


REGISTERED NUMBER: 04134381

**Annual Report and  
Financial Statements  
for the year ended 31 December 2021  
for  
Cellnex Connectivity Solutions Limited**

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**Cellnex Connectivity Solutions Limited**  
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**for the year ended 31 December 2021**

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# **Cellnex Connectivity Solutions Limited**

REGISTERED NUMBER: 04134381

## **Company Information for the year ended 31 December 2021**

**DIRECTORS:**

D. W. Crawford  
A. M. Molins  
A. J. Woodward (Resigned 11/05/2022)  
P. C. Collins (Resigned 28/02/2022)  
A. A. Villamarin

**REGISTERED OFFICE:**

R+, 4th Floor, 2 Blagrove Street,  
Reading,  
United Kingdom, RG1 1AZ

# Cellnex Connectivity Solutions Limited

## Director's Report for the year ended 31 December 2021

The directors present their annual report on the affairs of Cellnex Connectivity Solutions Limited ("the Company") for the year ended 31 December 2021.

The Company is entitled to take the small companies' exemption (as defined by the Companies Act 2006) and therefore the Directors' report has been prepared in accordance with this provision. The exemption from preparing a strategic report has also been taken in accordance with section 414B of the Companies Act 2006.

### DIRECTORS

The Directors of the Company who were in office during the year and up to the date of signing the financial statements except as noted were:

D. W. Crawford  
A. M. Molins  
A. J. Woodward (Resigned 11/05/2022)  
P. C. Collins (Resigned 28/02/2022)  
A. A. Villamarin

### DIVIDENDS

No dividends were proposed or distributed for the year ended 31 December 2021 (2020: £nil).

### PRINCIPAL ACTIVITIES

The principal activity of the Company is to provide mast sites and other telecommunication services to mobile and fixed wireless network operators.

### REVIEW OF BUSINESS

Cellnex Connectivity Solutions Limited is a subsidiary of Cellnex UK, which is the largest wireless telecommunications and broadcasting infrastructure operator with sites in the United Kingdom and Ireland. Cellnex Connectivity Solutions Limited benefits from its parent's ability to raise capital, and follows Cellnex UK's business model, strategy, and ESG policies.

The Company is currently bidding for major contracts and the directors anticipate that success will boost revenue and EBITDA significantly.

The Directors have no plans to significantly change the activities of the Company.

### BUSINESS CONTINUITY

The company considers there to be no risks that could threaten its activity and the maintenance of its current revenue-generating assets.

### GOING CONCERN

As at 31 December 2021, the Company had net assets of £105,532k (2020: £109,263k).

The Company continues to generate positive EBITDA and cash flow. It leads the Director of the Company to be confident that they will have adequate resources to continue in operational existence for the foreseeable future. As part of this assessment, we have considered the aftermath of COVID-19 and the rising inflation conditions. However, based on the nature of the business, we do not believe that these factors will have a materially adverse effect on our financial position or cash flows.

Therefore, the Directors consider that the Company will be able maintain its portfolio as well as meet its obligations as and when they fall due for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

# Cellnex Connectivity Solutions Limited

## Director's Report - Continued for the year ended 31 December 2021

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a number of financial risks, including cash flow risk, credit risk and liquidity risk. The use of financial instruments is governed by the Company's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The Company does not use derivative financial instruments for speculative purposes.

#### Financial information risk

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

#### Cash flow risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. Interest bearing assets and liabilities are held at fixed rates to ensure certainty of cash flows.

#### Credit risk

The Company's principal financial assets are bank balances and cash, trade and other receivables, and investments. The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### Liquidity risk

To maintain liquidity to ensure that enough funds are available for ongoing operations and future developments, a mixture of long-term and short-term Group's debt finance are used by Cellnex Connectivity. Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements. Cellnex Connectivity has financial support from Cellnex Telecom S.A. to face any kind of liquidity risk that could threaten the activity of the Company. Anyway, as explained in the Business Continuity section, currently there are not any risk that threaten the situation of the Company.

### BUSINESS CONTINUITY

The company considers there to be no risks that could threaten its activity and the maintenance of its current revenue-generating assets.

### POST BALANCE SHEET EVENTS

#### Acquisition of CK Hutchinson

On November 11th, 2022, Cellnex Telecom announced the completion of the acquisition of the telecommunications tower assets of CK Hutchison in the United Kingdom (which includes interests in or revenues deriving from up to 6,600 sites, once the build to suit ("BTS") programmes are completed). At the date of this Annual Report the final financial terms or the transaction are in the process of being agreed, and therefore it is not possible to provide any further details with respect to the transaction nor initial purchase price allocation

# Cellnex Connectivity Solutions Limited

## Director's Report - Continued for the year ended 31 December 2021

The UK's Competition and Markets Authority (CMA) approved the Company's acquisition of CK Hutchison's 6,600 passive telecom infrastructure sites in the UK contingent on the divestment of about 1,100 of Cellnex's existing UK sites. Therefore, on October 24th, 2022, Cellnex UK completed the sale of c.1,100 sites to the UK telecommunications infrastructure operator Wireless Infrastructure Group (WIG). The exact financial terms of the transactions are still being finalised.

The regulatory approval and completion of this deal marked the close of the final component of a series of Group agreements announced in November 2021 to acquire CK Hutchison's c.24,600 sites in six different European countries: Austria, Ireland, Denmark, Sweden, Italy and the United Kingdom.

### AUDITOR

For the year ending 31 December 2021 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006.

No members have required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

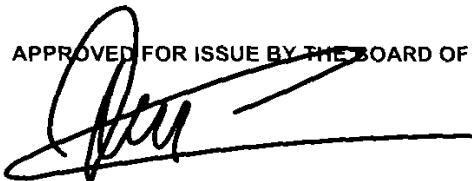
*In preparing these financial statements, the directors are required to:*

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

APPROVED FOR ISSUE BY THE BOARD OF DIRECTORS:



David William Crawford  
Director  
22 December 2022

## Cellnex Connectivity Solutions Limited

### Statement of Comprehensive Income for the year ended 31 December 2021

	Notes	31 December 2021 £'000	31 December 2020 £'000
<b>Revenues</b>	4	10,005	8,381
Cost of sales		(1,914)	(485)
<b>Gross Profit</b>		<b>8,091</b>	<b>7,896</b>
Depreciation and amortization		(9,424)	(9,070)
Other operating expenses		(2,132)	(1,356)
<b>Total Operating expenses</b>		<b>(11,556)</b>	<b>(10,426)</b>
<b>Operating loss</b>	5	<b>(3,465)</b>	<b>(2,530)</b>
Finance Costs and Income	6	(84)	79
<b>Loss before tax</b>		<b>(3,549)</b>	<b>(2,451)</b>
Tax	7	(183)	(800)
<b>Loss and total comprehensive expense for the year</b>		<b>(3,732)</b>	<b>(3,251)</b>

#### CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the current year or previous year.

Further comments on the Statement of Comprehensive Income line items are presented in the notes to the financial statements.

# Cellnex Connectivity Solutions Limited

## Statement of Financial Position for the year ended 31 December 2021

	Notes	31 December 2021 £'000	31 December 2020 £'000
<b>Non-current assets</b>			
Intangible assets	8	83,475	90,447
Property, plant and equipment	9	8,943	6,059
Deferred tax assets	10	-	762
<b>Total</b>		<b>92,418</b>	<b>97,268</b>
<b>Current assets</b>			
Trade and other receivables	11	17,374	4,344
Contract Assets	12	1,263	626
Borrowings	13	4	23,586
<b>Total</b>		<b>18,641</b>	<b>28,556</b>
<b>Total assets</b>		<b>111,059</b>	<b>125,824</b>
<b>Current liabilities</b>			
Contract liabilities	12	(2,350)	-
Borrowings	13	-	(13,834)
Trade and other payables	14	(1,962)	(2,727)
Lease liabilities	15	(254)	-
<b>Total</b>		<b>(4,566)</b>	<b>(16,561)</b>
<b>Net current assets</b>		<b>14,075</b>	<b>11,995</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	10	(183)	-
Lease liabilities	15	(779)	-
<b>Total</b>		<b>(962)</b>	<b>-</b>
<b>Total Liabilities</b>		<b>(5,527)</b>	<b>(16,561)</b>
<b>Net assets</b>		<b>105,532</b>	<b>109,263</b>
<b>Equity</b>			
Share capital	15	1,685	1,685
Share premium account	16	123,000	123,000
Retained Earnings		(19,153)	(15,422)
<b>Total shareholders' funds</b>		<b>105,532</b>	<b>109,263</b>

The notes on pages 8 to 19 are an integral part of the financial statements.

For the year ending 31 December 2021 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006.

No members have required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The Directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The Financial Statements were approved by the Board of Directors on 22 December 2022 and were signed on its behalf by:



David William Crawford  
Director

## Cellnex Connectivity Solutions Limited

### Statement of Changes in Equity for the year ended 31 December 2021

	Share capital £'000	Share premium £'000	Reserves £'000	Total £'000
<b>At 1 January 2020</b>	<b>1,685</b>	<b>123,000</b>	<b>(12,171)</b>	<b>112,514</b>
Loss for the financial year	-	-	(3,250)	(3,250)
<b>At 31 December 2020</b>	<b>1,685</b>	<b>123,000</b>	<b>(15,421)</b>	<b>109,264</b>
Loss for the financial year	-	-	(3,732)	(3,732)
<b>At 31 December 2021</b>	<b>1,685</b>	<b>123,000</b>	<b>(19,153)</b>	<b>105,532</b>

# Cellnex Connectivity Solutions Limited

## Notes to the Financial Statements for the year ended 31 December 2021

### 1. GENERAL INFORMATION

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Cellnex Connectivity Solutions Limited ("the Company") is a private company limited by shares incorporated in England, United Kingdom ("UK") under the Companies Act under registration number 04134381. The address of the registered office is R+, 4th Floor 2 Blagrove Street Reading, United Kingdom, RG1 1AZ.

The nature of the Company's operations and its principal activities are set out in the director's report on pages 2 to 4. The Company's functional currency is pound sterling.

### 2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ('FRS 101'). The financial statements have been prepared on a going concern basis and under the historical cost convention, other than where set out in the accounting policies, and in accordance with the Companies Act 2006.

The following disclosure exemptions, as permitted by paragraph 8 of FRS 101, have been taken in these Company financial statements and notes:

<u>UK-adopted IFRS</u>	<u>Relevant disclosure exemptions</u>
IFRS 15 Revenue from Contracts with Customers	The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129.
IAS 1 Presentation of financial statements	The requirements of paragraph 38; comparative information in respect of paragraph 79(a)(iv) of IAS 1 and paragraph 73(e) of IAS 16 Property, plant and equipment.
IAS 1 Presentation of financial statements	The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B to D, 40A to D, 111 and 134 to 136.
IAS 8 Accounting policies, changes in accounting estimates and errors	The requirements of paragraphs 30 and 31.
IAS 7 Statement of Cash Flows	All disclosure requirements.
IAS 24 Related Party Disclosures	The requirements of paragraph 17; the requirement to disclose related party transactions entered into between two or more members of a Group, provided that any subsidiary party to the transaction is wholly owned by such member and key management personnel.
IAS 36 Impairment of Assets	The requirements of paragraphs 130 (f)(ii), 130(f)(iii), 134(d) to 134 (f) and 135(c) to 135 (e).
IFRS 3 Business Combinations	The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67.
IFRS 7 Financial Instruments: Disclosures	All disclosure requirements.

# Cellnex Connectivity Solutions Limited

## Notes to the Financial Statements – continued for the year ended 31 December 2021

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 Application of Financial Reporting Requirements issued by the FRC. Accordingly, these financial statements are prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

Where required, equivalent disclosures are given in the consolidated financial statements.

#### Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Standards) on a going concern basis. The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

#### Going concern

As at 31 December 2021, the Company had net current assets of £14,075k (2020: £11,994k).

The Company continues to generate positive EBITDA and cash flow. Therefore, the Directors consider that the Company will be able to meet its obligations as and when they fall due for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis. As part of this assessment, we have considered the impact of COVID-19 and based on the nature of our business we do not believe it will have an overall material adverse effect on our financial position or cash flows.

#### Changes in accounting policy and disclosure

##### New and revised standards

##### **Impact of the initial application of other new and amended IFRS Standards effective for the current year**

In the current year, the Company has applied the below amendments to IFRS Standards and Interpretations issued by the Board that are effective for an annual period that begins on or after 1 January 2021. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Standard	Explanation	Application Date
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Reform of Reference Interest Rates - Phase 2 (published in August 2020)	Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 related to the reform of interest rates (second phase).	1 January 2021
Amendment to IFRS 4. Deferral of the application of IFRS 9 (published in June 2020)	Deferral of the application of IFRS 9 until 2023.	1 January 2021
Amendments to IFRS 16. Covid-19-Related Rent Concessions (published in March 2021)	Amendments to extend the time period over which the practical expedient of IFRS 16 is available for use in relation to covid-19-related rent concessions	1 April 2021

# Cellnex Connectivity Solutions Limited

## Notes to the Financial Statements – continued

### for the year ended 31 December 2021

#### **New and revised IFRS Standards in issue but not yet effective**

At the date of formal preparation of these financial statements, some standards, amendments and interpretations had been published by the International Accounting Standards Board (IASB) but had not come into force, either because their effective date is subsequent to the date of the consolidated financial statements or because they had not yet been adopted by the United Kingdom. These Standards not yet effective are disclosed in the Consolidated Financial Statements of Cellnex UK Limited.

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

#### **Revenue**

Revenue comprises rental income and expenses recoverable from tenants, excluding value added tax. Rental income is recognised on an accruals basis over the life of the lease. A rent adjustment, based on estimated open market rent, is recognised from the rent review date in relation to unsettled rent reviews. The Company does not grant lease incentives. The Company recognises recoverable expenses when they are invoiced to tenants. All revenue arises solely in the UK.

#### **Contract assets**

Deferred income comprises income relating to future periods that has not yet been earned but has been invoiced in line with contractual arrangements. Deferred income is included within creditors on the Statement of Financial Position and is released to the Statement of Comprehensive Income on an accruals basis.

#### **Cost of Sales**

Cost of sales comprises ground rents payable, repair and maintenance expenses, and others expenses necessary for the working of the telecoms infrastructures.

#### **Interest receivable**

Interest receivable is recognised on an accruals basis in the period in which it is earned.

#### **Leases**

All the information regarding the accounting policies related to the Right of Use assets and the Lease Liabilities policies followed by the company are detailed in the note 15 of this document ("Lease Liabilities").

#### **Borrowings**

Borrowings are carried in the Statement of Financial Position at amortised cost, representing the cumulative amount of net proceeds after issue, plus accrued finance costs. The finance costs of such borrowings are allocated to the Statement of Comprehensive Income at a constant rate on the carrying amount.

#### **Current tax**

The current income tax charge is calculated on the generated taxable income on the basis of tax laws enacted or substantively enacted at the balance sheet date.

#### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the date of the Statement of Financial Position where transactions have occurred at that date that will result in an obligation to pay more (or a right to pay less) tax.

# Cellnex Connectivity Solutions Limited

## Notes to the Financial Statements – continued for the year ended 31 December 2021

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be taxable profits from which the future reversal of the underlying timing difference can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted at the Statement of Financial Position date.

### Intangible fixed assets

Intangible fixed assets are stated at cost, net of amortisation and any provision for impairment. Amortisation is provided on all intangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Asset Description	Estimated Useful Life
Income rights	20 years
Software & Licenses	3-10 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. Amortisation is charged through administrative expenses.

### Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold and leasehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Asset Description	Estimated Useful Life
Land and buildings	5 - 14 years
Plant and machinery	3 - 14 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

### Trade and other debtors

Trade debtors are recognised at cost, less any appropriate provision for estimated irrecoverable amounts. A provision is established for irrecoverable amounts when there is objective evidence that amounts due under the original payment terms will not be collected.

### Bad debt provision

The Company's policy is in line with the parent's group policy of providing in full for all debts in excess of 12 months.

### Cash flow statement and related party disclosures

The Company has taken advantage of exemption from preparing a cash flow statement under the terms of FRS 101 as a consolidated cash flow statement has been prepared by its parent companies, Cellnex UK and Cellnex Telecom S.A. The Company is also exempt under the terms of FRS 101 from disclosing related-party transactions with entities that are part of the Group (Cellnex UK Limited and its direct and indirect subsidiary companies).

### Financial instruments

Gains and losses from financial instruments are recognised in the Statement of Comprehensive Income in accordance with FRS 101.

# Cellnex Connectivity Solutions Limited

## Notes to the Financial Statements – continued for the year ended 31 December 2021

### Critical accounting judgements and key sources of estimation uncertainty:

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### Critical judgements in applying the Company's accounting policies

There are no critical judgements, apart from those involving estimations (which are dealt with separately below).

### Key source of estimation uncertainty

#### Impairment of intangible assets

In determining value in use, the Directors calculate the present value of the estimated future cash flows expected to arise based on management's latest long-term plans, with extrapolation thereafter. No impairment provision has been recognised as a consequence of this review as at 31 December 2021.

## 4. REVENUE

	31 December 2021	31 December 2020
	£'000	£'000
Rendering of Services	9,939	8,217
Pass Through Revenue	66	164
<b>Total</b>	<b>10,005</b>	<b>8,381</b>

All revenue relates to sales generated in UK.

## 5. OPERATING LOSS

	31 December 2021	31 December 2020
	£'000	£'000
Operating lease charges	143	280
Depreciation of property, plant and equipment	364	342
Depreciation of leased property, plant and equipment	223	-
Amortisation of intangible assets	8,837	8,729
Management recharge from fellow Group company	811	78
<b>Total</b>	<b>10,378</b>	<b>9,429</b>

The immediate controlling party of Cellnex Connectivity Solutions Limited that has developed consolidated financial statements in 2021 is Cellnex UK Limited. The 2021 audit expense fee for Cellnex Connectivity Solutions Limited is nil (2020: nil).

There were no employees during the year (2020: nil).

# Cellnex Connectivity Solutions Limited

## Notes to the Financial Statements – continued for the year ended 31 December 2021

The Directors in office during 2021 (and 2010) did not receive any emoluments in respect of their services to the Company.

### 6. FINANCE COSTS AND INCOME

Finance Income	31 December 2021 £'000	31 December 2020 £'000
Group's financial income	16	74
Other financial income	-	5
<b>Total</b>	<b>16</b>	<b>79</b>

Finance Costs	31 December 2021 £'000	31 December 2020 £'000
Interests related to lease expenses	100	-
<b>Total</b>	<b>100</b>	<b>-</b>

### 7. TAX

#### Tax expense included in profit and loss

UK Corporation tax is calculated at the weighted average rate of 19% (31 December 2020: 19%) of the estimated taxable profit for the semester.

	31 December 2021 £'000	31 December 2020 £'000
<b>Current tax:</b>		
UK corporation tax		
- Current year	-	-
- Prior year adjustment	(762)	37
<b>Total</b>	<b>(762)</b>	<b>37</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	47	901
Change in unrecognised deferred tax assets	-	-
Recognition of deferred tax asset	-	-
Impact of change in tax rate	44	(95)
Prior year adjustment	854	(44)
<b>Total</b>	<b>945</b>	<b>762</b>
<b>Tax charge / (credit) for the year</b>	<b>183</b>	<b>800</b>

## Cellnex Connectivity Solutions Limited

### Notes to the Financial Statements – continued for the year ended 31 December 2021

The tax charge on the profit on ordinary activities for the year is £183k (2020: tax charge of £800k).

	31 December 2021	31 December 2020
	£'m	£'m
Loss before tax	(3,549)	(2,451)
Tax at the UK Corporation tax rate of 19% (2020: 19%)	(674)	(466)
Tax effect of expenses not deductible for tax purposes	1,700	1,727
Tax effect of Income not taxable	-	-
Change in unrecognised deferred tax asset	-	(14)
Prior year adjustment	92	(7)
Group relief received for nil consideration	(945)	(345)
Impact of change in tax rate	44	(95)
Losses brought forward not previously recognised	(34)	-
<b>Total tax charge / (credit) for the year</b>	<b>183</b>	<b>800</b>

The main rate of UK corporation tax remained at 19% during the period and a 19% tax rate (2020: 19%) has therefore been used for the reconciliation of total tax. UK deferred tax has been valued at 25% (2020: 19%) as this is the substantively enacted rate at the balance sheet date at which the deferred tax balances are forecast to unwind. Due to the impact to the group from changing tax legislation, the decision was made with effect from 1 July 2017 to pay for group relief.

In March 2021, the UK government announced an increase in the corporation tax rate from 19% to 25% with certain exemptions and phase in provisions with effect from 1 April 2023.

#### 8. INTANGIBLE ASSETS

	Income Rights	Software & Licenses	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 1 January 2020	104,573	-	104,573
Additions	-	-	-
Disposals	-	-	-
<b>At 31 December 2020</b>	<b>104,573</b>	<b>-</b>	<b>104,573</b>
Additions	-	1,865	1,865
Disposals	-	-	-
<b>At 31 December 2021</b>	<b>104,573</b>	<b>1,865</b>	<b>106,438</b>
<b>Amortisation</b>			
At 1 January 2020	5,397	-	5,397
Charge for the year	8,729	-	8,729
Additions	-	-	-
<b>At 31 December 2020</b>	<b>14,126</b>	<b>-</b>	<b>14,126</b>
Charge for the year	8,729	109	8,838
Additions	-	-	-
<b>At 31 December 2021</b>	<b>22,855</b>	<b>109</b>	<b>22,964</b>
<b>Carrying amount</b>			
<b>At 31 December 2021</b>	<b>81,718</b>	<b>1,756</b>	<b>83,475</b>
At 31 December 2020	90,447	-	90,447

## Cellnex Connectivity Solutions Limited

### Notes to the Financial Statements – continued for the year ended 31 December 2021

#### 9. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings £'000	Plant and machinery £'000	Assets Under Construction (AUC) £'000	IFRS-16 ROU assets £'000	Total £'000
<b>Cost</b>					
At 1 January 2021	5,035	1,809	-	-	6,844
Additions	21	21	2,169	1,261	3,471
Disposals	-	-	-	-	-
<b>At 31 December 2021</b>	<b>5,056</b>	<b>1,830</b>	<b>2,169</b>	<b>1,261</b>	<b>10,315</b>
<b>Accumulated depreciation</b>					
At 1 January 2021	548	237	-	-	785
Depreciation	169	195	-	223	587
Disposals	-	-	-	-	-
<b>At 31 December 2021</b>	<b>717</b>	<b>432</b>	<b>-</b>	<b>223</b>	<b>1,372</b>
<b>Carrying amount</b>					
<b>At 31 December 2021</b>	<b>4,339</b>	<b>1,397</b>	<b>2,169</b>	<b>1,038</b>	<b>8,943</b>
At 1 January 2021	4,487	1,573	-	-	6,059

#### 10. DEFERRED TAX

<b>Non-current assets</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
	£'000	£'000
Deferred tax assets	-	762
<b>Total</b>	<b>-</b>	<b>762</b>
<hr/>		
<b>Non-current liabilities</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
	£'000	£'000
Deferred tax liabilities	(183)	-
<b>Total</b>	<b>(183)</b>	<b>-</b>

UK deferred tax has been valued at 25% (2020: 19%) as this is the substantively enacted rate at the balance sheet date at which the deferred tax balances are forecast to unwind.

The recognised deferred tax asset is not considered to be materially exposed to the performance of the Group based on reasonably possible trading forecasts.

## Cellnex Connectivity Solutions Limited

### Notes to the Financial Statements – continued for the year ended 31 December 2021

#### 11. TRADE AND OTHER RECEIVABLES

	31 December 2021	31 December 2020
	£'000	£'000
<b>Current assets</b>		
VAT Receivables	-	102
Trade receivables	8,642	3,093
Prepayments	73	22
Trade receivables with Group companies	8,659	1,127
<b>Total current receivables</b>	<b>17,374</b>	<b>4,344</b>

Amounts receivable from other group companies are unsecured and repayable on demand.

The company participates in a group cash pooling mechanism whereby surplus cash is made available to parent and subsidiaries according to funding requirements. In 2020 the amounts outstanding were shown as borrowings and interests owed by parent and subsidiary and borrowings and interests owed to subsidiaries but in 2021 has been reclassified to commercial debt (trade and other receivables or trade and other payables)

#### 12. CONTRACT ASSETS AND LIABILITIES

	31 December 2021	31 December 2020
	£'000	£'000
<b>Current liabilities</b>		
Contract liabilities	(2,350)	-
<b>Total</b>	<b>(2,350)</b>	<b>-</b>
<b>Current Assets</b>		
Contract assets	1,263	626
<b>Total</b>	<b>1,263</b>	<b>626</b>

Other than business-as-usual movements there were no significant changes in contract asset and liability balances during the year.

#### 13. BORROWINGS AND CREDIT FACILITIES

	31 December 2021	31 December 2020
	£'000	£'000
<b>Current Assets</b>		
Borrowings and credit facilities with group companies	4	23,586
<b>Total</b>	<b>4</b>	<b>23,586</b>

# Cellnex Connectivity Solutions Limited

## Notes to the Financial Statements – continued for the year ended 31 December 2021

	31 December 2021 £'000	31 December 2020 £'000
<b>Current Liabilities</b>		
Borrowings and credit facilities with group companies	-	11,792
Interests with associated companies	-	2,042
<b>Total</b>	<b>-</b>	<b>13,834</b>

The company participates in a group cash pooling mechanism whereby surplus cash is made available to parent and subsidiaries according to funding requirements. In 2020 the amounts outstanding were shown as borrowings and interests owed by parent and subsidiary and borrowings and interests owed to subsidiaries but in 2021 has been reclassified to commercial debt (trade and other receivables or trade and other payables)

### 14. TRADE AND OTHER PAYABLES

	31 December 2021 £'000	31 December 2020 £'000
<b>Current liabilities</b>		
VAT Payables	1,663	1,956
Corporation tax payables	37	-
Trade payables	57	195
Trade payables with group companies	205	576
<b>Total current payables</b>	<b>1,962</b>	<b>2,727</b>

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Amounts payable from other group companies are unsecured.

The directors consider that the carrying amount of trade payables approximates to their fair value.

### 15. LEASE LIABILITIES

The lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's implicit rate identified in relation to the leases at the date the lease commenced.

	31 December 2021 £'000	31 December 2020 £'000
<b>Current liabilities</b>		
IFRS16 Short Term Lease Liability	254	-
<b>Non-current liabilities</b>		
IFRS16 LT Lease Liability	779	-
<b>Total</b>	<b>1,033</b>	<b>-</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company's treasury function.

## Cellnex Connectivity Solutions Limited

### Notes to the Financial Statements – continued for the year ended 31 December 2021

#### PRACTICAL EXPEDIENTS TAKEN

The Company uses the following practical expedients permitted by the standard:

- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application;
- reliance on previous assessments of whether leases are onerous;
- the exclusion of low value assets, excluding IT equipment, from recognition as a right-of-use asset or liability;
- the accounting for operating leases with a remaining lease term of less than 12 months as short-term leases.

The Company has recognized the following impacts on its income statement related to the IFRS-16 adjustment developed.

	31 December 2021	31 December 2020
	£'000	£'000
Depreciation of leased property, plant and equipment	223	-
Interests related to lease liabilities	100	-
<b>Total</b>	<b>323</b>	<b>-</b>

#### 16. SHARE CAPITAL

	Share Capital
	£'000
<b>Allotted and authorised fully paid:</b>	
At 31st of December 2021	1,685
Share capital movements	-
<b>At 31<sup>st</sup> of December 2021 – 1,685,027 ordinary shares (2020: 1,685,027) of £1 each</b>	<b>1,685</b>

#### 17. SHARE PREMIUM

	Share Premium
	£'000
<b>Allotted and authorised fully paid:</b>	
At 31st of December 2020	123,000
Share premium movements	-
<b>At 31st of December</b>	<b>123,000</b>

# Cellnex Connectivity Solutions Limited

## Notes to the Financial Statements – continued for the year ended 31 December 2021

### 18. POST BALANCE SHEET EVENTS

#### Acquisition of CK Hutchinson

On 3 March 2022, Cellnex Telecom officially confirmed that the UK's Competition and Markets Authority (CMA) has approved the Company's acquisition of CK Hutchinson's 6,000 passive telecom infrastructure sites in the UK, subject to the divestment of at about 1,000 of Cellnex's existing UK sites which overlap geographically with the CK Hutchinson sites to be acquired.

The regulatory approval of this deal marks the close of the final component of the series of agreements announced in November 2021 to acquire CK Hutchinson's c.24, 600 sites in six European countries: Austria, Ireland, Denmark, Sweden, Italy and the United Kingdom. The CMA's approval is subject to the agreed-upon remedy being implemented

In relation to the consideration for the CK Hutchinson Holdings Transaction in respect of the United Kingdom that is expected to be partially settled through the issuance to Hutchinson of new Shares and the transfer to Hutchinson of treasury Shares, if a third party (alone or in concert with another person) acquires the majority of the votes in Cellnex prior to the closing of the transaction, Cellnex shall ensure that Hutchinson receives equivalent consideration at completion as if Hutchinson had been a shareholder of Cellnex at the time of the takeover bid.

### 19. ULTIMATE PARENT AND CONTROLLING PARTIES

The Company's immediate parent undertaking is Cellnex UK Midco Limited. The registered office address of the company is R+, 4th Floor 2 Blagrove Street Reading, United Kingdom, RG1 1AZ.

The Company's ultimate parent is Cellnex Telecom S.A., whose registered address is Calle Juan Esplandiú, 11-13, 28007 Madrid, Spain, which is the smallest and largest group consolidating. The consolidated financial statements of Cellnex Telecom can be accessed through the following link: <https://www.cellnextelecom.com/en/investor-relations/annual-report/>

### 20. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption of FRS 101 for wholly owned subsidiary undertakings not to disclose transactions with other entities within the same group. Related parties are disclosed in the consolidated financial statements for Cellnex Telecom S.A., which can be accessed on the following link: <https://www.cellnextelecom.com/en/investor-relations/annual-report/>