financial statements and results of operations, as well as the generation of cash flows.

The Company uses derivative financial instruments to manage its financial risk mainly from exchange rate changes. These derivative financial instruments have been classified as cash flow hedging and recognized at fair value (both initial and subsequent valuations). These valuations have been calculated by analysing the cash flows discounted by assumptions based mainly on market conditions existing at the balance sheet date, in the case of unlisted derivative financial instruments (see Notes 4.1.3 and 9.3).

As of December 31, 2023, there is contracted financing to third parties that provides exchange rate swap mechanisms (see Note 9.3).

b) Interest rate risk

The Company is exposed to interest rate risk through its non-current and current borrowings.

Borrowings issued at floating rates expose the Company to cash flow interest rate risk, while fixed-rate borrowings expose the Company to fair value interest rate risk. In addition, any increase in interest rates may increase the financial expense of the Company associated with variable rate loans, as well as the costs of refinancing existing debt and issuing new debt.

The objective of interest rate risk management is to achieve a balance in the debt structure that minimizes volatility in the income statement over a multi-year horizon.

The Company may use derivative financial instruments to manage its financial risk, which arises mainly from interest rate fluctuations. These derivative financial instruments are classified as cash flow hedges and are recorded at fair value (both initially and in subsequent valuations). The valuations are based on the analysis of discounted cash flows considering hypotheses that are mainly based on the existing market conditions at the balance sheet date, in the case of derivative instruments not listed.

As of December 31, 2023 and 2022 there is financing contracted to third parties that provides interest rate hedging mechanisms.

c) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as other debts, including outstanding receivables and committed transactions.

To mitigate this credit risk, the Company 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.

During the years for which information is reported, no credit limits were exceeded and the management does not expect to incur losses as a result of default by any of the counterparties indicated above.

d) Liquidity risk

The Company and the Group in which it is integrated manage their liquidity risk prudently, which involves maintaining cash and having access to a sufficient amount of finance through established credit facilities as well as the ability to liquidate market positions.

Given the dynamic nature of the businesses of the Group to which the Company belongs, the Group’s Management aims to maintain flexibility in financing through the availability of committed credit facilities. Due to this policy, the Company, together with the other companies of the Group to which it belongs, has available liquidity of approximately EUR 4,588 million, of which EUR 4,007 million correspond to the Company’s liquidity, consisting of "cash and cash equivalents" and credit facilities available at the date of formulation of these financial statements, and has no immediate debt maturities (the maturities of the Company's financial obligations are detailed in Note 9).

As a result of the above, the Company and the Group consider that it has liquidity and access to medium and long-term financing, allowing it to ensure the necessary resources to meet the possible commitments of future investments.

However, the Company and the Group in which it is integrated may not be able to withdraw 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 levels of liquidity may materially and adversely affect the business, projections, results of operations, financial conditions and/or cash flows of the Company, and in extreme cases, threaten the future as a going concern and lead to insolvency.

e) Debt-related risk

The Group's current indebtedness, which has increased significantly in recent years as the Group has expanded its business, or future indebtedness could have significant negative consequences on its business, prospects, results of operations, financial condition, corporate rating and cash flows, and there can be no assurance that the Group will generate sufficient cash flows from operations to service its present or future indebtedness or that future borrowing will be available in an amount sufficient to enable the Group to pay its indebtedness or to fund other liquidity needs.

Additionally, the Group's future performance and its ability to generate sufficient cash flows from operations, to refinance its indebtedness or to fund capital and development expenditures or opportunities that may arise is, to a certain extent, subject to general economic, financial, competitive, legislative, legal and regulatory factors, as well as to other of the factors discussed above, many of which are beyond the Group's control.

In particular, if future cash flows from operations and other capital resources are insufficient to pay its obligations as they mature, the Group may be forced to, among others, (i) issue equity capital or other securities or restructure or refinance all or a portion of its indebtedness, (ii) accept financial covenants in the Group's financing contracts such as limitations on the ability to incur additional debt, restrictions in the amount and nature of the Group's investments or the obligation to pledge certain Group's assets, or (iii) sell some of its core assets, possibly not on the best terms, to meet payment obligations. There can be no assurance that the Group would be able to accomplish any of these measures in a timely manner or on commercially reasonable terms, if at all. In addition, in the event that any change of control clause contained in the Group financings is triggered, the Group may be required to early repay its outstanding debt. Any of these aspects could impact in a potential downgrade in the Group's credit ratings from a rating agency, which can also make obtaining new financing more difficult and expensive.

On the other hand, if as a result of its present or future indebtedness the Group is required to dedicate a substantial portion of its cash flows from operations to service Group debt, it would have to also reduce or delay its business activities and/or the amount of cash flows available for other liquidity needs or purposes, including, among others, dividends or capital expenditures. This could, in turn, force the Group to forego certain business opportunities or acquisitions and place it at a possible competitive disadvantage to less leveraged competitors and competitors that may have better access to capital resources.

To mitigate the risk mentioned above, the Company and the Group in which it integrates have taken the following actions, among others: i) the signing of long-term Renewable Credit Lines, through which the banks undertake to make funds immediately available to them for any possible treasury need, ii) the entry into new capital markets, such as the entry into the American market in 2021 and (iii) divestments, such as the one carried out in Cellnex Nordics. Finally, the Group publicly announced its commitment to reduce leverage and maintain it consistently below a certain level, with the objective of becoming Investment Grade by Standard & Poor's, as well as maintaining the current Investment Grade by Fitch. Additionally, in relation to the excess of current liabilities compared to current assets, the risk is mitigated mainly with the capacity to generate cash flow, but also with the aforementioned actions.

In terms of interest rate risk, the Group is exposed through its current and non-current loans. Borrowings issued at variable interest rates expose the Group to cash flow interest rate risk, while fixed rate loans expose the Group to fair value interest rate risk.

Any increase in interest rates would increase the financing costs of the Group related to its variable rate indebtedness and would increase the costs of refinancing its existing indebtedness and issuing new debt, which could adversely affect its business, prospects, results of operations, financial situation and cash flows. To mitigate this risk, the Group in which the company integrates maintains 76% of its debt at a fixed rate (66% corresponding only to the fixed rate debt of the Company). Thus, as of December 31, 2023 and 2022, a change in interest rates would not have a significant impact on the financial statements of the Company.

5.2. Fair value measurement

The fair value of financial instruments not listed on an active market is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on the market conditions existing at each balance sheet date.

6. Financial assets

6.1 Financial assets by categories of valuation

The breakdown of current and non-current financial investments by categories is as follows:

Classes / Categories	Thousands of Euros					
	Non-Current Loans		Current Loans		Total	
	Credits, derivative financial instruments and others		Credits, derivative financial instruments and others			
	2023	2022	2023	2022	2023	2022
Financial Assets at cost:						
Loans and receivables from Group companies (Note 14.3)	11,016,118	9,635,591	553,456	864,612	11,569,574	10,500,203
Debtors and Other Account Receivables	-	-	2,719	3,205	2,719	3,205
Assets at fair value with changes in equity:						
Derivative Financial Instruments (Note 9.3)	45,473	95,727	3,999	-	49,472	95,727
Assets at fair value with changes in profit and loss:						
Derivative Financial Instruments (Note 9.3)	27,787	17,653	17,580	-	45,367	17,653
Total	**11,089,378**	**9,748,971**	**577,754**	**867,817**	**11,667,132**	**10,616,788**

Current and non-current loans to Group companies

The Company holds debts and credits with Group companies and associates, in accordance with the breakdown described in Note 14.3.

The recoverable value of the credits has been evaluated together with the recoverable value of the investments in Group companies and associates maintained by the Sole Shareholder of the Company.

For this purpose, in the first place, the method for estimating the recoverable value from the net equity value was used first. In those cases, in which when applying this method, it has been shown that the book value was higher, the recoverable amount of the investment held by the Sole Shareholder, has been determined based on the present value of the future cash flows derived from the investment, calculated by estimating their share in the cash flows expected to be generated by the investee, or the market value (price of recent similar transactions in the market) less the costs associated with the sale.

To determine the present value of future cash flows derived from the investment, the following has been carried out, mainly: i) the income and expense projections of the impairment tests of the previous year have been revised to evaluate the possible deviations and ii) the corresponding projections of income and expenses have been made (growth of the activity – collocation – changes in the consumer price index (CPI), maintenance costs, among others).

As a result of the impairment tests described above in which the ability to pay of the debtor Group companies has been verified, considering the full repayment of the amounts owed to the Company, as of 31 December 2023, there is no provision for impairment of the value of the investments held in Group companies and associates.

7. Cash and cash equivalents

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

	Thousands of Euros	
	31/12/2023	31/12/2022
Cash	233,817	538,625
Cash equivalents	928,997	329,442
Total	**1,162,814**	**868,067**

As of 31 December 2023, the Company has contracted fixed term deposits with credit institutions for an amount of EUR 928,997 thousand (EUR 329,442 thousand as of 31 December 2022).

8. Net equity

8.1. Share capital

As of 31 December 2023 and 2022, the share capital amounted to EUR 60,200 represented by 60,200 cumulative and indivisible ordinary registered shares of EUR 1 per value each, numbered subsequentially, all of the same class and series, fully subscribed and paid.

Cellnex Telecom, S.A. held 100% of the share capital as of 31 December 2023 and, therefore, the Company is a Sole Shareholder company.

The agreements held between the Company and its Sole Shareholder company are described in the Note 14.3.

8.2. 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 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 incurred unless it exceeds 20% of the capital and no other sufficient reserves are available for such purpose.

At the end of the year 2023 the legal reserve is completely established. In 2022 the legal reserve was not completely established.

8.3 Other shareholder contributions

On November 2, 2023, the Company distributed to Cellnex Telecom, S.A., as a dividend in kind, the accounts receivable from the Danish and Swedish subsidiaries. In this regard, the Company distributed the receivables from Cellnex Denmark, Aps amounting to EUR 91,000 thousand, from On Tower Denmark, Aps amounting to DKK 200,000 thousand (with an equivalent value in euros of EUR 26,793 thousand) and from Cellnex Sweden, A.B amounting to EUR 176,000 thousand. Additionally, on 1 December 2023 the Company distributed to Cellnex Telecom, S.A., as a dividend in kind, the receivables from the Finnish subsidiary Edzcom Oy amounting to EUR 7,097 thousand and from the subsidiary Ukkoverkot Oy amounting to EUR 203 thousand.

8.4. Hedging operations

This heading includes the reserve generated by the effective portion of changes in the fair value of derivative financial instruments designated and classified as cash flow hedges and/or hedges of net investment in currencies other than the euro.

9. Current and non-current debt

The breakdown, by category, of current and non-current debt is as follows:

Classes / Categories	Thousands of Euros									
	Non-current financial instruments				Current financial instruments				Total	
	Obligations and debts with financial institutions		Debts with Group companies, derivative financial instruments and other accounts payable		Obligations and debts with financial institutions		Debts with Group companies, derivative financial instruments and other accounts payable			
Categories	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Financial liabilities at amortized cost										
Bond Issues	6,955,532	6,933,450	-	-	58,070	58,926	-	-	7,013,602	6,992,376
Bank Borrowings	2,934,560	1,971,064	-	-	37,433	23,195	-	-	2,971,993	1,994,259
Loans to Group Companies	-	-	11,450	18,668	-	-	1,849,815	1,391,891	1,861,265	1,410,559
Other Payables	-	-	-	-	-	-	8,493	7,565	8,493	7,565
Financial liabilities at fair value with changes in profit and loss:										
Derivate financial instruments (Note 9.3)	15,914	25,290	-	-	1,599	-	-	-	17,513	25,290
Total	**9,906,006**	**8,929,804**	**11,450**	**18,668**	**97,102**	**82,121**	**1,858,308**	**1,399,456**	**11,872,866**	**10,430,049**

During the financial year 2023, the Company has increased its gross financial debt (which does not include "Derivative financial instruments", “Debts with Group companies and associates” or “Trade and other payables”) by EUR 998,960 thousand, to an amount of EUR 9,985,595 thousand.

On 27 February 2023, the Company entered into a long-term loan of EUR 700,000 thousand with a maturity of 5 years. The main purpose of this agreement was to refinance a loan with an amount of GBP 600,000 thousand through the Group’s company Cellnex UK. In this case, the term loan was executed by the Company.

On 11 May and 24 July 2023, the Company signed two long-term loans for an amount of EUR 150,000 thousand and EUR 315,000 thousand with a maturity of 5 years and an average maturity of 8 years, respectively, which have been drawn down in full.

On 30 November 2023, the Company made a partial repayment of EUR 200,000 thousand of the financing signed on 13 November 2020 corresponding to a loan of EUR 1,250,000 thousand with a 5-year maturity, with an outstanding balance of EUR 1,050,000 thousand as of 31 December 2023.

Additionally, on 26 June 2023 the Company amended and reduced EUR 200,000 thousand of undrawn credit facilities in pounds sterling and Swiss francs to increase a credit facility from EUR 100,000 thousand to EUR 300,000 thousand.

As of 31 December 2023, 66% (73% in 2022) of the Company's financial debt was at a fixed interest rate.

As of 31 December 2023 and 2022, the breakdown of the borrowings (i) by maturity, (ii) by type of debt and (iii) by currency is as follows:

(i) Borrowings by maturity

31/12/2023

	Thousands of Euros							
			Non-current					
	Limit	Current	2025	2026	2027	2028	2029 and subsequent years	**Total**
Bond issues	7,054,973	75,408	-	1,646,123	1,000,000	1,000,000	3,392,986	**7,114,517**
Arrangement expenses of bonds	-	(17,338)	(17,680)	(14,139)	(11,248)	(8,095)	(32,415)	**(100,915)**
Loans	2,883,125	38,220	1,062,500	12,500	512,500	862,500	420,625	**2,908,845**
Credit Facilities	2,911,333	1,697	63,154	3,855	-	-	-	**68,706**
Arrangement expenses of credit facilities	-	(2,484)	(1,705)	(618)	(642)	(109)	-	**(5,558)**
Total	**12,849,431**	**95,503**	**1,106,269**	**1,647,721**	**1,500,610**	**1,854,296**	**3,781,196**	**9,985,595**

31/12/2022

	Thousands of Euros							
	Limit	Current	Non-current					**Total**
			2024	2025	2026	2027	2028 and subsequent years	
Bond Issues	7,064,866	75,924	-	-	1,622,153	1,000,000	4,412,534	**7,110,611**
Arrangement expenses of bonds	-	(16,998)	(17,338)	(17,692)	(14,142)	(11,248)	(40,817)	**(118,235)**
Loans	1,930,625	22,781	12,500	1,262,500	12,500	512,500	118,126	**1,940,907**
Credit Facilities	2,904,501	2,896	-	55,960	-	-	-	**58,856**
Arrangement expenses of credit facilities	-	(2,482)	(1,912)	(1,110)	-	-	-	**(5,504)**
Total	**11,899,992**	**82,121**	**(6,750)**	**1,299,658**	**1,620,511**	**1,501,252**	**4,489,843**	**8,986,635**

(ii) Borrowings by type of debt

	Thousands of Euros			Thousands of Euros		
	Notional at 31/12/2023(*)			Notional at 31/12/2022(*)		
	Limit	Drawn	Undrawn	Limit	Drawn	Undrawn
Bond issues	7,054,973	7,054,973	-	7,064,866	7,064,866	-
Loans	2,883,125	2,883,125	-	1,930,625	1,930,625	-
Credit facilities	2,911,333	67,009	2,844,324	2,904,501	57,028	2,847,473
Total	**12,849,431**	**10,005,107**	**2,844,324**	**11,899,992**	**9,052,519**	**2,847,473**

(*) These concepts include the notional value of each caption, and do not correspond to the gross or net value of the caption. See "Borrowings by maturity".

(iii) Borrowings by currency

	Thousands of Euros	
	31/12/2023(*)	31/12/2022(*)
EUR	9,312,627	8,327,231
USD	553,156	573,071
GBP	63,154	56,433
CHF	163,131	153,639
Total	**10,092,068**	**9,110,374**

(*) The amounts of borrowings shown in the table above correspond to the cash flows stipulated in the contracts together with interest, which differ from the carrying amount of the borrowings due to the effect of not including the arrangement expenses

The Company maintains loans, credit lines and other obligations in sterling pounds and Swiss francs. In this regard, the Company and Cellnex Telecom, S.A. formalized a cross currency swap (see Note 9.3) for a nominal of CHF 150,000 thousand and a value of EUR 136,005 thousand with the aim of maintaining the natural hedge of investments in foreign currency in the Sole Shareholder.

9.1 Bonds issues

The breakdown of bond issues and other financial instruments as at 31 December 2023 and 2022 is as follows:

	Thousands of Euros	
	31/12/2023	31/12/2022
Bond issues	7,013,602	6,992,376
Bond issues	**7,013,602**	**6,992,376**

i) *Issuance of simple bonds of the Company – "Guaranteed Program EMTN"*

In December 2020, the Company established a Guaranteed Euro Medium Term Note Programme (the "Guaranteed EMTN Program"), guaranteed by the Sole Shareholder, Cellnex Telecom, S.A. This program was registered on the Irish Stock Exchange, which is listed on Euronext Dublin and allows the issuance of bonds of up to EUR 10,000 million. The Guaranteed EMTN Program has been renewed in August 2023 for a period of 12 months with a maximum aggregated amount of EUR 15,000 million, and it is structured in accordance with the Sustainability Linked Financing Framework designed by the Group in 2022.

In March 2016, Cellnex was added to the list of companies whose corporate bonds are eligible for the Corporate Sector Purchase Programme (CSPP) by European Central Bank (ECB).

Since December 2020 under the aforementioned EMTN program, the Company has issued bonds described in the table below, all of them addressed to qualified investors:

31/12/2023

Issue date	Duration	Maturity Date	Fitch / S&P rating	ISIN	Fixed Coupon payable per annum	Thousands of Euros	
						Amount of issue	Amount of issue at 31 December 2023
15/02/2021	5 years	15/11/2026	BBB-/BB+	XS2300292617	0.75%	500,000	500,000
15/02/2021	8 years	15/01/2029	BBB-/BB+	XS2300292963	1.25%	750,000	750,000
15/02/2021	12 years	15/02/2033	BBB-/BB+	XS2300293003	2.00%	1,250,000	1,250,000
26/03/2021	5 years	26/03/2026	BBB-/NA	CH1104885954	0.94%	161,987	161,987
08/06/2021	7 years	08/06/2028	BBB-/BB+	XS2348237871	1.50%	1,000,000	1,000,000
06/09/2021	6 years	06/09/2027	BBB-/BB+	XS2385393405	1.00%	1,000,000	1,000,000
06/09/2021	11 years	06/09/2032	BBB-/BB+	XS2385393587	2.00%	850,000	850,000
30/03/2022	4 years	12/04/2026	BBB-/BB+	XS2465792294	2.25%(1)	1,000,000	984,136
						6,511,987	**6,496,123**

(1) *Interest rate hedged by an interest rate derivate financial instrument (See Note 9.3)*

31/12/2022

Issue date	Duration	Maturity Date	Fitch / S&P rating	ISIN	Fixed Coupon payable per annum	Thousands of Euros	
						Amount of issue	Amount of issue at 31 December 2022
15/02/2021	5 years	15/11/2026	BBB-/BB+	XS2300292617	0.75%	500,000	500,000
15/02/2021	8 years	15/01/2029	BBB-/BB+	XS2300292963	1.25%	750,000	750,000
15/02/2021	12 years	15/02/2033	BBB-/BB+	XS2300293003	2.00%	1,250,000	1,250,000
26/03/2021	5 years	26/03/2026	BBB-/NA	CH1104885954	0.94%	152,330	152,330
08/06/2021	7 years	08/06/2028	BBB-/BB+	XS2348237871	1.50%	1,000,000	1,000,000
06/09/2021	6 years	06/09/2027	BBB-/BB+	XS2385393405	1.00%	1,000,000	1,000,000
06/09/2021	11 years	06/09/2032	BBB-/BB+	XS2385393587	2.00%	850,000	850,000
30/03/2022	4 years	12/04/2026	BBB-/BB+	XS2465792294	2.25%(1)	1,000,000	969,822
						6,502,330	**6,472,152**

(1) *Interest rate hedged by an interest rate derivate financial instrument (See Note 9.3)*

Bond issuance during 2023

During the financial year 2023, the Company has not issued any bonds.

Bond issuance during 2022

On 30 March 2022, the Company 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 2.250% 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 to partially transform the issuance from fixed-to-floating rate (see Note 9.3).

ii) Bonds under Rule 144A / Regulation S (United States) - USD Bonds

In the second quarter of 2021, the Company completed and settled a senior unsecured US Dollar-denominated bond issuance, guaranteed by the Sole Shareholder, 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, the Company entered into an exchange rate swap contract by virtue of which the Company 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 the Company to obtain approximately EUR 505 million at a coupon of 2.5%.

The Company carried out its inaugural issuance in the U.S. dollar market to take advantage of the ample liquidity and long-term maturities (20 years) of such market, as well as to diversify its investor base.

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

31/12/2023

Issue date	Duration	Maturity Date	Fitch / S&P rating	ISIN	Fixed Coupon payable per annum	Thousands of Euros	
						Amount of the issue	Amount of issue at 31 December 2023
07/07/2021	20 years	07/07/2041	BBB-/BB+	US15118JAA34 Reg S: USE2943JAA72	3.875%	542,986	542,986
						542,986	**542,986**

31/12/2022

Issue date	Duration	Maturity Date	Fitch / S&P rating	ISIN	Fixed Coupon payable per annum	Thousands of Euros	
						Amount of the issue	Amount of issue at 31 December 2022
07/07/2021	20 years	07/07/2041	BBB-/BB+	US15118JAA34 Reg S: USE2943JAA72	3.875%	562,535	562,535
						562,535	**562,535**

The net funds from the issue made during the financial year 2022 were intended for general corporate purposes, in particular, without limitation, the refinancing, in certain cases, of existing debt.

The bond issues have certain associated costs, customary in this type of transactions such as arrangement expenses and advisor's fees, which amounted to EUR 100,915 thousand as of 31 December 2023 and EUR 118,235 thousand as of 31 December 2022, which the Company defers over the life of the bonds and are taken to the income statement following a financial criteria.

For its part, the arrangement expenses and advisor's fees accrued in the income statement for the period ended 31 December 2023 in relation to bond issues amounted to EUR 16,991 thousand (EUR 14,757 thousand as of 31 December 2022).

Bond issuances, which are traded in active markets, are valued in EUR 6,318 million as of 31 December 2023 (EUR 5,698 million as of 31 December 2022), based on the market prices at the corresponding closing date.

Clauses regarding changes of control

The terms and conditions of the bonds issued or to be issued under the Guaranteed EMTN Programme and the USD 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 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 Guaranteed EMTN Programme and the USD Bonds). Under the Guaranteed EMTN Programme and the USD 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 and restrictions on the issuance of bonds

As of 31 December 2023 and 2022, the Company had no restrictions regarding the use of proceeds from its bond offerings, had not provided any collateral for any obligations in connection with its outstanding bonds and the bonds ranked pari passu with the rest of Cellnex's unsecured and unsubordinated borrowings.

iii) Euro-Commercial Paper Programme

During the fourth quarter of 2021, the Company established a Guaranteed ECP Programme following the same steps as the Guaranteed EMTN Programme. The Guaranteed ECP Programme was renewed in October 2023 for a period of 12 months, with a maximum total amount of EUR 750,000 thousand or its equivalent value in GBP, USD and CHF. As at 31 December 2023 and 2022 it had not been utilised.

9.2 Loans and Credit Facilities

As of 31 December 2023, the Company has loans and credit facilities whose total limit amounts to EUR 5,794,458 thousand, of which EUR 2,883,125 thousand and EUR 2,911,333 thousand correspond to loans and credit facilities, respectively (EUR 1,930,625 thousand and EUR 2,904,501 thousand, respectively, as of 31 December 2022).

On 27 February 2023, the Company entered into a EUR 700,000 thousand loan with a maturity of 5 years. The main purpose of this agreement was to refinance the GBP 600,000 thousand loan drawn down through the Group's Company Cellnex UK. In this case, the loan was executed by the Company.

On 11 May and 24 July 2023, the Company signed two loans of EUR 150,000 thousand and EUR 315,000 thousand with a maturity of 5 years and an average maturity of 8 years, respectively, which have been drawn down in full.

On 30 November 2023, the Company made a partial repayment of Euros 200,000 thousand of the financing signed on 13 November 2020 corresponding to a loan of EUR 1,250,000 thousand maturing in 5 years, with an outstanding balance of EUR 1,050,000 thousand at 31 December 2023.

Additionally, on 26 June 2023 the Company amended and reduced EUR 200,000 thousand of undrawn credit facilities in pounds sterling and Swiss francs to increase a credit facility from EUR 100,000 thousand to EUR 300,000 thousand.

Debts owed to credit institutions held by the Company have been contracted under market conditions, so their fair value does not differ significantly from their carrying value.

Change of control clauses

Loans and credit facilities include an early termination clause for change of control, which is triggered either for the acquisition of more than 50% of the voting shares or for obtaining the right to appoint or dismiss the majority of the members of the Board of Directors of the Sole Shareholder.

Commitments and restrictions on loans and credit facilities

At the end of 2023, the Company has no commitments or restrictions regarding the use of capital resources from the loans and credit facilities formalized.

9.3 Derivative financial instruments

The Company has complied with the requirements detailed in Note 4 on valuation standards in order to classify the financial instruments detailed below as hedging. In particular, the Company carries out an analysis of the extent to which changes in the fair value or cash flows of the hedging instrument would offset changes in the fair value or cash flows of the hedged item attributable to the risk to be hedged. Taking into account this analysis, the Company determines the existence of the economic relationship and the hedge ratio.

At each year-end, the Company analyses the ineffectiveness and assesses whether there is still an economic relationship or whether the hedge ratio established is appropriate. The possible sources of ineffectiveness considered by the Company in the designation of the hedge ratio and determination of the hedge ratio are:

- The hedging instrument and the hedged item have different expiration dates, start dates, trading dates, repricing dates, etc.
- The initial value of the hedging instrument is non-zero.
- The underlying of the hedged item and the hedging instrument are not homogeneous.

a) *Cash flow hedge*

2023

Covered Item	Hedging Instrument	Covered Risk	Type	Thousands of Euros				
				Notional Value	Maturity (*)	Inefficiency Recorded in Income Statement	Fair Value Hedging Instrument	
							Assets	Liabilities
Bond issuance in USD	Cross currency swap	Exchange rate USD/EUR	USD Purchase	504,817	07/07/2041	-	49,472	-

(*) The maturity of the hedging instrument coincides with the year in which cash flows are expected to occur and affect the profit and loss account.

The fair value of the derivative financial instrument includes the accrued coupon amounting to EUR 3,999 thousand at 31 December 2023.

2022

Covered Item	Hedging Instrument	Covered Risk	Type	Thousands of Euros				
				Notional Value	Maturity (*)	Inefficiency Recorded in Income Statement	Fair Value Hedging Instrument	
							Assets	Liabilities
Bond issuance in USD	Cross currency swap	Exchange rate USD/EUR	USD Purchase	504,817	07/07/2041	-	95,727	-

(*) The maturity of the hedging instrument coincides with the year in which cash flows are expected to occur and affect the profit and loss account.

The breakdown of the amounts recorded in equity and profit and loss account for the years 2023 and 2022 is as follows:

	Thousands of Euros	
	2023	2022
Results directly attributed to Net Equity	(46,254)	69,375
Results transferred to the profit and loss account:		
Of those included under the heading of "Financial Income"	311	(496)

The following are the derivative financial instruments hedging cash flows as of 31 December 2023 and 2022, indicating their notional or contractual values, their maturity dates and their fair values:

2023

	Thousands of Euros							
	31/12/2023							
	Notional amount	2024	2025	2026	2027	2028	Subsequent years	Net fair value (*)
Interest rate and/or cross currency swaps:								
Cash flow hedges	504,817	8,286	7,617	7,183	6,782	6,401	13,110	49,472
Total	**504,817**	**8,286**	**7,617**	**7,183**	**6,782**	**6,401**	**13,110**	**49,472**

(*) The difference between flows and net fair value of derivative financial instruments corresponds to the bilateral credit risk adjustment.

2022

	Thousands of Euros							
	31/12/2022							
	Notional amount	2023	2024	2025	2026	2027	Subsequent years	Net fair value (*)
Interest rate and/or cross currency swaps:								
Cash flow hedges	504,817	9,310	8,708	8,221	7,889	7,559	55,581	95,727
Total	**504,817**	**9,310**	**8,708**	**8,221**	**7,889**	**7,559**	**55,581**	**95,727**

(*) The difference between flows and net fair value of derivative financial instruments corresponds to the bilateral credit risk adjustment.

Cross currency swaps

The bond issued in July 2021 amounting to USD 600 million and maturing in July 2041 has been hedged by cross currency swaps that convert the nominal of the bond and the interest to be settled from American dollars to euros (see note 9.1). The total amount, interest payments and maturity of the cross currency swaps match those of the bond. By contracting these cross currency swaps, the notional amount resulting from this issue is EUR 505 million.

During 2023, the following operations were carried out:

i) On 28 June 2023, the Company entered into a forward sale of PLN 2,104 million and an equivalent euro value of EUR 469 million with the Sole Shareholder to cover the expected disbursement in connection with the purchase of the 30% acquisition of the interest in On Tower Poland Sp z.o.o. On 28 June 2023 the Company entered into an internal forward contract with Cellnex Telecom, S.A. for the transfer of the corresponding cash in Polish Zlotys of the Company and exchange differences were generated in the amount of EUR 2.4 million recorded under the heading "Change in fair value of financial instruments" (see Note 9.3).

During 2022, the following operations were carried out:

i) The Company designated cash acquired in Polish zlotys in the amount of 305 million Polish zlotys, to cover the disbursement in connection with the investment commitment acquired by the BTS program in Poland through long-term loans granted to the subsidiaries of the On Tower Poland Group s.p.z.o.o and Towerlink Poland sp. z o.o. amounting to PLN 250 million and PLN 55 million respectively.

ii) The Company formalized in January 2022 a forward sale of 484 million Polish zlotys with the Sole Shareholder to cover the disbursement in relation to the investment commitment acquired in January 2022 for the acquisition of the additional 10% in On Tower Poland s.p.z.o.o, which matured on 24 February 2022.

b) Fair value hedges

2023

Hedge item	Hedging Instrument	Covered Risk	Thousands of Euros				
			Notional Value	Hedging Instrument Result	Covered Item Result Attributable to Covered Risk	Fair Value Hedging Instrument	
						Assets	Liabilities
Investments in Switzerland in the Sole Shareholder	Cross currency swap	CHF/EUR exchange rate	136,005	28,004	(28,004)	27,736	613

The fair value of the derivative financial instrument includes the accrued coupon amounting to EUR 613 thousand at 31 December 2023.

2022

Hedge item	Hedging Instrument	Covered Risk	Thousands of Euros				
			Notional Value	Hedging Instrument Result	Covered Item Result Attributable to Covered Risk	Fair Value Hedging Instrument	
						Assets	Liabilities
Investments in Switzerland in the Sole Shareholder	Cross currency swap	CHF/EUR exchange rate	136,005	20,696	(20,696)	17,653	-

The following are the derivative financial instruments as of 31 December 2023 and 2022, indicating their notional or contractual values, their maturity dates and their fair values:

2023

	Thousands of Euros							
	31/12/2023							
	Notional value	2024	2025	2026	2027	2028	Subsequent years	Net fair value (*)
Cross currency swaps: Derivative financial instruments with Group companies	136,005	(606)	(560)	28,471	-	-	-	27,123
Total	**136,005**	**(606)**	**(560)**	**28,471**	**-**	-	-	**27,123**

(*) The difference between the future cash flows and the derivative financial instruments net fair value corresponds to the bilateral credit risk adjustment.

2022

	Thousands of Euros							
	31/12/2022							
	Notional value	2023	2024	2025	2026	2027	Subsequent years	Net fair value (*)
Cross currency swaps: Derivative financial instruments with Group companies	136,005	(711)	(657)	(610)	20,163	-	-	17,653
Total	**136,005**	**(711)**	**(657)**	**(610)**	**20,163**	-	**-**	**17,653**

(*) The difference between the future cash flows and the derivative financial instruments net fair value corresponds to the bilateral credit risk

Cross currency swaps

At the end of 2020, the Company formalized a cross currency swap amounting to EUR 183 million (EUR 170,011 thousand) with the Sole Shareholder. The formalization of the exchange rate swap was carried out with the aim of obtaining hedge, which was previously natural, in the investment in foreign currency of the Sole Shareholder in its investees based in Switzerland, when the debt was transferred to the Company, with the reorganization of the financial structure of the Group (see Note 1). During the 2021 financial year, due to the early repayment of the debt by the Company, the previous cross currency swap was restructured formalizing a new cross currency swap for the amount of CHF 150 million (EUR 136,005 thousand) with the aim of continuing to maintain the hedge in the foreign currency investment of the subsidiaries of Switzerland.

2023

Hedge item	Hedging Instrument	Covered Risk	Thousands of Euros				
			Notional Value	Hedging Instrument Result	Covered Item Result Attributable to Covered Risk	Fair Value Hedging Instrument	
						Assets	Liabilities
Investments in fixed rent	Fixed Interest Rate Swap	CHF/EUR exchange rate	1,000,000	(13,227)	13,227	2,687	15,914

The fair value of the derivative financial instrument includes the accrued coupon amounting to EUR 2,637 thousand at 31 December 2023.

2022

Hedge item	Hedging Instrument	Covered Risk	Thousands of Euros				
			Notional Value	Hedging Instrument Result	Covered Item Result Attributable to Covered Risk	Fair Value Hedging Instrument	
						Assets	Liabilities
Investments in fixed rent	Fixed Interest Rate Swap	CHF/EUR exchange rate	1,000,000	(25,290)	25,290	-	25,290

The following are the derivative financial instruments as of 31 December 2023 and 2022, indicating their notional or contractual values, their maturity dates and their fair values:

2023

	Thousands of Euros							
	31/12/2023							
	Notional Value	2024	2025	2026	2027	2028	Subsequent Years	Net Fair Value (*)
Interest Rate Swap:								
Fair Value Hedge	1,000,000	(12,087)	(4,762)	3,738	-	-	-	(13,227)
Total	**1,000,000**	**(12,087)**	**(4,762)**	**3,738**	**-**	**-**	**-**	**(13,227)**

(*) The difference between the flows and the net fair value of derivative financial instruments corresponds to the bilateral credit risk adjustment.

2022

	Thousands of Euros							
	31/12/2022							
	Notional Value	2023	2024	2025	2026	2027	Subsequent Years	Net Fair Value (*)
Interest Rate Swap:								
Fair Value Hedge	1,000,000	(6,961)	(11,265)	(8,084)	1,336	-	-	(25,290)
Total	**1,000,000**	**(6,961)**	**(11,265)**	**(8,084)**	**1,336**	**-**	**-**	**(25,290)**

(*) The difference between the flows and the net fair value of derivative financial instruments corresponds to the bilateral credit risk adjustment.

Interest Rate Swap

As of April 2022, the Company formalized an interest rate swap for an amount of EUR 500,000 thousand, partially transforming the last bond issued with a nominal amount of EUR 1,000,000 thousand from fixed to variable interest rate. In this regard, this interest rate swap has been treated as a fair value hedging instrument. This coverage is referenced to the EURIBOR at 6M and the reference interest is 0.935%. In October 2022, the reference was changed from 6 month Euribor to 1 month Euribor through new interest rate swaps.

c) Derivative not designated as a hedge

2023

Typology	Hedging instrument	Thousands of Euros				
		Notional Value	Maturity	Covered Item Result Attributable to the Covered Risk	Fair Value Hedging Instrument	
					Assets	Liabilities
Derivative financial instrument (non-hedge accounting)	Equity Swap	150,000	11/11/2024	13,957	14,944	986

The derivative financial instruments at 31 December 2023 and 2022 are listed below, indicating their notional or contractual values, maturity dates and fair values:

2023

	Thousands of Euros							
	31/12/2023							
	Notional Value	2024	2025	2026	2027	2028	Subsequent Years	Net Fair Value (*)
Non-hedge swaps: Derivative financial instrument (non-hedge accounting)	150.000	14.030	-	-	-	-	-	13.957
Total	**150.000**	**14.030**	**-**	**-**	**-**	**-**	**-**	**13.957**

(*)The difference between the flows and the net fair value of derivative financial instruments corresponds to the adjustment for bilateral credit risk.

In November 2023, the Company entered into a total return equity swap agreement with a global financial institution referencing the shares of Cellnex Telecom, S.A. for a notional amount of EUR 150,000 thousand, which at prevailing market prices was equivalent to approximately 4,677,487 shares, representing approximately 0.7% of its share capital, with a maturity of 12 months, to be settled in cash. This derivative is guaranteed by Cellnex Telecom, S.A. Under the agreement, Cellnex Finance receives any dividends and increases in fair value of the underlying shares and pays the decreases in fair value and a fixed variable interest rate. According to the terms of the agreement, the contracted financial instrument cannot be qualified as hedge and its changes of the fair value are recognised in the Company's income statement.

9.4 Guarantees delivered and received and compliance obligations

As of 31 December, 2023, the Sole Shareholder acts as guarantor in relation to the loans and credit facilities drawn down by the Company, amounting to an equivalent value in euros of EUR 2,883 million (EUR 1,931 million as of 31 December 2022) and EUR 67 million (EUR 57 million as of 31 December 2022), respectively, as well as in relation to the EMTN Guaranteed program and the US dollar bonds established by the Company. Likewise, the Sole Shareholder acts as guarantor in relation to the completed bond issues for a total amount of EUR 7,055 million (EUR 7,065 million as of 31 December 2022).

On the other hand, as of 31 December 2023, the Sole Shareholder acts as guarantor in relation to the undrawn financing agreements by the Company for an amount of EUR 2.844 million (EUR 2,847 million as of 31 December 2022).

In this regard, there are no obligations or financial ratios associated with secured financing agreements that, as of the date of these annual accounts, could result in liabilities being immediately claimable by the lender.

9.5. Corporate rating

As of 31 December 2023, Cellnex Telecom, S.A. holds a long-term "BBB-" (Investment Grade) rating with stable outlook according to the international rating agency Fitch Ratings Ltd as confirmed by a report issued on 7 February 2024, and long-term "BB+" rating with positive outlook, according to the international credit rating agency Standard & Poor's Financial Services LLC, as confirmed by a report issued on 29 November 2023.

10. Income tax and tax situation

10.1 Tax-related disclosures

Cellnex Finance Company, S.A. is taxed under the tax consolidation regime, for the purposes of Corporate income tax, as a subsidiary of the tax group of which Cellnex Telecom, S.A. is the Parent. The subsidiaries included in the Tax Consolidation Group in 2023 are the following: Cellnex Telecom España, S.L.U., Cellnex Finance Company, S.A., Retevisión-I, S.A.U., Tradia Telecom, S.A.U., On Tower Telecom Infraestructuras, S.A.U., Xarxa Oberta de Comunicació i Tecnologia de Catalunya, S.A., Zenon Digital Radio, S.L. and MBA Datacenters, S.L. In addition, the Company is also part of the Tax Consolidation Group for the purposes of the Value Added Tax in Spain, of which Cellnex Telecom, S.A. is also the Parent company.

10.2. Current balances with public authorities

The detail of the current balances with public authorities are as follows:

Receivables

	Thousands of Euros	
	31/12/2023	31/12/2022
Receivable for foreign withholdings taxes	2,719	3,124
VAT refundable	-	81
Total	**2,719**	**3,205**

Payables

	Thousands of Euros	
	31/12/2023	31/12/2022
Personal income tax withholdings	24	69
Social security taxes payable	14	15
Total	**38**	**84**

10.3. Reconciliation between net accounting income and taxable income

Reconciliation between net accounting income and taxable income for income tax purposes is as follows:

	Thousands of Euros		
	31/12/2023		
	Increases	Decreases	Total
Net accounting income for the period			256,872
Income tax for the period			85,911
Temporary differences:			
Remuneration provisions	443	(68)	375
Taxable Income	**443**	**(68)**	**343,158**

	Thousands of Euros		
	31/12/2022		
	Increases	Decreases	Total
Net accounting income for the period			33,660
Income tax for the period			11,225
Temporary differences:			
Remuneration provisions	95	-	95
Taxable Income	**95**	**-**	**44,980**

10.4. Reconciliation between net accounting income and income tax expense

The standard income tax rate for 2023 and 2022 is 25%.

The reconciliation between net accounting income and income tax expense is as follows:

	Thousands of Euros	
	2023	2022
Profit/ (Loss) before tax	342,783	44,885
Theoretical tax	(85,696)	(11,221)
Others	(215)	(4)
Income tax expense for the year	**(85,911)**	**(11,225)**

10.5. Breakdown of income tax expense

The main items of income tax expense for the year are as follows:

	Thousands of Euros	
	2023	2022
Current tax		
For continuing operations	(85,793)	(11,245)
For discontinued operations	-	8,048
Deferred tax		
For continuing operations	97	24
For discontinued operations	-	(8,048)
Others	(215)	(4)
Income tax expense	**(85,911)**	**(11,225)**

Tax withholdings and prepayments amounted to EUR 13,876 thousand for 2023 (EUR 690 thousand for 2022).

10.6. Deferred taxes

The balance of the recognized deferred tax assets and liabilities, as well as their movement during the year, was as follows:

	Thousands of Euros			
	31/12/2023		31/12/2022	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
At 1 January	**16,216**	**22,854**	**15,135**	**5,634**
Debits/(credits) in income statement	97	-	(8,024)	-
Debits/(credits) in equity	(5,129)	(11,486)	9,105	17,220
At 31 December	**11,184**	**11,368**	**16,216**	**22,854**

	Thousands of Euros	
	2023	2022
(Debits)/Credits in income statement		
Deferred tax assets	97	(8,024)
(Debits)/Credits in equity		
Deferred tax assets	(5,129)	9,105
Deferred tax liabilities	11,486	(17,220)
Total (Debits)/credit due to deferred tax	**6,454**	**(16,139)**

The breakdown of deferred tax assets is as follows:

	Thousands of Euros	
	31/12/2023	31/12/2022
Deferred tax asset:		
Non-deductible financial expense	335	335
Current and non-current employee benefits obligations	132	35
Derivative financial instruments	10,717	15,846
Total deferred tax assets	**11,184**	**16,216**
Deferred tax liability:		
Derivate financial instruments	11,368	22,854
Total deferred tax liability	**11,368**	**22,854**

The deferred tax assets indicated above have been recorded in the balance sheet as the Sole Director of the Company considered that, based on their best estimate of the Company's future earnings, it is probable that these assets will be recovered.

Expected schedule for reversal the deferred tax assets and liabilities

In most cases, the use of the Company's deferred tax assets and liabilities is conditional upon the future performance of the business activities, the tax regulations of the country in which it operates, and the strategic decisions to which it may be subject. Under the assumption used, it is estimated that the deferred tax assets and liabilities recognised in the balance sheet at 31 December 2023 and 31 December 2022 will be used as follows:

	Thousands of Euros			
	2023		2022	
	Temporary differences		Temporary differences	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred asset liability
Less than a year	-	-	-	-
More than a year	11,184	11,368	16,216	22,854
At 31 December	**11,184**	**11,368**	**16,216**	**22,854**

10.7 Periods opened to verification and status of inspections

Under current legislation, taxes cannot be considered definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statue-of-limitation period has expired. At the date of preparation of these financial statements, the Company has opened to inspection all the years since its incorporation. As a consequence, among others, of the different possible interpretations of the current tax legislation, additional liabilities could arise as a result of an inspection. In any case, the Sole Director of the Company considers that the possibility of significant liabilities in addition to those registered for this concept is remote.

11. Foreign currency

The detail of the most significant balances and transactions in foreign currency, valued at the year-end exchange rate and the average exchange rate for the year, respectively, is as follows:

	Thousands of Euros	
	2023	2022
Other assets	222,302	277,492
Accounts Receivables	3,131,030	2,537,930
Loans received	1,016,655	1,364,084
Accounts payable	-	-
Services rendered	251,041	70,962
Services received	38,444	29,236

The breakdown of the exchange differences recognised in 2023 and 2022, by type of financial instrument, is as follows:

	Thousands of Euros	
	Transactions settled during the year	
	2023	2022
Other assets and liabilities	81,049	(25,135)
Total	**81,049**	**(25,135)**

12. Income and expenses

12.1. Revenue

The detail of the Company's revenue for 2023 and 2022 is as follows:

	Thousands of Euros	
	2023	2022
Interest income from Group Companies (Note 14.3)	576,998	247,235
Interest income	33,646	21,175
Total	**610,644**	**268,410**

"Interest income from Group Companies" was generated by the Company's financing of the Group companies and also on loans granted to those companies (see Note 14.3). A market interest rate is established for these transactions.

12.2. Finance costs

The detail of the finance costs for 2023 and 2022 is as follows:

	Thousands of Euros	
	2023	2022
Borrowings from Group companies (Note 14.3)	65,517	26,232
Borrowings from third parties	293,185	174,385
Total	**358,702**	**200,617**

The financial expense with third parties mainly corresponds to the accrual of interest on bond issues in the amount of EUR 125,171 thousand (EUR 120,116 thousand at year-end 2022) and the corresponding arrangement expenses in the amount of EUR 16,991 thousand, interest on loans and credit facilities drawn down in the amount of EUR 126,399 thousand (EUR 20,701 thousand at year-end 2022), interest on current accounts of EUR 1,149 thousand (EUR 3,263 thousand at year-end 2022), accrual of the accrued coupon on derivative financial instruments of EUR 15,612 thousand (EUR 5,382 thousand at year-end 2022), as well as non-drawdown fees of EUR 4,918 thousand (EUR 5,105 thousand at year-end 2022).

The financial expense with Group companies corresponds to the cash pooling operation that the Company has with the Group companies as well as guarantees granted by the Sole Shareholder in relation to the financing agreements arranged and loans (see Notes 9.4 and 14.3). The interest rate stipulated in these transactions is the market rate.

12.3. Staff costs

The breakdown of "Staff Costs" is as follows:

	Thousands of Euros	
	2023	2022
Wages and salaries	1,528	1,328
Social Security contributions	165	140
Other employee benefit costs	65	65
Staff costs	**1,758**	**1,533**

The average number of employees at the Company for 2023 and 2022, by category and gender, is as follows:

	2023			2022		
	Male	Female	Total	Male	Female	Total
Other executives, senior and middle management	4	-	4	2	-	2
Other employees	5	1	6	6	1	7
	9	**1**	**10**	**8**	**1**	**9**

The number of employees of the Company at the end of 2023 and 2022 distributed by categories and genders is as follows:

	2023			2022		
	Male	Female	Total	Male	Female	Total
Other executives, senior and middle management	4	-	4	3	-	3
Other employees	5	1	6	6	1	7
	9	**1**	**10**	**9**	**1**	**10**

During the year 2023 and 2022, the average number of employees with disabilities greater than or equal to 33% has been 0 for both periods.

At the end of 2023 and 2022, the Board of Directors is formed of a male Sole Director.

12.4. Other operating expenses

The detail of “External Services” in the income statement of profit or loss is as follows for 2023 and 2022:

	Thousands of Euros	
	2023	2022
Leases and royalties	69	50
Independent professional services	279	2,146
Banking services	355	184
Other external services	1,311	1,357
Total External Services	**2,014**	**3,737**

12.5. Net financial profit/loss

The breakdown of financial income and expenses by item is as follows:

	Thousands of Euros			
	2023		2022	
	Income	Expense	Income	Expense
Changes in fair value of financial instruments	24,345	(12,048)	13,922	(7,137)
Exchange differences	85,513	(4,465)	77,859	(102,994)
	104,313	**(10,967)**	**91,781**	**(110,131)**
Net Financial Profit/loss		**93,346**		**(18,350)**

The detail of “Changes in Fair Value of Financial Instruments” for 2023 and 2022 is as follows:

	Thousands of Euros	
	2023	2022
Gain/(Loss) on hedging instruments	12,297	6,785
	12,297	**6,785**

This item includes mainly the net impact derived from the accounting treatment of the net investments in foreign operations as hedges (see Note 9.3).

13. Contingencies, commitments and obligations

13.1 Guarantees granted

At 31 December 2023 and 31 December 2022, the Company had not been granted with any bank guarantees.

13.2 Contingencies

The Company’s Sole Director and its legal advisers consider that at 31 December 2023 and up to the date for the issuance for approval of the financial statements, no judicial proceedings are under way that could have an impact on the Company's financial statements in the future.

14. Related party transactions

14.1. Sole Director and Senior Management

During 2023 and 2022 the Company did not incur in any amounts in relation to salaries, attendance fees or remuneration paid to its Sole Director. Also, in 2023 and 2022 no advances or loans were granted to the Sole Director and no guarantee commitments were assumed on their behalf. Lastly, there were no obligations in relation to pensions, retirement plans, life or medical insurance premiums in 2023 and 2022.

The Company does not have any employees in a senior management role and, accordingly, senior management functions are discharged by the senior management of the Sole Shareholder.

The Company's Sole Shareholder 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, the cost of which amounted to EUR 1,266 thousand in 2023 (EUR 926 thousand at 31 December 2022).

14.2. Other disclosures relating to directors

In accordance with the Article 229 of the Spanish Limited Liability Companies Law, the Sole Director has reported that neither he nor any persons related to him are involved in any situations that may lead to a direct or indirect conflict with the Company's interests.

14.3. Group companies and associates

The breakdown of the Company's assets and liabilities with Cellnex Group companies and associates at year-end 2023 and 2022 are as follows:

2023

	Thousands of Euros					
	Assets			Liabilities		
	Non-Current Loans	Current Loans	Account Receivable	Non-Current Loans	Current Loans	Account Payable
Cellnex Austria GmbH	211,000	3,613	-	-	2,939	-
Cellnex Connectivity Solutions Limited	-	-	-	-	3,517	-
Cellnex Denmark, Aps	-	-	-	-	-	-
Cellnex France Groupe, S.A.S	2,605,954	304,040	-	-	-	-
Cellnex France, S.A.S.	272,302	16,075	-	-	-	-
Cellnex Ireland Limited	117,000	23,157	-	-	-	-
Cellnex Italia S.p.A	600,000	10,291	-	-	161,771	-
Cellnex Netherlands B.V.	-	-	-	-	25,548	-
Cellnex Poland sp. z o.o.	-	-	-	-	4	-
Cellnex Sweden, A.B	-	-	-	-	-	-
Cellnex Telecom España, S.L.U.	-	-	-	-	87,104	-
Cellnex Telecom, S.A.	2,420,000	23,185	742	-	715,686	8,359
Cellnex UK Consulting Limited	-	-	-	-	2,268	-
Cellnex UK In-Building Solutions Limited	-	3,941	-	-	-	-
Cellnex UK Limited	918,244	19,600	-	-	100,774	-
Cellnex UK Midco Limited	-	1,132	-	-	-	-
Cignal Infrastructure Limited	54,047	16,732	-	-	-	-
Cignal Infrastructure Netherlands B.V.	-	-	-	-	65,941	-
Cignal Infrastructure UK Ltd	506,168	21,433	-	-	-	-
CK Hutchison Networks S.p.A	-	15	-	-	-	-
CLNX Portugal S.A.	605,000	12,604	-	-	4,225	-
Compagnie Foncière ITM 1	-	560	-	-	37	-
Edzcom Oy	-	-	245	-	-	-
Hivory SAS	273,199	1,927	-	-	236,885	-
MBA Datacenters, S.L.	-	-	-	-	130	-
OMTEL, Estruturas de Comunicaçoes	-	-	-	-	12,199	-
On Tower Austria , GmbH	-	-	-	-	4,068	-
On Tower Denmark, ApS	-	56	-	-	-	-
On Tower Ireland Limited	-	-	-	-	8,727	-
On Tower Poland Sp. z o.o	361,659	8,217	115	-	(17)	-

	Thousands of Euros					
	Assets			Liabilities		
	Non-Current Loans	Current Loans	Account Receivable	Non-Current Loans	Current Loans	Account Payable
On Tower Portugal	-	-	-	-	30,895	-
On Tower Telecom Infraestructuras, S.A.U.	300,000	5,425	-	-	96,942	-
On Tower UK, Ltd	1,062,952	24,451	-	-	120,123	-
On Tower France, S.A.S.	377,157	2,723	-	-	5,860	-
Radiosite Limited	-	-	-	-	10,892	-
Remer, Sp. z.o.o.	-	-	-	-	-	-
Retevisión-I, S.A.	2,840	10	-	-	32,529	-
Springbok Mobility	-	369	-	-	-	-
Swiss Towers AG	90,390	1,432	-	-	-	-
Towerlink France S.A.S	194,252	49,206	-	-	-	-
Towerlink Poland Sp. z.o.o.	41,604	2,081	-	-	-	-
Towerlink Portugal, ULDA	2,350	75	-	-	-	
Towerlink UK Ltd	-	-	-	-	1,016	-
Tradia Telecom, S.A.U	-	-	-	11,450	103,895	-
Ukkoverkot Oy	-	-	4	-	-	-
Watersite Limited	-	-	-	-	9,145	-
Xarxa Oberta de Comunicació i Tecnologia de Catalunya, S.A.	-	-	-	-	5,095	-
Zenon Digital Radio, S.L.	-	-	-	-	1,617	-
TOTAL	**11,016,118**	**552,350**	**1,106**	**11,450**	**1,849,815**	**8,359**

2022

	Thousands of Euros					
	Assets			Liabilities		
	Non-Current Loans	Current Loans	Account Receivable	Non-Current Loans	Current Loans	Account Payable
Cellnex Austria GmbH	211,000	2,121	-	-	4,199	-
Cellnex Connectivity Solutions Limited	-	-	-	-	22,527	-
Cellnex Denmark ApS	91,000	915	-	-	-	-
Cellnex France Groupe, S.A.S	2,561,704	185,172	-	-	-	-
Cellnex France, S.A.S.	558,320	5,763	-	-	7,789	-
Cellnex Ireland Limited	117,000	13,561	-	-	-	-
Cellnex Italia S.p.A	600,000	6,049	-	-	117,683	-
Cellnex Netherlands B.V.	-	-	-	-	23,087	-
Cellnex Poland sp. z o.o.	-	13,088	-	-	-	-
Cellnex Sweden, A.B	176,000	1,770	-	-	-	-
Cellnex Telecom España, S.L.U.	-	27,367	-	-	-	-
Cellnex Telecom S.A.	1,420,000	80,606	948	-	96,451	7,009
Cellnex UK Consulting Limited	-	-	-	-	2,089	-
Cellnex UK Limited	208,584	3,318	759	-	453,482	-
Cellnex UK Midco Limited	-	1,035	10	-	-	-
Cignal Infrastructure Limited	54,047	27,367	-	-	-	-
Cignal Infrastructure Netherlands B.V.	-	-	-	-	39,471	-
CK Hutchison Networks S.p.A	-	15	-	-	-	-
Cignal UK	495,964	5,194	-	-	79,127	-
CLNX Portugal S.A.	605,000	9,009	-	-	54,487	-
Compagnie Foncière ITM 1	-	750	-	-	82	-
Edzcom Oy	-	6,571	-	-	-	-
Hivory SAS	520,000	3,668	-	-	205,344	-
MBA Datacenters, S.L.	-	31	-	-	-	-
OMTEL, Estruturas de Comunicaçoes	-	-	-	-	3,367	-
On Tower Austria , GmbH	-	-	-	-	23,674	-
On Tower Denmark, ApS	-	23,333	29	-	-	-
On Tower Ireland Limited	-	-	-	-	338	-
On Tower Poland Sp. z o.o	209,027	4,254	93	-	-	-
On Tower Portugal	-	53,061	-	-	2,946	-
On Tower Telecom Infraestructuras, S.A.U.	325,306	3,271	-	-	81,027	-
On Tower UK, Ltd	1,041,524	348,064	-	-	55	-
On Tower France, S.A.S.	221,000	1,412	-	-	17,842	-

	Thousands of Euros					
	Assets			Liabilities		
	Non-Current Loans	Current Loans	Account Receivable	Non-Current Loans	Current Loans	Account Payable
Radiosite Limited	-	-	-	-	22,976	-
Remer, Sp. z.o.o.	-	107	-	-	-	-
Retevisión-I, S.A.	-	-	-	-	35,355	-
Springbok Mobility	-	-	-	-	63	-
Swiss Towers AG	82,075	671	-	-	-	-
Towerlink France S.A.S	96,869	34,536	-	-	-	-
Towerlink Poland Sp. z.o.o.	38,571	468	-	-	-	-
Towerlink Portugal, ULDA	2,600	24	-	-	129	-
Tradia Telecom, S.A.U	-	-	-	18,668	78,094	-
Ukkoverkot Oy	-	202	-	-	-	-
Watersite Limited	-	-	-	-	11,672	-
Xarxa Oberta de Comunicació i Tecnologia de Catalunya, S.A.	-	-	-	-	6,320	-
Zenon Digital Radio, S.L.	-	-	-	-	2,215	-
TOTAL	**9,635,591**	**862,773**	**1,839**	**18,668**	**1,391,891**	**7,009**

The Company has formalised the following operations with Group companies and associates:

Non-current credits

a) On 10 December 2020, the Company subscribed a credit facility with the subsidiary of the Group Cellnex France S.A.S. with an initial limit of EUR 370,000 thousand and a maturity date of 5 years. As of 31 December 2023, the balance drawn down is EUR 272,302 thousand, and interest accrued were EUR 28,546 thousand.

b) On 10 December 2020, the Company subscribed a loan with the subsidiary of the Group Cellnex Italia, S.p.A. for an amount of EUR 600,000 thousand and a maturity of 5 years, payable in full on the maturity date. As of 31 December 2023, accrued interest amounted to EUR 36,178 thousand.

c) On 10 December 2020, the Company signed a credit facility with the subsidiary of the Group Cellnex UK Limited with a limit of GBP 185,000 thousand (with an equivalent in euros of EUR 212,876 thousand as of 31 December 2023) and maturity of 5 years. On 7 March 2023 the limit was increased by GBP 600,000 thousand (with an equivalent euro value of EUR 690,409 thousand), and on 22 May 2023 the limit was increased by GBP 13,000 thousand (with an equivalent euro value of EUR 14,959 thousand). The balance drawn down as of 31 December 2023 amounts to EUR 918,244 thousand, and accrued interest amount to EUR 58,046 thousand.

d) On 10 December 2020, the Company signed a credit facility with the subsidiary of the Group Cignal Infrastructure Services, Ltd. with a limit of EUR 51,547 thousand and a maturity of 5 years. During 2021, this limit was extended to EUR 54,047 thousand. The balance drawn down as of 31 December 2023 amounts to EUR 54,047 thousand and accrued interest amount to EUR 3,314 thousand.

e) On 10 December 2020, the Company subscribed a loan with the subsidiary of the Group On Tower Telecom Infraestructuras, S.A.U. for an amount of EUR 325,306 thousand and a maturity of 5 years. The balance drawn down as at 31 December 2023 amounts to EUR 300,000 thousands and accrued interest amount to EUR 19,469 thousand.

f) On 10 December 2020, the Company subscribed a credit facility with the subsidiary of the Group Towerlink France, S.A.S. with a limit of EUR 200,000 thousand, which was extended during the year to a limit of EUR 340,000 thousand, and with a maturity of 5 years. The balance drawn down as of 31 December 2023 amounts to EUR 194,252 thousand, and accrued interest amount to EUR 11,643 thousand.

g) On 18 December 2020, the Company signed a loan with the subsidiary of the Group Cellnex Austria, GmbH with a limit of EUR 211,000 thousand and a maturity of 5 years. The balance drawn down as of 31 December 2023 amounts to EUR 211,000 thousand, and accrued interest amount to EUR 12,723 thousand.

h) On 18 December 2020, the Company signed a loan with the subsidiary of the Group Cellnex Denmark, ApS with a limit of EUR 91,000 thousand and a maturity of 5 years. On November 2023, this loan was transferred to Cellnex Telecom, S.A. as a contribution in kind. Accrued interest amount to EUR 4,488 thousand at 31 December 2023.

i) On 18 December 2020, the Company subscribed a loan with the subsidiary of the Group Cellnex Ireland Limited for an amount of EUR 117,000 thousand and a maturity of 5 years. As of 31 December 2023, accrued interest amounted to EUR 7,055 thousand.

j) On 22 January 2021, a loan was formalized with Cellnex Sweden for a total of EUR 176,000 thousand with a maturity date of 5 years. On 2 November 2023, this loan was transferred to Cellnex Telecom, S.A. as a contribution in kind. Accrued interest amount to EUR 8,679 thousand.

k) As of 12 March 2021, a credit facility was formalised with the Company Swiss Towers with a limit of CHF 80,000 thousand and maturity of 5 years (with an equivalent euro value of EUR 82,738 thousand). At 31 December 2023, the amount drawn down is EUR 90,390 thousand including capitalised interest, with accrued interest of EUR 3,684 thousand.

l) On 31 March 2021, the Company signed a credit facility with the subsidiary On Tower Poland Sp. z.o.o with a limit of PLN 578,413 thousand (with an equivalent euro value of EUR 133,290 thousand) and with a maturity date of 6 years. Additionally, on 1 September 2022, the Company subscribed a credit facility with a limit of PLN 600,000 thousand (with an equivalent euro value of EUR 138,265 thousand). On 20 April 2023 the credit facility was extended by PLN 60,000 thousand. On 8 June 2023 the Company entered into a credit facility with the subsidiary On Tower Poland, Sp z.o.o. with a limit of PLN 600,000 thousand. The balance drawn down as of 31 December 2023 amounts to EUR 361,659 thousand and accrued interest to EUR 26,221 thousand.

m) On 15 April 2021, a credit facility was formalized with On Tower France with a limit of EUR 600,000 thousand and maturity of 5 years. As of 31 December 2023, the amount drawn down is EUR 377,157 thousand with accrued interest of EUR 9,658 thousand.

n) On 28 July 2021, Cellnex Finance subscribed the bonds of CLNX Portugal, S.A. for a total of EUR 460,000 thousand. During the 2022 financial year, additional subscriptions were made to have a total of EUR 605,000 thousand. As of 31 December 2023, the amount subscribed was EUR 605,000 thousand and the accrued interest were EUR 20,317 thousand.

o) On 8 July 2021, a credit facility was formalised with the subsidiary Towerlink Poland with a limit of PLN 180,542 thousand and maturity of 6 years (with an equivalent euro value of EUR 41,604 thousand at the end of 2023). The balance drawn down as of 31 December 2023 amounts to EUR 41,604 thousand and accrued interest to EUR 1,927 thousand.

p) On 30 August 2021, the Company subscribed a loan with the subsidiary of the Group Cellnex France Groupe, S.A.S for a total of EUR 2,100,000 thousand and a maturity of 5 years. During the 2022 financial year, the limit was increased to reach EUR 2,360,000 thousand. Additionally, on 10 December 2020 Cellnex France Groupe, S.A.S. subscribed a credit facility with a limit of EUR 416,000 thousand. The balance drawn down as of 31 December 2023 amounts to EUR 2,605,954 thousand and the interest accrued on both items amount to EUR 73,787 thousand.

q) On 25 March 2022, the Company entered into a loan with the subsidiary of the Group Towerlink Portugal, ULDA for a total of EUR 7,000 thousand and a maturity of 5 years. The balance drawn down at 31 December 2023 amounts to EUR 2,350 thousand and accrued interest amount to EUR 170 thousand.

r) On 26 April 2022, the Company subscribed a loan with the subsidiary of the Group Hivory S.A.S., for an amount of EUR 520,000 thousand and a maturity of 5 years. The balance drawn down as at 31 December 2023 amounts to EUR 273,199 thousand and accrued interest amount to EUR 12,224 thousand.

s) On 10 November 2022, the Company subscribed a loan with the subsidiary of the Group Cignal Infrastructure UK Ltd, with a limit of GBP 439,885 thousand (with an equivalent euro value of EUR 500,000 thousand) and a maturity of 5 years. The balance drawn down as of 31 December 2023 is EUR 506,168 thousand, and accrued interest are EUR 42,399 thousand.

t) On 10 November 2022, the Company subscribed a loan with the subsidiary of the Group On Tower UK, with a limit of GBP 923,758 (with an equivalent euro value of EUR 1,050,000 thousand) and a maturity of 5 years. The balance drawn down as of 31 December 2023 amounts to EUR 1,062,952 thousand, and accrued interest to EUR 89,057 thousand.

u) On 30 December 2022, the Company signed a loan with Cellnex Telecom, S.A. with a limit of EUR 1,420,000 thousand and a maturity of 5 years. As of 29 December 2023 the Company subscribed another loan with a limit of EUR 1,000,000 thousand. As of 31 December 2023 both loans are drawn down and the balance amounts to EUR 2,420,000 thousand and accrued interest amount to EUR 65,077 thousand.

v) On 20 November 2023, the Company entered into a loan with Retevisión with a limit of EUR 30,000 thousand and a maturity of 5 years. At 31 December 2023 the total loan drawn down amounts to EUR 2,840 thousand and accrued interest amount to EUR 10 thousand.

Current credits

a) On 4 January 2022, the Company has signed a credit facility with the subsidiary of the Group On Tower Denmark, Aps with a limit of DKK 200,000 thousand and maturity of 1 year. On 2 November 2023, this facility has been transferred to Cellnex Telecom, S.A. as a contribution in kind amounting to EUR 26,793 thousand. As of 31 December 2023 the accrued interest amount to EUR 1,388 thousand.

b) On 1 March 2022, the Company signed a credit facility with the subsidiary of the Group Compagnie Foncière ITM 1 with a limit of EUR 1,000 thousand and a maturity of 1 year. The balance drawn down as of 31 December 2023 is EUR 550 thousand, and accrued interest amount to EUR 37 thousand.

c) On 10 December 2022, the Company subscribed a facility with the subsidiary of the Group Edzcom Oy, with a limit of EUR 7,000 thousand and a maturity of 1 year. On 1 December 2023 this facility has been transferred to Cellnex Telecom, S.A. as a contribution in kind for an amount of EUR 7,000 thousand. The accrued interest amount to EUR 444 thousand.

d) On 10 December 2022, the Company signed a credit facility with the subsidiary of the Group Ukkoverkot Oy with a limit of EUR 200 thousand and a maturity of 1 year. On 1 December 2023 this facility has been transferred to Cellnex Telecom, S.A. as a contribution in kind for an amount of EUR 200 thousand. The accrued interest amount to EUR 13 thousand.

e) On 15 December 2022, the Company signed a credit facility with the subsidiary of the Group On Tower Portugal with a limit of EUR 53,000 thousand and a maturity of 1 year. On 30 April 2023 the facility was fully repaid. The accrued interest amount to EUR 1,016 thousand.

The transactions held by the Company during the financial years 2023 and 2022 with companies of the Cellnex Group and associates are the following:

2023

	Thousands of Euros			
	Income		Expenses	
	Accrued Interest	Services rendered	Accrued Interest	Services received
Cellnex Austria GmbH	12,726	-	57	-
Cellnex Connectivity Solutions Limited	-	-	1,053	-
Cellnex Denmark, ApS	4,488	-	-	-
Cellnex France Groupe, S.A.S	82,559	-	-	-
Cellnex France, S.A.S.	29,217	-	62	-
Cellnex Ireland Limited	7,755	-	-	-
Cellnex Italia S.p.A	36,187	-	3,314	-
Cellnex Netherlands B.V.	-	-	773	-
Cellnex Poland Sp. z o.o.	332	-	71	-
Cellnex Sweden, A.B	8,679	-	13	-
Cellnex Telecom España, S.L.U.	571	-	386	-
Cellnex Telecom, S.A.	82,464	1,267	29,172	1,539
Cellnex UK Consulting Limited	-	-	97	-
Cellnex UK In-Building Solutions Limited	89	-	-	-
Cellnex UK Limited	59,988	-	5,488	-
Cellnex UK Midco Limited	64	-	-	-
Cignal Infrastructure Limited	4,152	-	-	-
Cignal Infrastructure Netherlands B.V.	-	-	1,533	-
Cignal Infrastructure UK Ltd	42,533	-	1,139	-

	Thousands of Euros			
	Income		Expenses	
	Accrued Interest	Services rendered	Accrued Interest	Services received
CK Hutchison Networks UK	-	-	-	-
CLNX Portugal S.A.	20,317	-	623	-
Compagnie Foncière ITM 1	37	-	2	-
Edzcom Oy	444	-	-	-
Hivory SAS	12,224	-	6,683	-
MBA Datacenters, S.L.	3	-	1	-
OMTEL, Estruturas de Comunicaçoes	191	-	24	-
On Tower Austria, GmbH	49	-	105	-
On Tower Denmark, ApS	1,388	-	-	-
On Tower Ireland Limited	1	-	171	-
On Tower Poland Sp. z o.o	26,250	-	172	-
On Tower Portugal	1,016	-	675	-
On Tower Sweden, AB.	14	-	-	-
On Tower Telecom Infraestructuras, S.A.U.	19,469	-	2,584	-
On Tower UK, Ltd	95,068	-	4,594	-
On Tower France, S.A.S.	9,696	-	969	-
Radiosite Limited	-	-	1,067	-
Remer, Sp. z.o.o.	4	-	-	-
Retevisión-I, S.A.	10	-	909	-
Springbok Mobility	7	-	-	-
Swiss Towers AG	3,684	-	-	-
Towerlink France S.A.S	13,000	-	-	-
Towerlink Poland Sp. z.o.o.4	2,139	-	371	-
Towerlink Portugal, ULDA	170	-	13	-
Towerlink UK Ltd	-	-	9	-
Tradia Telecom, S.A.U	-	-	2,572	-
Ukkoverkot Oy	13	-	-	-
Watersite Limited	-	-	561	-
Xarxa Oberta de Comunicació i Tecnologia de Catalunya, S.A.	-	-	193	-
Zenon Digital Radio, S.L.	-	-	61	-
Total	**576,998**	**1,267**	**65,517**	**1,539**

2022

	Thousands of Euros			
	Income		Expenses	
	Accrued Interest	Services rendered	Accrued Interest	Services received
Cellnex Austria GmbH	6,524	-	6	-
Cellnex Connectivity Solutions Limited	-	-	275	-
Cellnex Denmark ApS	2,813	-	-	-
Cellnex France Groupe, S.A.S	93,868	-	-	-
Cellnex France, S.A.S.	17,096	-	10	-
Cellnex Ireland Limited	3,731	-	-	-
Cellnex Italia S.p.A	18,720	-	289	-
Cellnex Netherlands B.V.	13	-	61	-
Cellnex Poland Sp. z o.o.	152	-	-	-
Cellnex Sweden, A.B	5,440	-	-	-
Cellnex Telecom España, S.L.U.	132	-	-	-
Cellnex Telecom S.A.	10,914	712	22,822	634
Cellnex UK Consulting Limited	-	-	25	-
Cellnex UK Limited	11,062	-	-	-
Cellnex UK Midco Limited	32	-	-	-
Cignal Infrastructure Limited	1,978	-	-	-
Cignal Infrastructure Netherlands B.V.	20	-	85	-
CK Hutchison Networks S.p.A	15	-	-	-
CK Hutchison Networks UK	5,194	-	203	-
CLNX Portugal S.A.	10,388	-	41	-
Compagnie Foncière ITM 1	23	-	-	-
Edzcom Oy	191	-	-	-
Hivory SAS	9,985	-	130	-
OMTEL, Estruturas de Comunicaçoes	3	-	55	-
On Tower Austria , GmbH	11	-	58	-
On Tower Denmark, ApS	431	-	-	-
On Tower Ireland Limited	12	-	2	-
On Tower Poland Sp. z o.o	11,689	-	-	-
On Tower Portugal	65	-	32	-
On Tower Sweden, AB.	-	-	-	-
On Tower Telecom Infraestructuras, S.A.U.	10,088	-	143	-
On Tower UK, Ltd	10,907	-	848	-
On Tower France, S.A.S.	5,231	-	29	-
Radiosite Limited	-	-	238	-

	Thousands of Euros			
	Income		Expenses	
	Accrued Interest	Services rendered	Accrued Interest	Services received
Retevisión-I, S.A.	224	-	405	-
Springbok Mobility	2	-	-	-
Swiss Towers AG	2,537	-	-	-
Towerlink France S.A.S	5,478	-	-	-
Towerlink Poland Sp. z.o.o.	2,069	-	-	-
Towerlink Portugal, ULDA	60	-	-	-
Tradia Telecom, S.A.U	128	-	337	-
Ukkoverkot Oy	6	-	-	-
Watersite Limited	-	-	122	-
Xarxa Oberta de Comunicació i Tecnologia de Catalunya, S.A.	1	-	10	-
Zenon Digital Radio, S.L.	2	-	6	-
Total	**247,235**	**712**	**26,232**	**634**

The financial interests with Group companies are accrued upon the Company's aforementioned loans and borrowings.

The Company performs all its transactions with associates on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, it is considered that there are no material risks in this regard that might give rise to significant liabilities in the future.

15. Other information

15.1. Audit fees

In 2023 and 2022 the fees for financial audit and other services provided by the auditor of the Company's financial statements, Deloitte, S.L., or by companies related to these auditors as a result of a relationship of control, common ownership or common management, were as follows:

	Thousands of Euros	
	2023	2022
Audit of financial statements	45	24
Other non-audit services	-	-
…Other verification services required by legislation	-	-
Other verification services	80	200
…Tax advisory services	-	-
Other services	-	-
Total professional services	**125**	**224**

15.2. Information on deferral of payment to suppliers.

The information required by the additional third decree of Law 15/2010 of 5 July (modified by the second final decree of Law 31/2014 of 3 December) prepared in accordance with the resolution issued by the Spanish Accounting and Auditing Institute (AAI) of 29 January 2016 in relation to the information to be disclosed in the annual report with regard to the average supplier payment period for commercial transactions, is set up below:

	Thousands of Euros	
	2023	2022
Total payments in the year	64,362	41,699
Total payments outstanding	8	15
Average payment period to suppliers (days)	16	36
Ratio of transactions paid (days)	16	36
Ratio of transactions outstanding (days)	24	23

In accordance with the AAI resolution, for the calculation of the average period of payment to suppliers, the commercial operations corresponding to the delivery of goods and services from the date Law 31/2014 of 3 December came into force have been taken into account.

For the sole purpose of the disclosure of information required by this resolution, the term ‘suppliers’ relates to the trade payables for debts with suppliers of goods or services included in the caption ‘Payables to Group companies and associates’ and ‘Other payables’ in the short term liabilities of the balance sheet.

Average payment period to suppliers’ is understood to mean the period lapsed from the delivery of goods or services by the supplier to the actual payment of the transaction.

	2023	2022
Monetary volume (thousands of euros)	63,893	39,040
Percentage of total payments made	99%	94%
Number of invoices	447	313
Percentage of all invoices paid	71%	48%

15.3. Amendment or termination of agreements

There has been no conclusion, amendment or early termination of any agreement between the Company and its Sole Shareholder or Sole Director, or any person acting on their behalf, which might affect transactions outside the course of the Company’s ordinary business operations or transactions that were not performed on an arm’s length basis.

16. Environmental information

The key objective of the Group of which the Company forms part 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.

In this sense, in 2021, the Sole Shareholders' Board of Directors approved the Environmental, Social and Governance (ESG) Policy and the Environment and Climate Change Policy, both updated in 2023. Both policies outline Cellnex's commitment to the application of best practices in the countries in which it operates and are based on international benchmark standards. It is the policy of the Company and the Group in which it is integrated 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.

Additionally, within the environmental management system already implemented and certified according to the ISO 14001 Standard, Cellnex periodically updates the identification and evaluation of its environmental aspects, risks and opportunities related to its own activity and the one it develops through its subsidiaries. As a result of the climate-related risk assessments performed, some climate risks have been identified in relation with potential future regulation, reputation, among others. However, owing to the nature of the business, the most important material environmental aspect is energy. In this context, the Group of which the Company forms part, monitors its energy consumption to achieve maximum efficiency and the lowest possible impact on the environment and hence on society. From an economic point of view, in the majority of contracts with the mobile network operators and customers, the energy costs are passed through to them since the Group only manages the necessary infrastructure and access to energy, and transparently pass energy costs on to customers.

The Sole Shareholder considers that in the context of its operations and those it develops through the subsidiaries, it complies with applicable environmental protection laws and also has procedures designed to encourage and ensure such compliance. Finally, potential contingencies, indemnities and other environmental risks that Cellnex Telecom, S.A. or its subsidiaries could incur are sufficiently covered by its third-party environmental liability insurance, in accordance with current legislation, amounting to EUR 20 million¡.

17. Post balance sheet events

No significant events have occurred since 31 December 2023 that could have a material effect on these financial statements.

18. Explanation added for translation to English

These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Company in Spain (see Note 2.1). Certain accounting practices applied by the Company that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

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

Cellnex Finance Company, S.A. (Sole-Shareholder Company)

Directors' Report
for the year ended
31 December 2023

1. Information required under Article 262 of the Spanish Limited Liability Companies Law

1.1 Situation of the Company

Cellnex Finance Company, S.A. ("the Company") was incorporated in Barcelona on 30 October 2020 and its registered office is at Calle Juan Esplandiú nº 11 (Madrid).

The Company's object, per its bylaws, consists of carrying on financial activities or providing financial support for the companies of the Group, the parent of which is Cellnex Telecom, S.A. and to which the Company belongs, including:

- The issuance of bonds and other marketable securities that recognise or create debt, as well as the subscription of any banking or other financing instruments, or the subscription of any instruments that have a financing motive or purpose;

- The management, optimisation and channelling of monetary resources and attention to the needs of the companies of the Group to which the Company belongs.

- The granting of financing of any type, as well as the granting of guarantees of any type and nature to secure obligations assumed by all the companies of the Group to which the Company belongs.

In accordance with the foregoing, the Company forms part of the Cellnex Telecom Group, the parent of which is Cellnex Telecom, S.A. In this context, the Sole Shareholder of the Company coordinates the Company's strategic, operational and financial decisions and, therefore, the Company's economic and financial position should be evaluated in the context of the Group to which it belongs taken as a whole.

1.2 Activity and main risks and uncertainties

The financial statements of Cellnex Finance Company, S.A. reflect the consequences of its financial activity or as a provider of financial support for the companies of the Cellnex Group, both from the point of view of the balance sheet (financing) and the income statement (borrowing costs).

The Company balance sheet is chiefly composed of loans to group companies and payables to group companies as well as the financing required for its activity using debt with financial institutions, as well as the bonds issued under the Guaranteed EMTN Programme and the USD Bonds issued (see Note 9 of the accompanying financial statements).

During 2020, in the context of the financial reorganization of the Cellnex Group, the Company was incorporated and the following operations were carried out before 31 December 2020:

- the transfer to the Company, as a new debtor, of the Sole Shareholder's indebtedness: (a) the Sole Shareholder's bank borrowings, and (b) payables to Group companies and associates.

- the termination of certain debt instruments granted by the Sole Shareholder, as a creditor, in favour of certain group companies and associates and the issue of new debt instruments by the Company to the same Group companies and associates for the same amount.

The debt restructuring transactions between Group companies and associates were completed and made effective at the end of 2020. In relation to the aforementioned transactions, the Sole Shareholder continues to act as guarantor of the debt subrogated by the Company as well as the debt subsequently issued by the Company.

The purpose of the financial facility, approved by the Board of Directors of the Sole Shareholder, is to obtain financing, at the lowest cost and longest possible period, diversifying the sources of financing. In addition, it is intended to promote access to the capital market and to have greater flexibility in financing contracts that facilitate continuing the growth strategy of the Group of which the Company forms part.

As at 31 December 2023 the 66% (73% in 2022) of the Company's financial debt was at a fixed interest rate.

In December 2020, the Company established a Guaranteed Euro Medium Term Note Programme (Guaranteed EMTN Programme), guaranteed by the Sole Shareholder, Cellnex Telecom, S.A.U. This programme was registered on the Irish Stock Exchange, which is listed on Euronext Dublin, and allows the issuance of bonds in the amount of EUR 10,000 million. The Guaranteed EMTN Program has been renewed in August 2023 for a period of 12 months with a maximum aggregate amount of EUR 15,000 million and is structured in accordance with the Sustainability-Linked Financing Framework designed by the Group in early 2022.

For additional information in relation to the Current and non-current payables, see information included in Note 9 of the accompanying financial statements.

Due to the nature of its financing activity, the Company is exposed to certain financial risks, such as foreign currency risk, interest rate risk, credit risk, liquidity risk and debt-related risk. For more details, see Note 5 of the accompanying financial statements.

Cellnex Group has implemented a risk management model that has been approved and is monitored by the Audit and Risk Management Committee and is applicable to all business and corporate units in countries where the Group operates.

The information concerning the risks of the Group is presented, with this same date and in the same mercantile register, in the Consolidated Management report of the Cellnex Group, which has been prepared according to internationally recognised standards.

1.3 Use of financial instruments

In the year ended 31 December 2023, Cellnex Finance Company, S.A. abided by the policy for use of financial instruments described in Note 5 to the accompanying financial statements.

1.4 Business perspective

The Company will continue carrying on financial activities or providing financial support for the companies of the Group in their development and consolidation process.

1.5 Research and Development activities

The Company has not carried out any research and development activities, due to the fact that they are been developed at operative companies level.

The information concerning the Group research and development activities is presented, in the Consolidated Management report of the Cellnex Group, which has been prepared according to internationally recognised standards.

1.6 Non-financial information

The non-financial information presented in this Director's Report is complemented with the information presented, with this same date and in the same mercantile register, in the Consolidated Management report of the Cellnex Group, which has been prepared according to internationally recognised standards.

1.7 Treasury shares

La Company does not own nor has it carried out any transaction with treasury shares as of 31 December 2023.

1.8 Information relating to the deferred of payments to suppliers

See the information included in Note 15.2. of the accompanying financial statements.

1.9 Post balance sheet events

See Note 17, "Post balance sheet events", of the accompanying financial statements for the year ended on 31 December 2023.

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Madrid, as of 29 February 2024