

Cellnex Denmark ApS

CVR-nr. 41 81 27 45

Annual Report for 2022

The Annual Report was presented and adopted at
the Annual General Meeting of the Company on
25 May 2023



Chairman

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Management's Statement on the Annual Report

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Cellnex Denmark ApS (the "Company") for the financial year 1 January - 31 December 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for 2022. We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 24 May 2023

Executive Board



Morten Ekobjærg Petersen



Monica Merino Garrido

Board of Directors



Alexandre Mestre Molins
Chairman



José Maria Miralles Prieto

Independent Auditor's Report

To the shareholders of Cellnex Denmark ApS

Opinion

We have audited the financial statements of Cellnex Denmark ApS for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the financial statements* section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management 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, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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 ISAs and the additional requirements applicable in Denmark 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, 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 Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 24 May 2022

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Thomas Frommel Hertz

State-Authorised Public Accountant

Identification No (MNE) mne31543

Company Information

The Company

Cellnex Denmark ApS
Ørestads Boulevard 108, 4
DK-2300 København S

CVR no: 41 81 27 45

Financial year: 1 January - 31 December

Municipality of
reg. office: Copenhagen

Board of Directors

Alexandre Mestre Molins, Chairman
José Maria Miralles Prieto

Executive Board

José Manuel Aisa Mancho

Auditor

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampgade 6
2300 København S

Management's Review

Primary activities

The Company's principal activity is to own shares in other undertakings and to undertake any other activity which the Executive Board deems in-cidental to the attainment of these objects.

Development in activities and finances

During 2020 HI3G Denmark ApS successfully transferred, by a partial demerger, their TowerCo business to On Tower Denmark ApS whose principal activity became to operate telecommunications infrastructure.

On December 21st, 2020, the Company acquired 100% of the participation of On Tower Denmark ApS for mDKK 3 263.

Gross profit ended at 8 452 MnDKK and operating profit ended at -3 373 MnDKK in 2022.

Significant events after the year-end

No significant events have occurred after the balance sheet date, which are considered to have a significant impact on the assessment of the annual report.

Income Statement 1 January – 31 December

	Note	2022 DKK '000	2021 DKK '000
Revenue		14 001	4 812
External expenses		(5 549)	(5 660)
Gross profit / loss		8 452	(848)
Staff costs	1	(11 825)	(446)
Operating profit / loss before depreciations and amortisation		(3 373)	(1 294)
Operating profit / loss		(3 373)	(1 294)
Financial income	2	25	1 035
Income from investments in group enterprises		37 000	0
Financial expenses	3	(21 324)	(19 778)
Profit / loss before income taxes		12 328	(20 037)
Income taxes		5 426	4 679
Profit / loss for the year		17 754	(15 358)
 Distribution of profit			
Proposed distribution of profit			
Retained earnings		17 754	(15 358)
		17 754	(15 358)

Balance Sheet at 31 December

	<u>Note</u>	<u>2022</u> DKK '000	<u>2021</u> DKK '000
Assets			
Investment in subsidiary	4	3 260 067	3 258 180
Deposits		178	175
Financial asset investments		<u>3 260 245</u>	<u>3 258 355</u>
Fixed assets		<u>3 260 245</u>	<u>3 258 355</u>
Receivables from group enterprises		4 581	1 783
Joint taxation contribution receivables		5 248	4 581
Other receivables		346	6 621
Deferred tax assets		276	98
Prepayments		85	49
Receivables		<u>10 536</u>	<u>13 132</u>
Cash at bank and in hand		<u>24 532</u>	<u>2 253</u>
Current assets		<u>35 068</u>	<u>15 385</u>
Assets		<u>3 295 313</u>	<u>3 273 740</u>

	<u>Note</u>	<u>2022</u>	<u>2021</u>
		DKK '000	DKK '000
Liabilities and equity			
Share capital		40	40
Retained earnings		2 604 921	2 587 167
Equity		2 604 961	2 587 207
Long-term debt with group enterprises	5	677 852	677 158
Long-term liabilities		677 852	677 158
Trade payables		46	683
Payables to group enterprises		9 281	8 692
Other debt		3 173	0
Current liabilities		12 500	9 375
Liabilities		690 352	686 533
Liabilities and equity		3 295 313	3 273 740
Other notes			
Contingent assets / liabilities	6		
Related parties	7		

Statement of changes in equity

	<u>Share capital</u> DKK '000	<u>Retained earnings</u> DKK '000	<u>Total</u> DKK '000
Equity at 1 January 2022	40	2 587 167	2 587 207
Net profit for the year	0	17 754	17 754
Equity at 31 December 2022	40	2 604 921	2 604 961
Equity at 1 January 2021	40	2 602 525	2 602 565
Net profit for the year	0	(15 358)	(15 358)
Equity at 31 December 2021	40	2 587 167	2 587 207

Accounting Policies

Basis of Preparation

The Annual Report of Cellnex Denmark ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied are unchanged from previous year.

All accounting figures in this report are stated in thousands DKK.

Consolidated Financial Statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

The Financial Statements have been prepared on the historical cost basis.

Revenues are recognised in the income statement as earned, which includes recognition of value adjustments of financial assets and liabilities measured at fair value or amortised cost. Furthermore, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changes in accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Income Statement

Revenue

Revenue from the sale of services is recognised when the risks and rewards relating to the services have been rendered to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

External expenses

External expenses comprises indirect production costs and expenses for premises, sales and distribution as well as office expenses and similar costs.

Staff costs

Staff costs comprises wages and salaries as well as payroll expenses.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised exchange adjustments, as well as extra payments and repayment under the on-account taxation scheme. Income from investments in group enterprises comprise dividend payments from the companies in the group.

Income taxes

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity entries is recognised directly in equity.

The Company is jointly taxed with Danish group companies. The tax effect of the joint taxation with the companies is allocated to companies showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Foreign currency transactions

The Company's functional currency is the Danish krone. Therefore, transactions in currencies other than the Danish krone are deemed to be "foreign currency transactions" and are recognized by applying the exchange rates prevailing at the date of the transaction.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to Danish kroner at the rates then prevailing. Any resulting gains or losses are recognized directly in the income statement in the year in which they arise.

Non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Balance Sheet

Fixed assets investments

Fixed assets investments consist of investments in subsidiaries.

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Fixed assets in subsidiary company

Tangible fixed assets as well as intangible fixed assets in the subsidiary company are measured at cost less accumulated depreciation.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour and materials.

Indirect production costs in the form of indirectly attributable staff costs used in the development process are recognized in cost based on time spent on each asset.

Interest expenses on the financing of both tangible and intangible fixed assets are capitalised at cost until commercial launch. All indirectly attributable loan expenses are recognised in the income statement.

Depreciation based on cost reduced by any residual values is calculated on a straight line basis over the expected useful lives of the assets on the basis of the date on which the assets are put into use. These depreciation periods are as follows:

Network infrastructure	5/20/40 years
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Equipment	3/5 years
Licenses and similar rights	3/5 years

The useful lives and residual values of the assets are reassessed on a yearly basis.

Gains and losses on retirements and disposals of tangible and intangible fixed assets are included in other income or expenses in the income statement.

Receivables

Receivables are recognised in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Join taxation contribution

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

Prepayments

Prepayments include expenses incurred in respect of subsequent financial years, including fair value adjustments of derivative financial instruments with a positive fair value, prepaid expenses concerning rent, insurance premiums, subscriptions, interest and similar items.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to materialise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Cash

Cash comprises bank deposits.

Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.

Notes to the Financial Statements

	<u>2022</u> DKK '000	<u>2021</u> DKK '000
1 Staff costs		
Wages and salaries	11 314	446
Pensions	411	0
Other social security expenses	100	0
	<u>11 825</u>	<u>446</u>
With reference to the Danish Financial Statements Act, section 98B (3), the remuneration of the Executive board is not stated.		
Average number of employees	<u>11</u>	<u>0</u>
2 Financial Income		
Exchange rate adjustments	25	1 035
	<u>25</u>	<u>1 035</u>
3 Financial expenses		
Interest paid to group enterprises	20 872	18 869
Exchange rate adjustments	390	654
Other financial expenses	62	255
	<u>21 324</u>	<u>19 778</u>
4 Investment in subsidiary		
Cost beginning of year	3 258 180	3 263 352
Additions for the year	1 887	912
Reductions for the year	0	(6 084)
Cost end of year	<u>3 260 067</u>	<u>3 258 180</u>

Investment in subsidiaries is specified as follows:

Name	office	Equity	Net Result	ownership
		DKK '000	DKK '000	
On Tower Denmark ApS	Copenhagen Denmark	962 043	73 680	100%

	2022 DKK '000	2021 DKK '000
5 Long-term debt		
Long-term debt at 1 January	677 158	677 122
Additions for the year	1 131	446
Exchange differences	(437)	(410)
Long-term debt at 31 December	677 852	677 158
Repayment between 1 and 5 years	677 852	677 158
Long-term debt at 31 December	677 852	677 158

There is none long term debt after 5 years.

6 Contingent assets and liabilities

The Company is jointly taxed with the other Danish companies in the Group. The joint taxation also covers withholding taxes in the form of dividend tax, royalty tax and interest tax. The Danish companies are jointly and individually liable for the joint taxation. Any subsequent adjustments to income taxes and withholding taxes may lead to a larger liability. The tax for the individual companies is allocated in full on the basis of the expected taxable income.

7 Related parties

	<u>Basis</u>
Controlling interest	
Cellnex Telecom S.A. Calle Juan Esplandiú 11-13 28007 Madrid Spain	Controlling shareholder
Subsidiaries	
On Tower Denmark ApS Ørestads Boulevard 108, 4 DK-2300 København S	Subsidiary company

Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

Consolidated Financial Statements

The Company is included in the consolidated financial statements of Cellnex Telecom S.A.; Calle Juan Esplandiú 11-13, 28007 Madrid, which the Company is included as a subsidiary. Copies of the consolidated financial statements can be obtained at the addresses of the respective parent companies.