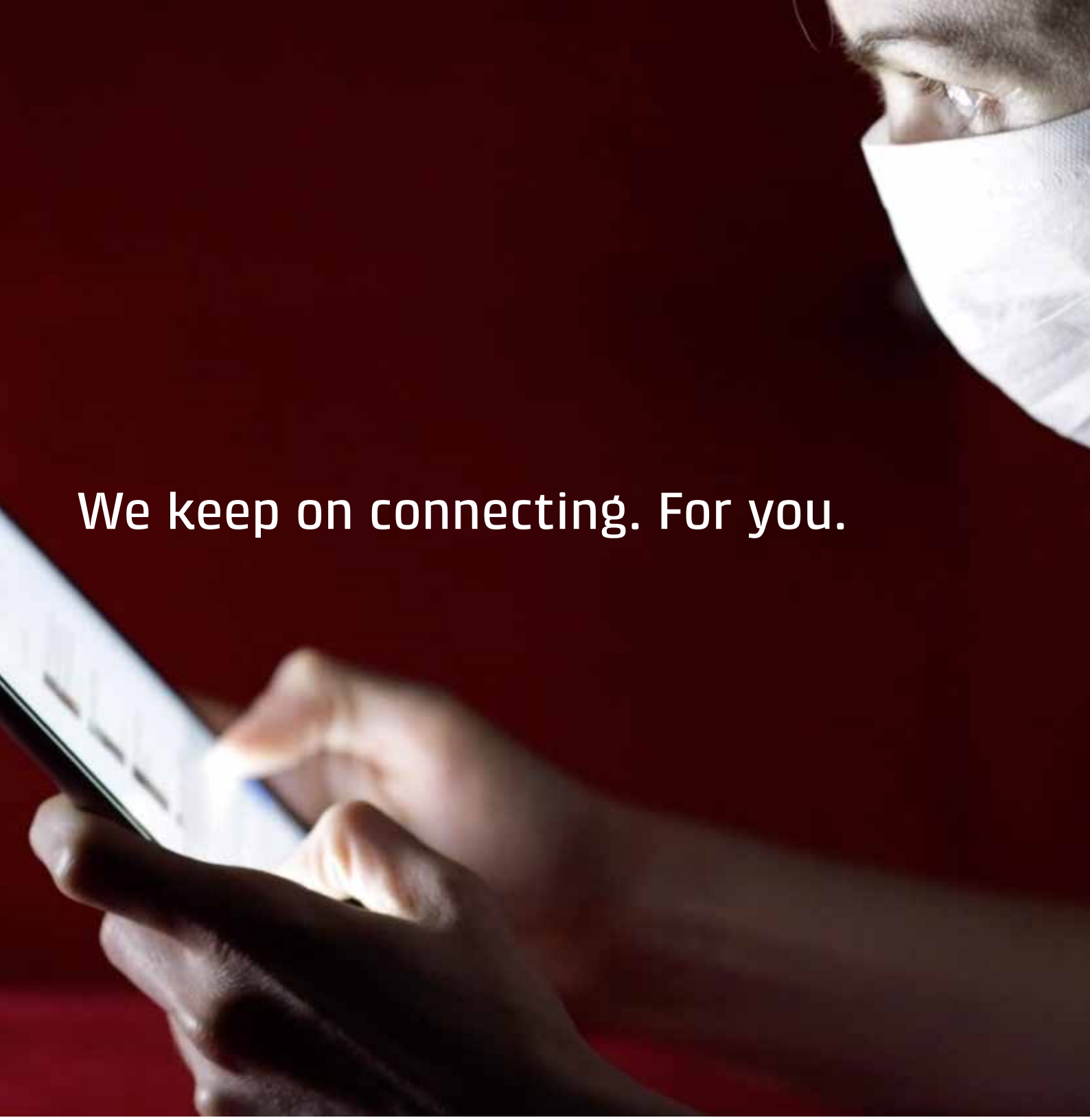
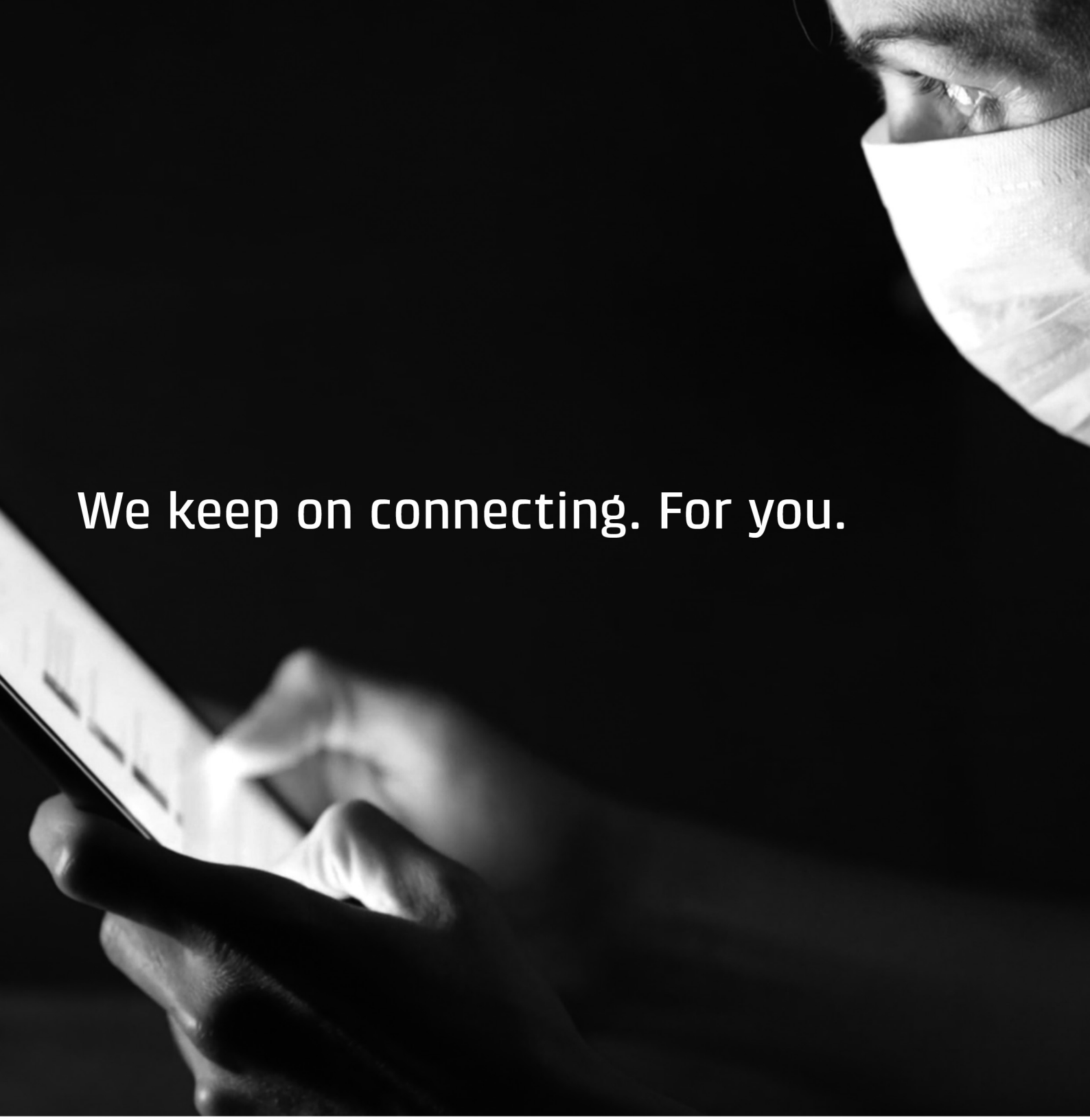


2020 Integrated Annual Report

Consolidated Management Report
Consolidated Financial Statements

cellnex



2020 Integrated Annual Report

Consolidated Management Report

cellnex

Table of contents

1. Interview with the President and the CEO 3
Long-term partnership, the way to grow 4
2. 2020: Staying on the path of transformation 8
European leader in telecommunications infrastructures 10
COVID-19 global scenario 11
Cellnex's ESG strategy 40
3. Showing what we are, acting with integrity 56
Economic performance 58
Global Management System and Risk Management 78
Ethics and compliance 90
Investor Relationships 110
4. Boosting our talent, being diverse and inclusive 117
Cellnex's people strategy 119
Occupational health and safety 139
5. Being a facilitator of social progress 146
Social contribution 148
Managing the impact of our infrastructures 158
6. Growing with a long-term sustainable environmental approach 163
Responsible environmental management 165
Monitoring and managing the main risks, opportunities and environmental impacts 168
Sustainable use of resources 171
Carbon footprint and climate change 176
Biodiversity 181
7. Extending our commitment to the value chain 184
Customers 186
Suppliers 195
8. Bases for the Preparation of the Report 203
9. Annexes 209
Annex 1. Other public documents 210
Annex 2. Risks 212
Annex 3. GRI Content Index 241
Annex 4. Non-financial Information Index 249
Annex 5. SASB Topics 257
Annex 6. KPI Tables 259
Annex 7. Independent Limited Verification Report 274
Annex 8. Corporate Carbon Footprint Certification 275
Annex 9. Annual Governance Report 291



1

Interview with the President and the CEO

Long-term partnership, the way to grow

2020 was marked by historic health, social and economic disruption, caused by COVID-19. These circumstances forced everybody to take a giant step forward in digital communications as a basic tool not only for business, but also for social relationships. How would you summarise the effects of the pandemic on Cellnex?

BERTRAND KAN COVID-19 has marked the lives of individuals and companies with devastating consequences in loss of life as well as jobs, businesses and social activity. We have been fortunate as the telecommunications sector, and specifically infrastructure, has bolstered the resilience of society in general and businesses in particular, playing a key role in mitigating the effects of the crisis. By and large, operators of networks and infrastructure have managed to ramp up capacity, benefitting from heavy investments in recent years in an unprecedented roll-out of networks. Fibre-optic connections and high-speed mobile technologies enabled the exponential increases in data consumption that occurred. This connectivity has facilitated personal and professional proximity in a historic period of isolation. Cellnex has benefited from and contributed to this digital transformation, much of which is likely to stay.

TOBIAS MARTINEZ We have stood by our customers to allow them, in turn, to provide their services to users around the clock, reinventing network control activity from one day to the next. In Spain, for example, we went from having two large control centres in Madrid and Barcelona to operating with 200 small nodes distributed in the homes of the staff responsible for ensuring network operation. We radically transformed the way we work while ensuring continuity of service at pre-pandemic standards.

The radio and television signal transport and control service has also been particularly critical for the population during the pandemic, with record-breaking audience ratings because of the desire for information.

While our growth operations have not only been unaffected, but have increased, we have noticed a certain slowdown in some day-to-day processes due to difficulties associated with lockdowns. There have been occasional delays in obtaining permits and some postponements, as was the case of the second digital dividend or the spectrum auction. However, we have exceeded the goals we set for ourselves at the beginning of the year, including reviewing the guideline when we released out half-year results.

What key indicators would you highlight from the financial year?

TM As I was saying, we improved our forecasts during the year and were able to close the year with growth of 55 percent in revenue, 72 percent in EBITDA and 75 percent in recurring cash flow generation. This result reflects the significant increase in the company's perimeter, which responds to the growth dynamics of 2019, just as we will see some of the operations reflected in 2021 and in 2022 such as the agreement with CK Hutchison in six countries, announced in 2020. But, apart from the expansion, we have managed to keep our organic growth ratio at around 5.5 percent, therefore we have had a good financial year in terms of results.

Since your IPO we have heard you talk about consolidating acquisitions, but your M&A activity is nothing short of frenetic …

TM Obviously we have not abandoned our growth objective. But I would like to make it clear that, in our model, consolidation itself creates inorganic opportunities. We have repeated many times that we are not a financial investor and we stand by our role as an industrial partner. Our long-term relationships with our customers end up driving our own growth dynamics in M&A. Many purchasing operations are based on our strategic relationship with them. In fact, more than half of the €25 billion that we have invested in the five years since the IPO has been in projects to consolidate our relationship with customers who ask us to partner with them. These investments allow us to grow in new markets and also to expand in others where we are already present.

BK We had an early start in 2020 by announcing the acquisition of OMTEL in Portugal with a new partner and geographical market on the 2nd of January. We returned to consolidate our position in the country in April with the acquisition of NOS Towering from Portuguese mobile operator NOS. In the summer we completed the acquisition of Arqiva's telecoms tower business in the United Kingdom. In addition to these acquisitions, we have also continued to invest in our customer relationships, as Tobias already mentioned, including the agreement with Bouygues in February to provide fibre-optic connectivity in France, the €800 million investment in Poland with Iliad and, last but not least, the largest acquisition in our short history, the purchase of the European towers of CK Hutchison Holdings in six countries, in a €10 billion transaction.

TM These last three operations reflect our industrial vision very well since they are based directly on the relationship of trust with customers based on their experience in recent years and looking to partner with us to manage their infrastructures in the markets in which they operate. This strengthens us as a strategic element and partner in their value chain.

For example, our relationship with Hutchinson started one month before the IPO in 2015, when we acquired 7,500 Wind sites in Italy shortly before the integration into WindTre. The service provision over these five and a half years has therefore led Hutchinson to negotiate exclusively with us for a global cooperation project in these six European markets we were referring to.

Within this alliance, we have balanced consolidation in three countries where we were already present - Italy, the United Kingdom and Ireland - with opening businesses in three new markets - Austria, Denmark and Sweden - with the help of a strategic partner that has become our biggest customer.

What would you say were the most important milestones of this year with regard to your diversification and innovation policies?

TM In geographical terms, we continued to diversify by markets. At the close of 2019 we were operating in seven countries and now, one year later, we are on track for twelve, a very important milestone in diversification of both markets and customer base.

There are operations such as the integration of Metrocall in the Madrid metropolitan transport system, for example, which combine diversification and innovation, by bolstering our commitment to connectivity in major transport networks, similar to the project we have in Italy for the Milan and Brescia underground networks, or more recently in the Netherlands for the country's rail network.

In general, from the innovation point of view, we have continued to bet on the 5G vector as an element that will revitalise the industry. We are developing capacities, know-how and technological knowledge to avail ourselves of the necessary skills to implement private or corporate indoor networks with interesting international pilot projects for managing operations ranging from a port in Bristol to those of a chemicals multinational in Spain. We will increasingly see how private 5G networks in industrial environments will boost not only their productivity, but also the roll-out of this technology.

Our innovative commitment also has a seed capital aspect in start-ups in activities that we consider to hold potential for our business area. This year we invested in companies that operate in two of the key complementary elements to the 5G infrastructure ecosystem: Long-Term Evolution (LTE) private networks and Edge Computing. We acquired the Finnish company Edzcom, which operates precisely in the field of private networks, and took part in an investment round of Nearby Computing.

In a difficult year for many listed companies, Cellnex has moved countercyclically with a share price appreciation of 38%. After raising a total of €3.7 billion in two rights issues in 2019, you closed the largest capital increase to date, a further €4 billion that was heavily oversubscribed in August 2020. How far can you go?

BK The timing of Cellnex' 2015 IPO was fortuitous as the European telecommunications market was ready for a restructuring of operators' balance sheets and the sale of tower assets. As a specialised tower operator, working closely with mobile operators, Cellnex was able to acquire and extend a portfolio of towers spanning 12 countries in these five years. Despite growing quickly, financial discipline has been key to our strategy; as long as we have value-creating opportunities to grow the business, we will raise the equity and debt required for that growth. We have been fortunate to enjoy the strong support of our shareholders and the capital markets in general for our strategy and hope to continue delivering strong results to them.

What can we expect from 2021? Will it be more challenging?

BK Our biggest wish for 2021 is to reach a turning point in the pandemic crisis. Accordingly, we hope that the world can recover a certain normality in social and work life. Cellnex will continue with its growth strategy, which may become more challenging as additional operators are entering the European market. We are optimistic about the continuing demand for tower infrastructure throughout Europe, a trend that has been fuelled further by the accelerating digital transformation. On the macro side, hopefully 2021 should be an inflection point for GDP, with significant growth following the constrained activity levels of 2020. We are optimistic that the general GDP and capital markets backdrop will remain positive for Cellnex business and strategy.

TM Our priority this year is the integration of growth projects, a fundamental success factor for us. In these few years, we have acquired extensive experience in the fluid interaction of teams to guarantee the expected return on investments.

As for the rest, and from the strict perspective of Cellnex' s dynamics, we hope that we will fare at least as well as we did in 2020 and that we can continue performing growth projects, although 2019 and 2020 will be a hard act to follow in terms of acquisitions.

The normalisation of economic and social activity will allow us to regain some traction in organic growth, taking into account that we managed to meet our objectives in 2020.

Values, sustainability and a sense of purpose seem to have become one of the company's hallmarks at a time when large investors are placing a high premium on corporate social responsibility. Can you summarise the year's activities in this area?

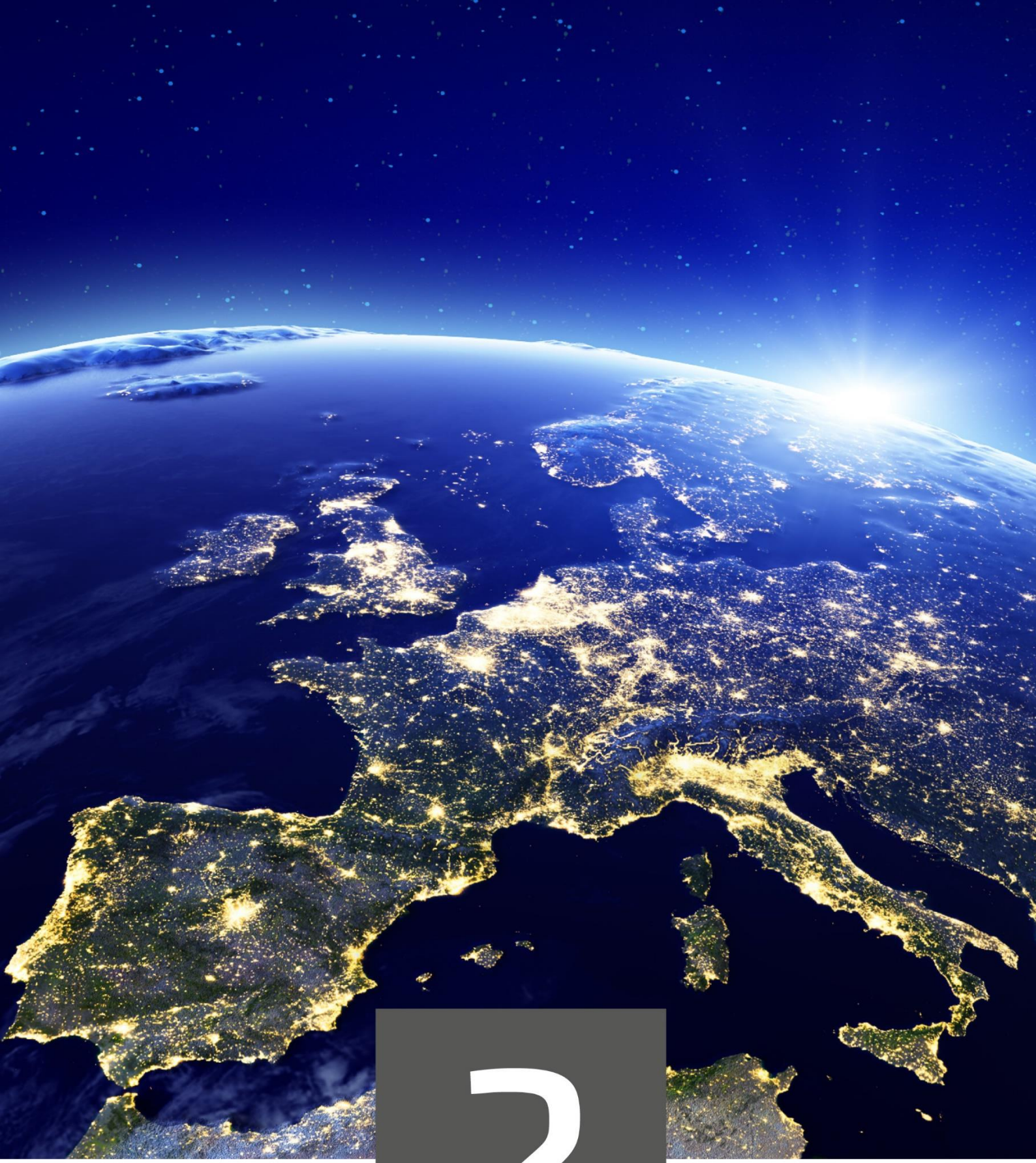
BK Indeed, we cannot see ESG (Environment, Social Responsibility and Governance) as something separate from the day-to-day management of the company. The Board is increasingly dedicating time and resources to ensure that Cellnex operates responsibly in every key respect. To this end, we have expanded the functions of the former appointments and remuneration committee, which now includes sustainability in its name, to monitor and propose policy with respect to ESG issues. We finalised our CSR 2016-2020 Master Plan with more than 90 percent of the strategic objectives covered and in December we approved the new plan for 2021-2025 with clearly defined actions, where relevant linked to the UN Sustainable Development Goals (SDGs).

Moreover, in the management structure we have set up an ESG Executive Committee that will coordinate and implement the defined actions. These include areas and functions ranging from talent management and equality, diversity and inclusion policies; and actions related to the environmental and climate change strategy in line with the objectives from the *Science Based Targets Initiative*. We are committed to finding ways to operate our business that are beneficial to both our shareholders and society as a whole.

TM This year that we are summarising has given us a unique opportunity to show this aspect of values and social commitment. In the Board, we approved the "*Cellnex's COVID-19 Relief Initiative",* a €10 million international pandemic aid fund. Half of the endowment was allocated to a health research project into cellular immunotherapy involving hospitals in France, Italy and Spain and which is showing very promising results not only for the treatment of COVID, but could also have possible applications in other immunological diseases and even for oncological therapies.

The second tranche of the endowment was allocated to social action projects with non-governmental organisations to help people and groups in vulnerable situations in the countries where we operate

In 2021 we will kick off *The Cellnex Foundation* to express awareness of the company's social impact. This will include projects to achieve such things as bridging the digital divide, either for social or territorial reasons, or betting on entrepreneurial talent or training and promoting STEM vocations, among other initiatives.



2

2020: Staying on the path to transformation

2020: Staying on the path to transformation

Cellnex commitment with Covid-19

Cellnex Group deployed a **Global Contingency Plan** *to guarantee the continuity of critical services to its customers in all countries provide financial support to its suppliers protect its employees.*

Cellnex's Covid-19 Relief Initiative" has donated **10 million EUR** *over 2020-2021.*

Safe company against Covid-19 certification

2020 main highlights

Strong organic growth generation combined with Opex and leases efficiencies

+c.5.5% new organic PoPs year on year
+c.25% new organic DAS nodes

Strong financial performance

2020 financial outlook exceeded
Revenues €1,608Mn, +55% vs. FY 2019
Adjusted EBITDA €1,182Mn, +72%
RLFCF €610Mn, +75%
Strong backlog of c.€110Bn post closing of transactions announced to date

Relentless focus on integration

Successful track record of integrations since 2015, all executed in line with expectations
Bullet-proof model to integrate new perimeter in 12 months

ESG Master Plan 2021-2025 approved by The Board of Directors

Creation of **Nominations, Remunerations and Sustainability Committee** (NRSC).

15% of the variable remuneration for the Top Management related to ESG issues.

Creation of cellnex foundation

Objectives achieved in 2020

40% hires of women

20% career advancement for women

100% renewable energy consumption in Cellnex Ireland and UK

An analysis of **Climate Scenarios** following the **TCFD** Recommendations carried out.

TCFD Task Force on Climate-related Financial Disclosures

Dow Jones Sustainability Indexes · CDP A LIST 2020 CLIMATE · FTSE4Good · UN Global Compact · MSCI · SUSTAINALYTICS · standard ethics

Guidelines 2020-2025

Augmented TowerCo: 2nd step in Poland managing core infrastructure and active infrastructure
Tower economics
Key enabler of 5G fostering the industrial collaboration among MNOs
EV of c.€1.6Bn with an associated Year 1 Adjusted EBITDA of c.€190Mn and RLFCF of c.€80Mn (2)

c.50% of the new pipeline (up to €18Bn) already announced including new deal in Poland (3)
Up to €7Bn proposed Rights Issue with a hard underwriting, to be executed following approvals by Cellnex's AGM (late March) (4)
New €2.5Bn bonds issued at historically low cost

Medium and long-term guidance underpinned by highly visible financials (1)
Revenue c.+21% CAGR 2020-25
Adjusted EBITDA c.+24% CAGR 2020-25
RLFCF c.+28% CAGR 2020-25
Organic PoP growth target upgraded to >5%

(1) Based on transactions announced to date, including Cyfrowy Polsat (please see slide 15); (2) Assuming an FX rate of 4.449PLN / EUR; (3) Includes c.€9Bn already committed: DT Netherlands, SFR France and Cyfrowy Polsat. Remaining pipeline to be executed over up to 18 months following the settlement of the Offering; (4) Rights issue underwritten by a syndicate of financial institutions: J.P. Morgan AG, Barclays Bank Ireland PLC, BNP Paribas and Goldman Sachs Bank Europe SE acting as Joint Global Coordinators and Joint Bookrunners

2021 main challenges

40% of women directors from 2022.

25% of directors with ESG capabilities and expertise from 2022.

Global risk assessment, including non-financial risks, especially climate-related financial risks **(TCFD),** and **human rights**-related risks **(2023)**

25% of women in leadership positions and in positions of responsibility from 2022.

30% of hires of young talent from 2022.

Critical suppliers identified for both business and ESG **perspective** from 2022.

Energy Transition Plan for Cellnex Group.

100% CellnexGroup's energy consumption green certified by 2025 and beyond.

100% Reduction of the carbon footprint by 2050

European leader in telecommunications infrastructures

Portfolio

C.61,108

sites located in 11 European countries

Cellnex Telecom, S.A. (a company listed on the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges) is the Parent of a Group in which it is both the sole shareholder and the majority shareholder of the companies heading the various business lines and geographical markets in which the Group operates. The Cellnex group provides services related to infrastructure management for terrestrial telecommunications through the following business segments: Telecom Infrastructure Services, Broadcasting Infrastructure and Other Network Services.

Cellnex has successfully become the leading neutral[1] European telecommunications infrastructure operator with a portfolio of up to 61,108 infrastructures (not including forecast roll-outs up to 2031) located in Spain, Italy, France, Switzerland, the Netherlands, the UK, Ireland, Portugal, Finland, Austria and Denmark. As at 31 December 2020, the Group manages a portfolio of 58,104 sites and 3,004 nodes, making a total of 61,108 infrastructures. This business model is based on innovative, efficient, sustainable, independent and quality management to create value for its shareholders, customers, employees and all stakeholders. In addition, the Group is the main Broadcasting Infrastructure provider in Spain with a majority share in the national and regional markets.

Cellnex is listed on the continuous market of the Spanish stock exchange and is part of the selective IBEX 35 and EuroStoxx 600 indices. It is also part of the FTSE4GOOD, CDP, Sustainalytics and “Standard Ethics” sustainability indexes. During the first half of 2019 Cellnex Telecom (CLNX SM) was added to the MSCI Europe index, following the May 2019 semi-annual index review.

[1] Neutral: with no mobile network operator as a shareholder having (i) more than 50% of the voting rights or (ii) the right to appoint or dismiss the majority of the members of the board. The loss of the Group’s neutral position (i.e., by having one or more MNOs as a significant shareholder) may cause sellers of infrastructure assets to be reluctant to enter into new joint ventures, mergers, disposals or other arrangements with the Group (also impacting the organic growth of the Company). As the Group increases its size, management expects that large MNOs may be open to collaborating with the Group in several ways, such as by selling their sites or other infrastructure assets to Cellnex, including in exchange for Shares, which could negatively impact the Group’s business and its prospects, as this type of transaction could affect the perception of the Group’s neutrality.

COVID-19 global scenario

An exceptional context

The COVID-19 pandemic constitutes an extraordinary phenomenon that has led to a dramatic loss of human lives worldwide and is affecting societies and economies at their core. In 2020 COVID-19 affected almost all countries and more than 50 million people around the world.

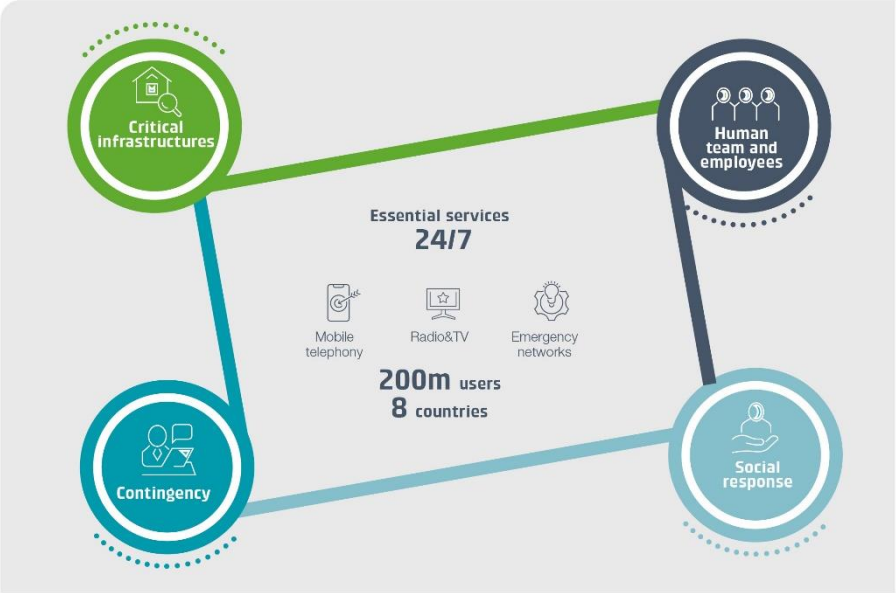
Likewise, the pandemic is changing the way people work and run business, study or interact at a dizzying rate. In this context, people across the globe rely on technology for information, for social distancing, and working from home.



Never before has maintaining connectivity been so important, not only in the many entertainment options offered through streaming or social networks, but also by serving the curricular needs of millions of students, providing information or maintaining work, family or interpersonal options and relations through instant audio-visual communication. Here, telecommunications infrastructures play a fundamental role.

Cellnex's response

As a telecommunications infrastructures operator for radio and TV (DTT), voice and data, and communication networks for security forces (police and fire brigades) and emergencies (medical and maritime rescue), Cellnex Telecom has ensured continuity of services 24/7, serving more than 200 million people around Europe.



Cellnex has a

Service Operation Centre

to ensure service continuity

When Spaniards were confined to their homes, the only source of entertainment and information was TV, Radio or internet. Cellnex Spain technicians left their homes to take care of and provide maintenance for the broadcast centres of the services that kept a large swathe of the population informed and connected.

José Luis Ferreiro,
Central Territory Manager
Cellnex Telecom

Cellnex set up

crisis committees

to guarantee the provision of critical services

Critical infrastructures

At Cellnex Spain, a group of around 150 engineers and about 50 technicians works together in the Service Operation Centre (SOC) performing the essential tasks to ensure service continuity around the clock, evaluating the state of networks, data transmission, the operation of DTT and digital radio or the I.T. security of their own facilities and third-party network service, for fibre or radio customers.

Another essential service is maritime communication, which Cellnex has been operating under a public order from the Spanish Government for ten years. The company provides uninterrupted radio coverage to 35 stations distributed throughout the territory to aid navigation and guarantee safety with three territorial centres on each of the coastlines (Coruña, Valencia and Las Palmas). This is an essential service providing weather data or information on possible incidents and communication with vessels with direct contact with maritime rescue.

All these actions are in line with the Agreement for personal and corporate connectivity signed in March 2020 with the Spanish Ministry of Economic Affairs and Digital Transformation and other relevant operators in the sector, such as Telefonica, Vodafone, Orange or MasMovil.

This agreement complements Royal Decree-Law 8/2020 of 17 March 2020, on extraordinary urgent measures to face the economic and social impact of COVID-19 to encourage operators who have signed this agreement to take on voluntary commitments to guarantee personal and corporate connectivity within the COVID-19 crisis; especially with regard to networks that support emergency services.

After careful consideration and given the exceptional COVID-19 crisis situation, Cellnex took the decision of helping their clients in improving their coverage and in overcoming congestion problems they faced with based on the significant increase in data consumption this crisis situation triggered. In this connection, Cellnex offered its clients a grace period for 2-6 months on all new collocations in Cellnex sites.

Contingency Plan

Like all large companies, Cellnex has solid contingency plans but, as has occurred in all large companies, the reality far exceeded even the most pessimistic scenarios of any hypothetical emergency.

In this exceptional situation, Cellnex has developed a Global Contingency Plan to guarantee the continuity of critical services in all countries and critical infrastructures in Spain, for Cellnex and for suppliers. Moreover, Cellnex has defined a recovery plan at the corporate level, which has been implemented in all countries.

Two committees were set up to respond to crisis situations in the Cellnex group, guaranteeing the provision of critical services:

- Global crisis committee.
- Local crisis committees reporting daily to the Global committee

The communication stream was vital in the early stages of the crises as it provided the local management team with clear message to the team that that both the local management team and the Corporation were aware of the impact on the team, interested in helping as much as possible and in full control of the companies response to a rapidly changing scenario.
Trevor O 'Rourke, Country Economic & Management Control Director
Cellnex Ireland

Cellnex has collaborated through the

Cellnex's COVID-19 relief initiative

Human team and employees

Since the beginning of the pandemic, Cellnex's priority has been to guarantee the health and safety of employees. Thus, their 1,955 employees around Europe who are not part of the operations team, have been working remotely since the second week of March, one week before the Spanish Government forced companies to telecommute.

As a consequence, most training has been online, with periodic virtual meetings held as a differentiating element with respect to the previous year. This way of working allows a change in mindset that allows the company to change its mindset and move with the times by holding meetings using online platforms and become more cooperative and flexible in our relationships.

Moreover, in Spain, Cellnex has implemented a specific action plan that includes health, organisational, and risk prevention/H&S measures to reduce the risk of contagion according to the COVID-19 safe protocol. This plan has obtained TÜV Safe Protocol 19 certification for the Corporate headquarters and Business Unit Spain in their territorial headquarters.

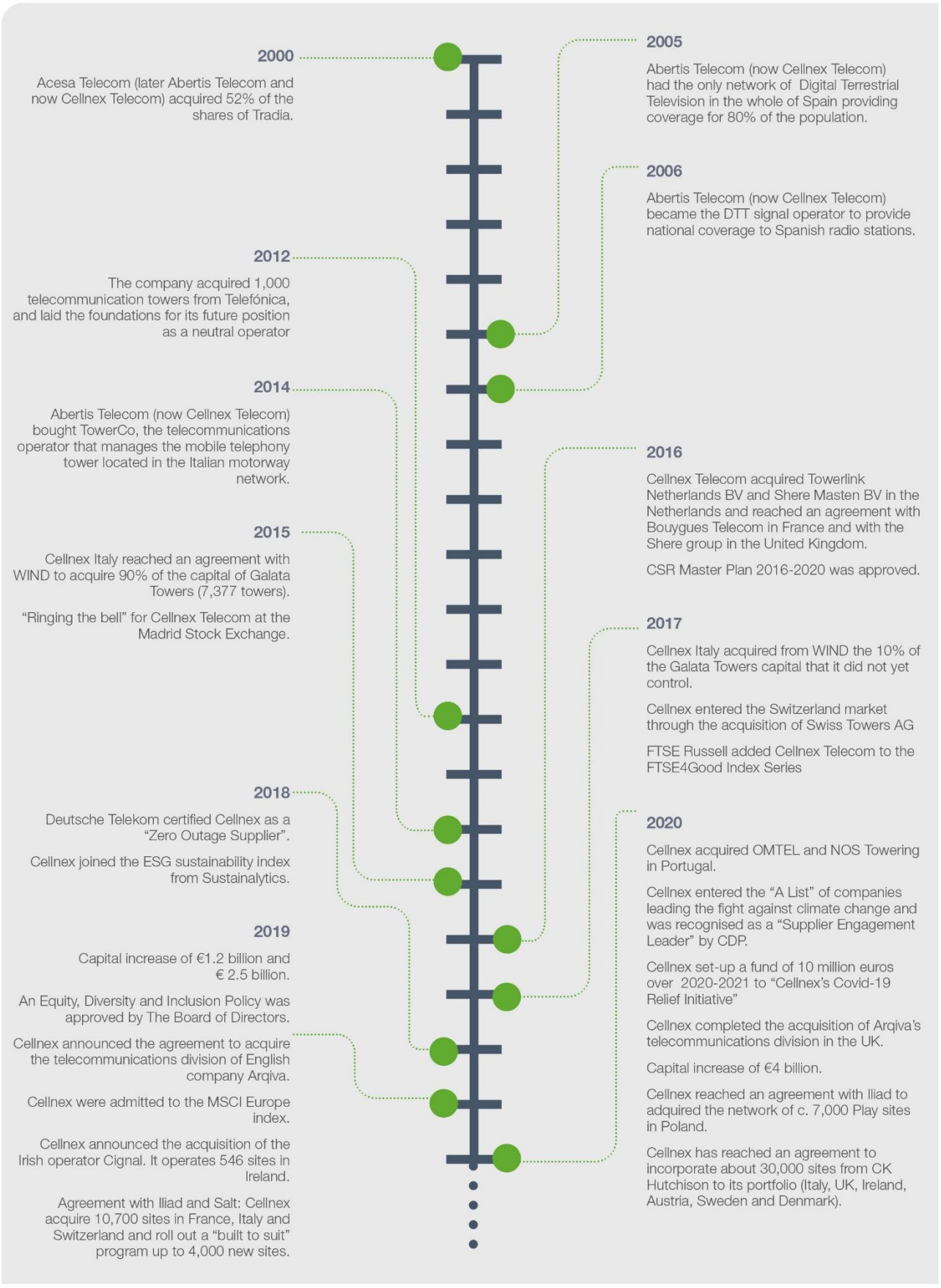
This information is explained in detail in Chapter 5: 5. Being a facilitator of social progress.

Social response: Cellnex's COVID-19 Relief Initiative

In the face of the unprecedented crisis caused by the COVID-19, Cellnex has acted proactively, allocating significant resources and concrete actions in social matters (collaborations with hospitals in Spain, Italy and France, and other actions with the different countries of the Group) to mitigate the effects of the pandemic. This collaboration is just one more expression of the company's sense of purpose, which goes beyond our responsibility to guarantee a solid and healthy return to shareholders and investors.

In this regard, the company has set up several collaborative projects in the countries where it operates under the project "Cellnex's COVID-19 Relief Initiative", a fund of 10 million euros over 2020-2021, 5 million of which is earmarked for medical research and 5 million for social action projects, especially focused on the most fragile and exposed groups and people, and to facilitate digital inclusion. This information is explained in detail in Chapter 5: Being a facilitator of social progress.

Historical timeline of Cellnex's business model



Cellnex owns an

Industrial model

to standardise the company's processes

Enabling a pan-European telecom infrastructure platform

Cellnex's Industrial model

Since its IPO in May 2015, Cellnex has carried out numerous growth projects involving companies and sites acquisitions. As a result, in these five years the company has gone from operating in a single country (Spain) to operating in ten countries, from being practically a single-product company to being a multi-product company, increasing its size by a factor of five and the volume of assets managed by eight, thus becoming the second largest wireless telecommunications infrastructure operator in the world.

Moreover, according to the last acquisitions in 2020, Cellnex will enter two new markets: Poland and Sweden, which will extend the geographic footprint of the Company. It will also result in Cellnex expanding its presence in the key markets of Italy, Ireland and the UK, in which the volume of assets under management will be doubled.

In this context, Cellnex owns an Industrial model, a methodology developed by the company to standardise the company's processes and therefore facilitate the integration of countries within the company's procedures. This methodology has been adapted to each integration made, allowing a swift deployment of multidisciplinary integration teams and ensuring business continuity whilst supporting expected growth.

Cellnex's Industrial model is implemented across all Cellnex business units and areas.

Cellnex's Industrial model



Commercial	Operations	Financial	People	Government
A common business vision and commercial strategy to offer a broader market vision and a clear customer orientation, supported with the use of a common tool (Salesforce) to integrate all business opportunities and initiatives.	A methodology defined to standardise processes and deliver excellent operational services, deploying the Agora tool.	Accounting and administrative functions centralised and outsourced in a common BPO (Prime project), as well as digitalisation of treasury functions (Maverick project).	Common organisational structure and relational model, global culture, common compensation scheme and benefits, same talent and leadership programmes, standard job levelling criteria, etc.	Design of a common Management Model making it possible to follow the strategy, objectives and results, and standard matrix organisational structure both in corporation and countries.

In 2020

six integrations were developed in parallel

through industrial model

Together with the Industrial model, a new relational and functional model has been designed, under which the functions associated with the different Corporate Areas have been defined to achieve a homogeneous and scalable Relational Model, for establishing a reference functional framework. In this regard, the main tasks developed were:

- Updating the corporate functions and their relationship with countries.
- Reorganising functions and areas in line with the new organisational changes.
- Analysing and optimising possible overlaps of functions between different corporate areas.
- Identifying potential areas for improvement.

Having defined these models, the differences between the Cellnex Industrial model and the new Business Unit processes can be identified faster while providing a better understanding of the benefits and impacts of each identified gap to determine its relevance.

The development of Cellnex's Industrial model allowed six integrations to run in parallel. During 2020, integrations were carried out in France, Portugal, Netherlands, Ireland, UK, and Finland.

In this regard, different tools were developed on various pillars of the Industrial Model:

Commercial

Salesforce is the main tool in Cellnex's commercial process, where the commercial team is able to manage the entire sales cycle with the customer, from lead generation and monitoring of commercial activity to the preparation of commercial offers and closing of sales.

The main benefits of this system are:

- An improvement in commercial efficiency.
- Greater visibility for strategic decision-making.
- Greater ability to identify best practices and roll them out across markets.
- Cross-market product/business line information in real time.
- Global account visibility and management.

Operations

Agora is the system supporting most of the operations of the TIS business, and it is expanding to other businesses. In 2020 the tool was implemented in France, Spain and Corporation, and is expected to be implemented in the whole Group in 2021. It is worth highlighting the following characteristics:

- Homogeneous among all the business units.
- Scalable to fit new business requirements.
- Integrated with other company processes like financial, purchasing or sales.
- Connected to customers and vendors.
- Rapidly deployable and adaptable to a country's needs.

Financial

Back-office financial system

Rollout of the back-office system, which is based on a best in class ERP. Among other processes, it allows an integrated management of financial, purchasing, and site processes. It is worth highlighting the following benefits:

- Real-time posting of economic events.
- Standardisation of the financial and procurement processes.
- Native integration for Landlord contracts.
- Advanced IFRS16 automatic calculations.

Prime project

Within the Global Governance section of Cellnex's transformation program, the initiative of the PRIME Project arises, with the main objective of defining and implementing the new industrial model for the Accounting and Administration functions of the group. PRIME Project defines an homogeneous and scalable model for all the countries enabling to capture efficiencies and absorb the fast growth of the group.

The project started in 2018 by defining the common target model from a processes, policies, systems and organization perspective. The defined model includes the outsourcing of administrative and lower value-added activities to an external partner, while keeping the activities with the highest added-value and their control inside the organization. During 2020 the project has been led by a transversal team from Finance, IT and Organization both from Corporation and the Countries. The model has been successfully implemented in six countries of the Cellnex group (Spain, the Netherlands, the United Kingdom, France, Switzerland and Italy) and this is expected to continue during 2021, incorporating new countries and companies recently added to the group.

e-Sourcing

The project consists of transforming the purchasing function by standardising and optimising purchasing processes among Cellnex group by rolling out an IT tool that support such processes making them more efficient, integrated with ERP and reducing manual tasks. Efficient management and quick interaction with suppliers.

The main benefits for the group are:

- Improving communication with suppliers.
- Portal to give autonomy, visibility and transparency to suppliers and allow electronic invoicing.
- User-friendly interface to create purchase orders to all Business Units by reducing time spent consulting de users' manual.
- Manage purchasing processes (Sourcing & Contracts) in a cloud environment with transparency and promoting competence among suppliers to seek efficiencies and savings.

People

Job levelling is an organisational project focused on defining an exclusive job catalogue and common positions framework for all Cellnex Telecom Group that drives Talent and Global Mobility and delivers competitive rewards, while addressing business needs: talent attraction, engagement and key talent retention.

Job levelling is in permanent deployment, as the new incorporations are being integrated into job levelling. A salary benchmark has been carried out in all countries and is being completed in Ireland, Portugal and the UK.

Moreover, an assessment session is held for all people at the time of integration in a personalized way in order to help them in their integration process and personal development.

Cellnex Netherlands integration



During 2020, significant progress was made in the integration of the five Dutch companies (Shere, Alticom, Towerlink, Cellnex Netherlands and Breedlink), such as the deployment of Cellnex's industrial model. Cellnex Netherlands has defined and deployed a new functionally driven organisation grouping together employees from the different legal entities, who now work together in the same area.

Moreover, the process map has been aligned with the corporate model. Although the Corporate Process map covers almost 200 processes, Cellnex Netherlands has focused on the definition and alignment of the 45 key ones (not considering Finance and Purchasing that have been approached in parallel projects). A new governance model has also been defined.

In addition, Cellnex Netherlands is well advanced in the deployment of the tools that support those processes, such as Prime, Agora or Ariba.

In the human resources area, the Job levelling exercise has been implemented to put employees into Cellnex Blueprint Carrier Path, and job descriptions and responsibilities have also been defined.

Furthermore, an Employee Handbook has been created which defines rules, policies and benefits and aligns employee conditions. It also incorporates the main Corporate guidelines such as a Code of Ethics, Management By Objectives, Individual Development Programme, and Dutch Law specificities.

MyCompensa has been implemented in preparation for a Go live expected in January 2021. This platform brings together all the elements of remuneration, compensation and social benefits that Cellnex offers its employees, making it easier to access and manage this information freely.

Arqiva integration in Cellnex UK

"On Tower UK Limited" is being integrated into the Cellnex group following the acquisition of Arqiva Services Limited by Cellnex UK. In July 2020, more than 247 employees joined the Group and the shared Services area was created, supporting both organisations. After a short period, the On Tower UK team was integrated into the previous team in the UK and a single joint organisational structure was implemented.

A detailed integration programme was established for implementation during the second half of 2020 and 2021. During the first phase of integration, employees were drafted into the group, bringing them on board and providing them all relevant tools (Intranet, Office accounts, etc.). All other relevant communications were made on the transaction to customers, suppliers and landlords and the Cellnex UK website was launched.

Moreover, the Group's financial and operational reporting model was introduced and a series of assessments (Operations, IT, ...) performed, with an analysis gap made between the model used by Arqiva and the Cellnex Industrial model and the associated implementation plan.

Additionally, at commercial level, product line training sessions were delivered to the local team to increase the portfolio of products and deploy Salesforce, giving them a greater vision of the UK market opportunities. In Legal & Regulatory affairs, the Cellnex model is already in place (powers of attorney, board members, insurances, etc.).

The team is currently working to implement the industrial model at Finance level; SAP is being deployed; and administration and accounting services are being outsourced to the group's partner (PRIME project) to be achieved by the first half of 2021. On the Operations side, the Agora tool is being implemented with new processes to be defined by the first half of 2021. Likewise, a renegotiation plan for income has already been defined and will be implemented in January 2021. Various other IT projects are ongoing and the plan for exiting the TSA during 2021 is being executed.

Regarding HR, consultation processes took place for office moves, the job levelling project was completed and the career development assessments and approach to employee objectives (MBO Process) began. The UK headquarters office in Reading was selected and employees are expected to be relocated during the first half of 2021.

As a team, we adapted very quickly to the new circumstances, maintained our focus and commitment to deliver the best results to all of our stakeholders. I feel very proud and grateful to be part of this team that is helping to build Cellnex's history.

João Ulrich, Legal Adviser, M&A and Corporate Finance
Cellnex Portugal

Omtel and OnTower integration in Portugal

During 2020 Cellnex consolidated its presence in the Portuguese market by acquiring two companies. Cellnex acquired the full share capital of OMTEL, Portugal's main independent Portuguese Tower Company in January, followed by On Tower Portugal in September.

Cellnex Portugal currently has more than 5,000 telecommunications sites located in urban, suburban and rural areas spread across mainland Portugal, Madeira and the Azores. Cellnex Portugal's Team is highly experienced and diversified, dedicated to efficiently supporting its growth and commitment to service excellence. Initially, the company's workforce comprised 29 employees, increasing to 55 following Cellnex Portugal's expansion.

OnTower PT's organisational structure was initially integrated within Omtel's organisational structure, with staff only incorporated into the Operations area.

The integration of Omtel was completed by the end of the year and the Integrations team had already handed over to local team to finish integrating and executing the pending tasks, mainly related to the IT and Finance areas.

In short, many benefits were achieved for the country during this year of Integration. In the Commercial area, the team deepened local understanding of product and business lines through training sessions and ensured an efficient track of opportunities by deploying Salesforce. In the HR area, employees widened their opportunities for career development and progression due to Cellnex's growth, the job levelling process was carried out and the MBO definition of 2021 will be started through the formal Corporate process. In relation to operations, a unified access and NOC solution was provided along with a unified process for site lease renegotiation approvals trough the deployment of WeCal. Finally, IT support was ensured and the Corporate applications are being rolled out.

The Portugal team is currently focused on achieving the implementation of the Cellnex Industrial model (mainly SAP, Agora and Prime) for Omtel and OnTower PT.

Workplace

Workplace is seen as a

space to connect

The corporate buildings area has been renamed Global Workplace, a project that seeks to change the way of working through spaces, taking another step towards a more collaborative culture.

The COVID-19 pandemic has upended everybody's lives and has radically changed how Cellnex thinks about the office space. What matters the most today at the office is having space to effectively connect with colleagues, whether by chance or intentionally. Key workplace settings include different shapes of meeting rooms and project spaces to fulfil specific needs to accomplish work.

Cellnex's new offices and workplaces are more flexible, more intentional and more focused on productivity. This year Cellnex has been working on several projects in corporation and countries with the main objective of developing a consolidated image for all Cellnex offices and ensuring all Cellnex employees have the same experience in their workplace.

New offices in 2020

New offices in France and Netherlands were opened during 2020, allowing the integration of the various Business Units in the same space, thus facilitating and promoting a common corporate culture.

The employees of Cellnex France, On Tower, Nexloop, Springbook and other french entities were move to a new office. This office is located in the ARDEKO building in Boulogne-Billancourt, a privileged location in the west of Paris, along with other major companies.



The Ardeko office building has equipment like air conditioning, ventilation and heating that were custom designed according to the size of the building and the insulation capacity of its materials. ARDEKO's environmental objectives are very strict and thus meet the most exacting standards and certifications: HQE®, BBC and LEED PLATINUM Level. There are also bicycle parking spaces (equipped with changing rooms and showers) as well as charging stations for electric vehicles.

New offices in 2021

A new office in the UK is planned for March 2021, close to almost all Cellnex UK's major customers. The location was also selected because it helps to minimise Cellnex's environmental impact through its excellent public transport links and outstanding environmental design standards.

Also, Cellnex is designing a new corporate office in Barcelona in BcnFira District, where Cellnex will occupy the 14th to the 21st floors of a multitenant building. The new corporate headquarters in Barcelona will be located in an innovative and ecological building with outstanding characteristics.

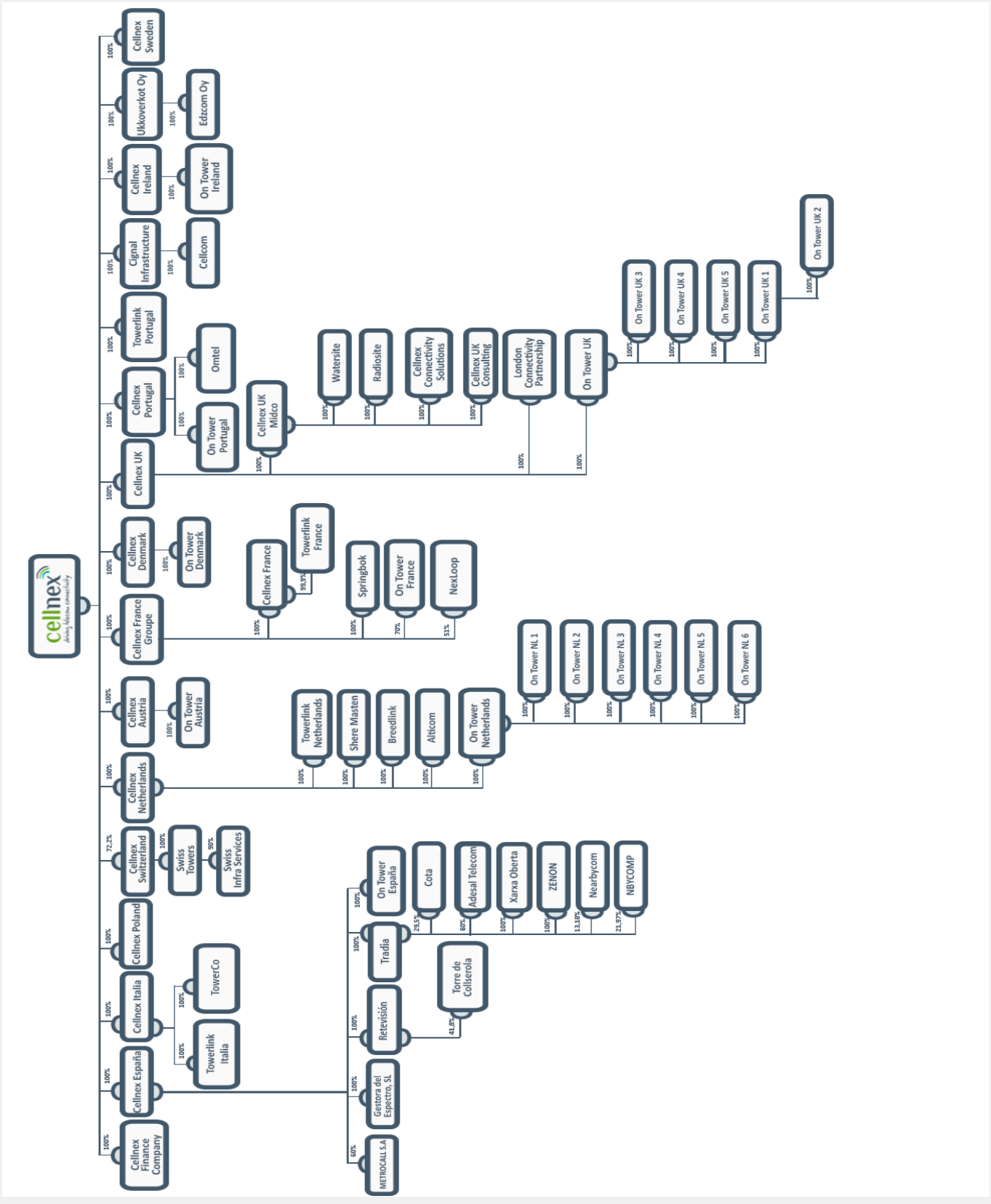
- Well Gold Certification: The Building (core&shell) and offices (interior), will have the Well Gold Certification, a leading tool that leverages the comfort and wellbeing and health of the occupants through design.

- Smart Building: a project running in parallel to the office design that aims to manage the workspaces in a more efficient and intelligent way. The installation of small devices (sensors and QR) around the office, will allow various parameters and values such as temperature, HVAC, CO2, occupancy and presence to be controlled

- Spaces in the office: individual workstations become less important while collaboration areas are enhanced. The office is now seen as a meeting point, a social and relational space. Meeting rooms of different sizes and formats and project areas are the spaces employers demand the most.

Organisational structure of the Cellnex group

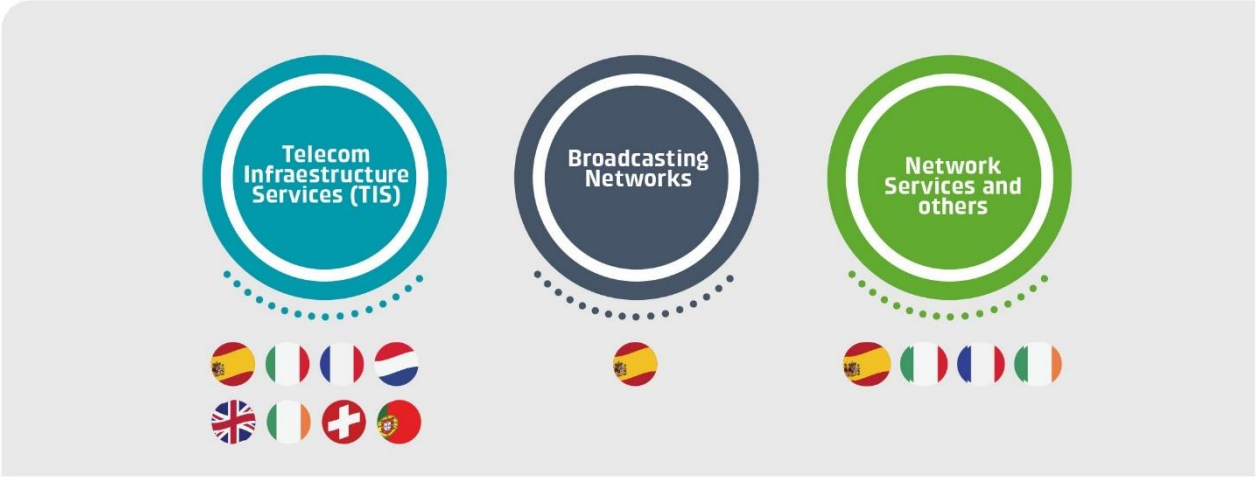
As of 31 December 2020, the organisational structure of the Cellnex group is as follows:



Business model

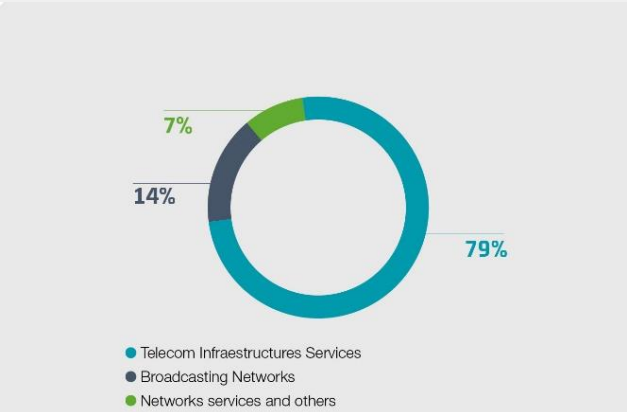
Cellnex has made a firm commitment to developing its network, which comprises c. 128,524 sites and positions the company to develop next generation networks. Cellnex offers its customers a range of services to guarantee the conditions for reliable and high-quality transmission of voice, data and audio-visual contents.

Cellnex provides infrastructure management services for wireless telecommunications to the following markets:



As it expands its presence across the territory, Cellnex also increases its portfolio of services. In this regard, Telecom Infrastructure Services continues to be the service with the greatest relative weight in the group's 2020 Income statement, as a consequence of the acquisition and integration of new telecom sites.

Contribution in income as of 31 December 2020



Cellnex improves

efficient use of resources

by facilitating the sharing between the major telephone operators

The contract between Bouygues Télécom and nexLoop France started on May the 29th 2020.
We quickly proved our client that we were able not only to integrate documentation, but also to challenge them on the roll out quality and engineering aspects. This legitimacy we gained was an important step for the partnership and the confidence of Bouygues Télécom.

Vincent Burgert, Managing Director
Cellnex France

Telecom Infrastructure Services (TIS)

Cellnex has strategically located infrastructure to offer maximum coverage in both urban and rural settings, providing a service with a high level of quality, availability and network stability thanks to appropriate climate control, assisted power supply systems and automatic alarm detection systems.

In this way, Cellnex offers co-location services in its infrastructure to mobile phone operators so that they can install their wireless broadcasting and telecommunications equipment there. Cellnex Telecom facilitates sharing between the major telephone operators, which allows for the maximum and efficient use of the installed network capacity, minimising redundancy and duplication. Thus, this model is characterised by its reduced impact and presence in the urban area, and therefore improves efficient use of resources such as energy, which in turn reduces the carbon footprint.

Moreover, Cellnex Telecom has set up a large network of nodes, extensive coverage by means of radio links and a private connection to the Amazon cloud infrastructure to offer the most advanced data transportation and hosting services.

COVID-19 agreement for connectivity for people and companies

Faced with the COVID-19 situation, an agreement was signed between the Spanish Government and the main telecommunications companies operating in Spain (such as Cellnex Telecom) by which they undertake to make the greatest efforts to guarantee connectivity, operation and supervision capabilities of the networks and fast response to incidents, especially with regard to networks that support emergency services.

In addition, the operators undertake to take special measures to extend services associated with the mobile phone connectivity contracts of private, self-employed and small business customers, at no additional cost to the user, always subject to proper use of the service that does not jeopardise the general provision of the service.

They also undertake to keep customer service channels active, to enrich the audio-visual packages offered to their users with additional content and to contribute to the measures developed by the Administration to promote remote-work, distance learning and e-health.

Roll-out of a Fixed and Mobile Transport Fibre Network

Cellnex France and Bouygues Telecom have reached a strategic agreement to roll out a national fibre optic network in France to provide mobile and fixed fibre-based connectivity and especially accelerate the roll-out of 5G in the country.

Planned investment up to 2027 stands at up to € 1.1 billion, which will be used to roll out a network of up to 31,500 km., interconnecting the telecommunications rooftops and towers providing service to Bouygues Telecom (5,000 of which belong to and are operated by Cellnex France) with the network of “metropolitan offices” for housing data processing centres (Edge Computing).

Datacentres

CJ2, one of the leading corporate hosting service providers in the north of the Netherlands, has expanded the capacity of its data processing centre (datacentre) located at the Cellnex telecom & data tower in Hoogersmilde. The Dutch company has launched a “second floor” in the building to accommodate the growing demand for co-location services and datacentres in the region.

Installation of a multi-operator 4G tower

Val d´Europe Agglomeration, SANEF, and Cellnex France are collaborating on the establishment of an operational multi-operator tower in the International Business Park in order to strengthen mobile telephone coverage of the territory.

DAS and Small Cells

A distributed antenna system (DAS) is a network of spatially separate antenna nodes connected to a common source via a transport system that provides wireless services within a geographical area or a building. DAS can be installed in buildings to boost wireless signals inside them, which is why they are often located within large facilities such as stadiums or company premises.

Cellnex uses DAS systems and provides DASaaS (“DAS as a Service”) using an end-to-end approach, to improve coverage and repeater capacity of the mobile radio signal in specific areas serving mobile operators, both with structures dedicated to a single operator and in multi-standard/multi-frequency and multi-operator “neutral host” mode, since a single antenna can distribute the signal for several frequencies and several operators simultaneously. This structure provides more efficient use of energy, reducing the carbon footprint.

5G could deliver

social value

across the sustainable development goals

The DAS and Small Cells systems are one of the core infrastructures from which the new 5G communication standard will be rolled out. The roll-out of 5G could deliver social value across the Sustainable Development Goals, mainly by contributing to good health and wellbeing, in addition to enhancing infrastructure, promoting sustainable industrialisation and fostering innovation. Other key areas in which social value can be created through 5G include contributing to responsible consumption, enabling sustainable cities and communities, and promoting decent work and economic growth.

Distributed Antenna Systems at hospitals

Cellnex Italy designed and installed a specific DAS system to address the specific hospital environment challenges. The system consists of many branches, including the extension of the indoor area, which prevents from having just one active device. The system is divided into many sectors, each one consisting of one or more remote unit equipment (modulation and amplification), located in the technical room. The radiating points are installed strategically in the building.

This system was implemented in various hospitals in 2020. The most outstanding projects were Ospedale San Raffaele (Milan), Ospedale Niguarda (Milan), Ospedale Pasquinucci (Massa Carrara), Ospedale IDI (Rome), Ospedale Borgo Trento (Trento) and Ospedale Chioggia (Venice).

Likewise, Cellnex Portugal implemented a new DAS solution in the hospital VNGaia, one of the biggest cities in Portugal. In this project, a DAS with 33 indoor antennas was installed and the addition of four indoor antennas is contemplated to meet the defined coverage objectives. The DAS solution is designed to be extended to other floors of the building.



DAS at Stadiums

Cellnex has deployed a Distributed Antenna System (DAS) at Manchester City's Etihad Stadium to provide enhanced 4G connectivity throughout the premises of the sporting venue. Initially, Vodafone and O2 customers can benefit from this enhanced connectivity, although the design of the installation will allow other operators set to be connected in the future. Likewise, the system is ready for the future arrival of 5G.

Cellnex Italia has installed and tested its multi-operator DAS (Distributed Antennas System) communications system for the transmission of all technologies, up to LTE+, at Rome's PalaLottomatica sports arena, making it possible to provide mobile connection services that guarantee users both a high performance in terms of data transmission capacity and a large number of simultaneously connected users.

It has also designed and installed a specific DAS system in San Siro Stadium in Milan. This DAS system is made up of more than 100 active devices (remote units) connected to more than 150 antennas, implementing radiating points. Each radiating point illuminates a part of the stadium with an MNO's sector, enhancing the system capacity.

Likewise, Cellnex Italy developed DAS projects in Olimpico Stadium (Rome) and Juventus Stadium (Turin).

5G network in BASF's production centre

Cellnex Spain will be in charge of installing and deploying a 5G trial network in BASF's production centre in Tarragona, on which various use cases related to the industrial operations of the plant will be developed. BASF has identified 5G as one of the key technologies for its digital transformation process.

Car parks

Cellnex Spain has equipped the 40 B:SM car parks in Barcelona with DAS (Distributed Antenna Systems) technology to provide them with 3G and 4G mobile broadband coverage, scalable to 5G in the future.

From now on, users of these car parks will have greater connectivity when making calls, browsing the Internet and using new value-added services such as access to shared vehicles, the use of recharging points via mobile phones or the use of electronic commerce collection points.

In total, more than 500 small antennas have been deployed across the 40 car parks. The investment totals 1 million euros and includes the design, deployment and maintenance of the infrastructure.

Shopping centres, Convention centres, Skyscrapers, Hotels and Resorts

In the Elnos Shopping Centre, in Brescia (Italy), Cellnex Italy designed and deployed a specific DAS system, compromising many active devices (remote units) connected to antennas, implementing radiating points. The system consists of many branches covering all common indoor commercial areas. The system is divided into many sectors, each of which has one or more remote unit equipment (modulation and amplification), located in the technical room. The radiating points are installed strategically in the building.

Moreover, Cellnex Italy developed similar projects in Arese Shopping Centre (Milan) and Maximo Shopping Centre (Rome).

5G mobile network at IESE Business School

Cellnex Spain will provide a 5G mobile network on the IESE Business School Barcelona campus to investigate how this technology could improve the educational experience. For example, one of the programmed actions combines edge computing with a small 5G cell and augmented reality glasses, allowing a computer-generated game to be played in any environment.

Transport networks

In 2020 Cellnex Spain strengthened its portfolio of telecommunications infrastructures that it manages for transport networks and suburban environments. In this connection, Cellnex acquired Indra's stake in Metrocall (60%), the neutral operator providing the mobile connectivity service in the Madrid suburban network. The remaining 40% of Metrocall will continue to be owned by *Metro de Madrid*.

5GMED Project

Cellnex participates in the 5GMED project, which concerns the railway and motorway between Figueras and Perpignan. 5GMed will develop and improve cross-border 5G application scenarios within advanced automated connected and cooperative mobility services and the future railway mobile communications system.

The 5GMED project will be developed through four pilot projects: automated remote driving; advanced traffic management; continuity of on-board business services during cross-border rail changes; and infotainment with augmented reality for autonomous cars and railways.

The Telecom Infrastructure Services site portfolio at 31 December 2020 is summarised below:

Framework Agreement	Project	Nº of Sites acquired	Beginning of the contract	Initial Terms + Renewals [1]
Telefónica	Babel	1,000	2012	10+10+5
Telefónica and Yoigo (Xfera Móviles)	Volta I	1,211	2013	10+10+5 (Telefónica) Until 2030+8 (Yoigo)
Telefónica	Volta II	530	2014	10+10+5
Business combination	TowerCo Acquisition	321	2014	Until 2038
Telefónica and Yoigo (Xfera Móviles)	Volta III	113	2014	10+10+5 (Telefonica) Until 2030+8 (Yoigo)
Telefónica	Volta Extended I	1,090	2014	10+10+5
Neosky	Neosky	10	2014	10+10+5
Telefónica	Volta Extended II	300	2015	10+10+5
Business combination	Galata Acquisition	7,377	2015	15+15 (Wind) [2]
Business combination	Protelindo Acquisition	261	2012	+15 (KPN)
			2016	+12 (T-Mobile)
Bouygues	Asset purchase	4.074	2016 - 2017	20+5+5+5 / 25+5+5 [3]
		4	2018	20+5 [3]
Business combination	Shere Group Acquisition	1,042	2011	+15 (KPN)
			2015	+10 (T-Mobile)
			2015	+15 (Tele2)
Business combination	On Tower Italia Acquisition	11	2014	9+9 (Wind)
			2015	9+9 (Vodafone)
K2W	Asset purchase	32	2017	Various
Business combination	Swiss Towers Acquisition	2,239	2017	20+10+10 (Sunrise Telecommunications) [4]
		274	2019	20+10+10 (Sunrise Telecommunications) [4]
Business combination	Infracapital Alticom subgroup Acquisition	30	2017	Various
Others Spain	Asset purchase	45	2017	15+10
		36	2018	15+10
		375	2018	20+10
Masmovil Spain	Asset purchase	551	2017	18+3
		85	2018	6+7
Linkem	Asset purchase	426	2018	10+10
Business combination	TMI Acquisition	3	2018	Various
Business combination	Sintel Acquisition	15	2018	Various
Business combination	BRT Tower Acquisition	30	2018	Various
Business combination	DFA Acquisition	9	2018	Various
Business combination	Video Press Acquisition	8	2019	Various
Business combination	On Tower Netherlands Acquisition	114	2019	7 [5]
Business combination	Swiss Infra Acquisition	2,802	2019	20+10 [6]
Business combination	Cignal Acquisition	656	2019	20 [7]
Business combination	Business unit from Iliad Italia, S.p.A.	2,173	2019	20+10 [6]
Business combination	On Tower France Acquisition	6,234	2019	20+10 [6]
Orange Spain	Asset purchase	1,500	2019	10+10+1 [8]
Business combination	Omtel Acquisition	3,086	2018	20+5 [9]
Business combination	Arqiva Acquisition	7,385	2020	10+1+1+4 (MBNL/EE) [10]

			2014	2024 (CTIL) [10]
Business combination	NOS Towering Acquisition	1,966	2020	15+15 [11]
Business combination	Hutchison Austria Acquisition	4,470	2020	15+15+5 [12]
Business combination	Hutchison Ireland Acquisition	1,125	2020	15+15+5 [12]
Business combination	Hutchison Denmark Acquisition	1,317	2020	15+15+5 [12]
Business combination	Small M&A	98	2020	Various
Shared with broadcasting business		1,682		
Others		68		

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

[2] The initial term of the MSA with Wind is 15 years, to be extended for an additional 15-year period (previously confirmed), on an “all-or-nothing” basis. The fees under the MSA with Wind are CPI-linked.

[3] In accordance with the agreements reached with Bouygues during 2016 – 2020, at 31 December 2020 Cellnex had committed to acquire and build up to 5,400 sites that will be gradually transferred to Cellnex up to 2024 (see Note 7 of the accompanying consolidated financial statements). Of the proceeding 5,400 sites, a total of 4,078 sites have been transferred to Cellnex as of 31 December 2020 (as detailed in the previous table). Note that all Bouygues transactions, like most of the BTS programmes Cellnex has in place with other MNOs, have a common characteristic “up to” as Bouygues does not have the obligation to reach the highest number of sites. During 2016 – 2017 have been signed different MSA’s with Bouygues in accordance with the different transactions completed (Glénan, Belle-Ille, Noirmoutier). All MSAs have an initial term of 20/25 years with subsequent renewable three/two 5-year periods, on an “all-or-nothing” basis. In relation to the MSA signed with Bouygues in 2018 (Quiberon transaction) the initial term is 20 years with subsequent renewable 5-year periods (undefined maturity).

[4] The MSA with Sunrise have an initial term of 20 years with two 10-year periods (undefined maturity), on an all-or-nothing basis.

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

[6] The MSAs with Iliad and Salt have an initial term of 20 years, to be automatically extended for 10-year periods, on an all-or-nothing basis, with undefined maturity.

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

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

[9] The initial term of the Omtel MSA is 20 years, subject to automatic extensions for additional five-year periods, unless cancelled, on an “all-or-nothing” basis, with undefined maturity. The fees under the Omtel MSA are CPI-linked.

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

[11] The NOS Towering MLA have an initial duration of 15 years, to be automatically extended for additional 15-year periods, on an “all-or-nothing” basis, with undefined maturity. The fees under the NOS Towering MLA will be CPI-linked.

[12] The initial term of each CK Hutchison Continental Europe MSA is 15 years, with possible extensions for a further 15-year period and subsequent 5-year periods, on an “all-or-nothing” basis (same duration for all countries). The fees under the CK Hutchison Continental Europe MSA are CPI-linked.

During the COVID-19 pandemic Cellnex was able to provide a

very high level of continuity (SLA)

when distributing and transmitting television and radio signals

Broadcasting Infrastructure

Cellnex services consist of distributing and transmitting television and radio signals, and operating and maintenance of broadcasting networks, providing connectivity for media content, hybrid broadcast-broadband services, and over-the-top (OTT) streaming services. Providing broadcasting services has allowed Cellnex to develop unique know-how and expertise that has helped to develop the other services in its portfolio.

Cellnex is aware that both television and radio are essential means of communication for the population and constitute a powerful tool for information and entertainment. To this end, Cellnex is organised to provide a very high level of continuity (SLA) and has made an effort to grant the continuity of the signals during the pandemic period.

In 2020, Cellnex carried out the "second digital dividend" (2DD) which consisted of releasing Digital Terrestrial Television (DTT) broadcasts from the 694 to 798 megahertz frequency (UHF channels 48 to 60 included) for the roll-out of the 5G network.

Cellnex engineers and technicians worked for 12 months to adapt more than 2,800 sites, some in very remote locations and others with various actions due to technical complexity to minimise the impact on 37.5 million users. All of this was achieved without interrupting the continuity of television signals even during the pandemic.

Now that DTT occupies less bandwidth, it is more efficient in spectrum because channels have been grouped and geographical areas joined according to the orography so that the same frequencies serve more areas. Cellnex executed the entire 2DD process with total success.

LOVEStv

The LOVEStv streaming platform, in which Cellnex Spain is the technological provider, was designed as an open platform that can easily integrate any broadcasters wishing to enrich its content offering.

Two important new features were included in 2020: the option to watch the programme from the beginning (start over) and the option to watch the programmes streamed in the last seven days (catch-up).

Network Services and others

Cellnex Telecom provides the infrastructure required to develop a connected society. Cellnex provides integrated and adaptable solutions to make the Smart concept a tangible reality and improve the management of both urban and rural areas.

Regarding Wireless Broadband, the Cellnex Telecom service includes everything from design, deployment, operation and maintenance of WiFi and mobile telephony networks (2G, 3G, LTE/4G) up to roaming and off loader services, a technique which comprises the installation of WiFi access point Adesal Telecom, the Valencian companies to divert data consumption there and decongest the cellular network.

Cellnex developed

innovation technological solutions

to smart cities

Moreover, thanks to its commitment to the development of Smart solutions, Cellnex Telecom operates a cellular data network specifically dedicated to the Internet of Things, allowing the connection of objects powered by a long-life battery, and therefore has low power consumption, a long range and low cost. The network naturally maintains the integrity and security of the data transmitted. In an environment in which any object could be integrated within an information network and play a role in business processes, the security and privacy of data become a fundamental cornerstone of connectivity. To develop this innovative network, Cellnex Telecom selected the LPWA (Low Power Wide Area) technology provided by the French company SIGFOX, the characteristics of which correspond to the 4Ls constituting the critical points of the IoT: Low Power, Long Range, Low Traffic, and Low Cost.

Regarding Smart Cities solutions, Cellnex Telecom provides centralised management of services using a platform equipped with the tools required to minimise response times, always optimise resources and provide an overview of events in the various systems connected. The platform integrates both interactions via messages, emails or calls by users of the connected Systems, and the information provided by sensors or video cameras, as well as data from social networks.

As a result of the priority for the sustainable development of cities, Cellnex Telecom has developed innovative technological solutions around the concept of Smart Cities that specifically aim at allowing cities to make more efficient use of resources so as to improve the quality of life of citizens and reduce their environmental footprint, thanks to information and communication technologies (ICT). An example is the irrigation management system in cities, which combine data from satellites with those from terrestrial sensors, enabling savings of between 15 and 20% and a reduction in water consumption of up to 35%.

IoT for Smart and Connected countries

Cellnex Telecom and Everynet, a leading provider of IoT connectivity solutions, have reached an agreement to jointly promote the roll-out of new Internet of Things (IoT) networks in Italy, the United Kingdom and Ireland. These IoT networks, based on LoRaWAN technology, will be deployed through Cellnex's extensive telecommunications infrastructure network in these three countries, based on Everynet solutions for IoT networks.

Multiple IoT solutions will be implemented in Cellnex's infrastructure network, including those aimed at Industry 4.0 for the tracking or monitoring of assets throughout its value chain, Smart Cities, and even Smart Parking to contribute to the digitalisation of mobility and optimising the use of roads and public spaces, as well as the creation of a platform for a test environment and experimental cases that will allow the development of an ecosystem with new future applications.

It is also expected to include Social and Facility Management or Environmental Management solutions, to contribute to the development of smart cities in these three countries and the improvement of the wellbeing of their citizens, through sensorisation and monitoring of comfort and consumption levels of any kind of environment —indoor or outdoor—, or in any type of building; as well as the transmission service and data capture through these high-capacity networks deployed in the territory.

IoT & Smart

Cellnex Spain has continued pushing for IoT & Smart Business, affording Cellnex Spain several opportunities for IoT for water management and Smart Platforms for several municipalities, which includes sensorisation, data transmission and Smart-IoT Platform which provides real-time information and to remotely manage and call for action if needed.

Innovation

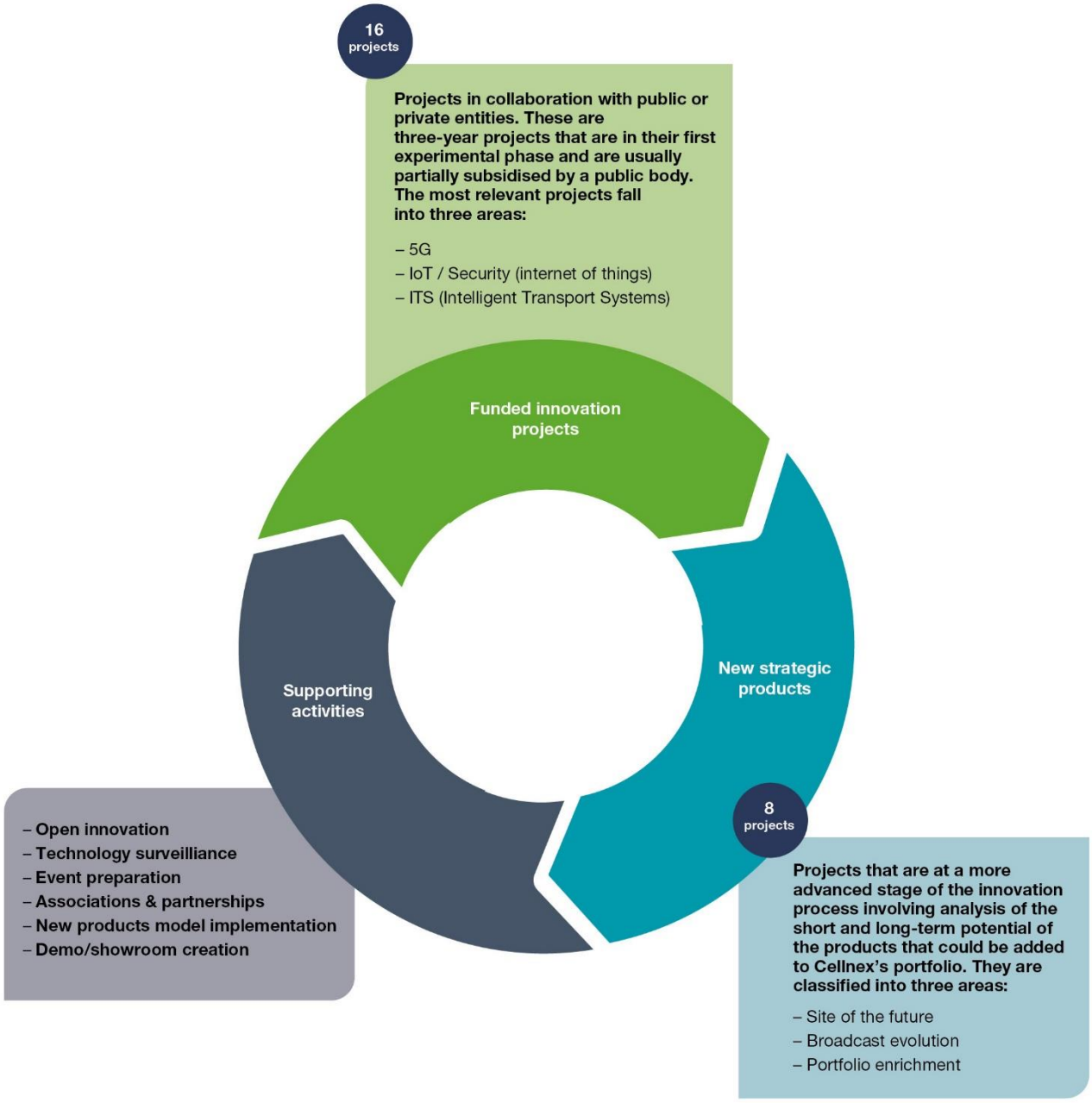
A culture of innovation has been in place at Cellnex for many years, enabling to stay at the forefront of a rapidly changing world of telecommunications. In this sense, Cellnex has created an internal and external ecosystem with the aim to identify new customer needs and new business opportunities, creating new markets and maintaining its corporate value in the long term.

Cellnex's

culture of innovation

In 2020 Cellnex spent €0,9 million on R&D+I investment projects, enabling to stay one step ahead of the radical changes in our industry, including 5G, Internet of Things or Telecom Infrastructure Services. The innovation strategy of the company can be classified in three work lines: the site of the future, broadcast evolution and portfolio enrichment activities

Spearheading innovation at Cellnex are two interconnected areas that work closely together, innovation and product strategy. In innovation area, the company works on design technical solutions to incorporate to into innovation projects. During 2020, thirteen innovation projects in cooperation with the Public Administrations have been developed.



In product strategy area, Cellnex develops new products to enrich Cellnex portfolio in order to improve the service offering to existing customers and new potential customers. Together with these areas, Cellnex is driving open innovation to explore external capabilities to be introduced into new potential products either from start-ups or other relevant corporations while sharing knowledge and making innovation accessible to other internal areas, such as business or operations

Cellnex joined the

Europe in motion initiative

In this regard, Cellnex participated in Madrid in Motion, a mobility hub with Madrid City Council and the local transport authorities that aims to solve key mobility challenges by identifying start-ups and innovative solutions able to generate value with a real impact on the city. At the same time Cellnex joined the Europe in motion initiative, expanding the scope of the mobility and innovation principles of Madrid in motion.

Moreover, the company collaborated in The Collider, an entrepreneurship programme from Mobile World Capital. The programme is designed to identify early-stage technological initiatives so the programme can provide the business and economic support.

In the same line of innovation, Cellnex joined the Telecom Infra Project, a global community of companies working together to accelerate the development and deployment of open and disaggregated technology solutions to deliver high quality connectivity. Cellnex is currently engaging in some initiatives with TIP mainly in Ireland.

Under the umbrella of the UK 5G Create project, Cellnex is working with the British Consulate to scout for start-ups and middle-sized companies that can benefit Cellnex's value chain.

Cellnex also participated in Enterprise challenge, a programme organised by the BEST (Barcelona Education in Science and Technology) Foundation, which fosters Open Innovation through collaboration between companies and universities.

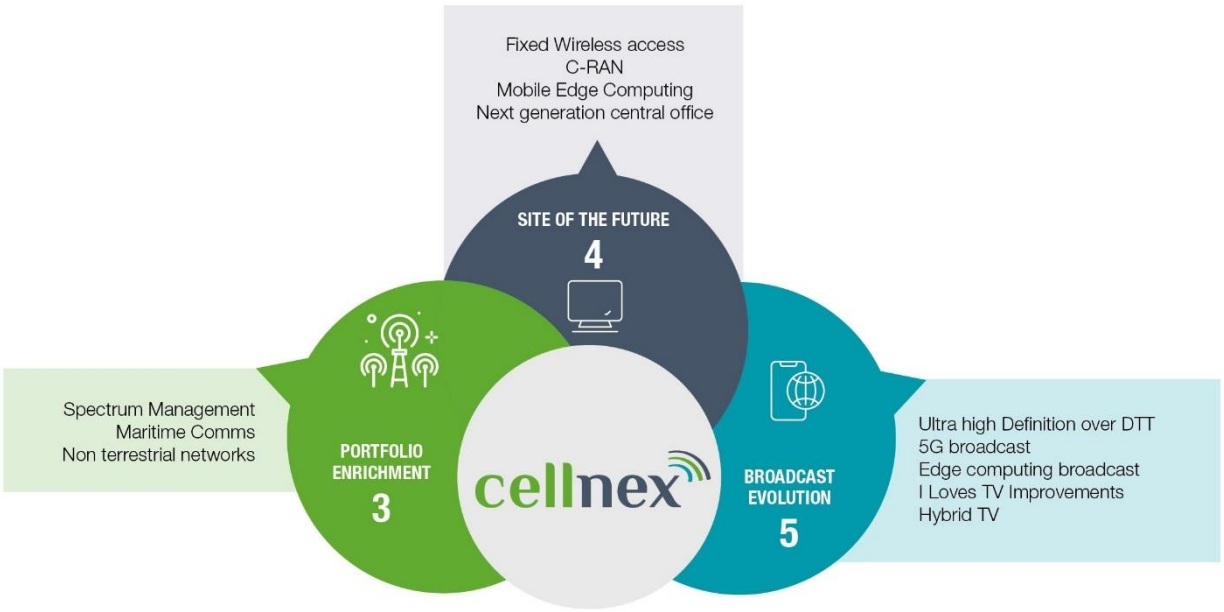
In order to be a key stakeholder in the upcoming technologies, Cellnex is scouting and developing products in several strategic areas such as:

- Open RAN
- Edge computing
- Next generation central office
- Non terrestrial networks

Furthermore, Cellnex participated in international fora and research centres and cooperated with Universities. Cellnex is currently a member and active participant in international associations such as GSMA, TIP, Small Cell Forum, DVB, HbbTV, 5G MAG, and others.

The company is also a key technological player at global level, as it is part of the board and cooperates with several Research Centres and Universities: Eurecat, i2Cat, Gradiant, Tecnalia, the University of Bristol and many others.

Embracing the heritage of Cellnex, the product strategy department continued enhancing Media Services such as HbbTV services as well as his flagship application, Loves TV. This year also supposed a milestone in Ultra High Definition, with the first 8K transmission enabled by Cellnex.



During the year, Cellnex contributed more than 20 pilot projects and use cases for the development of 5G out of a total of 200 5G applications that are being tested in eleven industries across the European Union. The 5G Catalunya project stands out in this regard.

Mobility Lab

The Mobility Lab project has been up and running since 2018. This project is an experiment at the Circuit Parcmotor Castellolí in Barcelona for communications between cars and roads in rural environments. The operator has equipped the venue with the necessary infrastructure and technology to allow users and customers to test new products and services in the field of intelligent mobility and vehicle connectivity in a controlled, safe and sustainable way.

Cellnex has equipped the circuit with broadband connectivity by rolling out a wireless network with coverage throughout the premises, high-definition cameras for monitoring vehicles on the track and units onboard the cars themselves for the transmission of telemetry, video and voice. The facilities also have an IoT (Internet of Things) network, which allows data to be managed and analysed, including the state of the track or environmental parameters. All these elements aim to test solutions linked to connectivity (IoT, 5G and connected/autonomous vehicle) and are designed especially for non-urban or semi-rural environments

Some innovation projects contribute to attain

SDGs

Moreover, Cellnex has developed innovation projects which drive breakthroughs that contribute to achieving the Sustainable Development Goals, notably inclusive connectivity, digitalisation and quality education projects.

Consolidation in Europe

Since the Shares were admitted to listing on the Spanish Stock Exchanges in May 2015 and until the date of this Consolidated Management Report, the Company has entered into numerous transactions by virtue of which the Company has invested or committed to invest approximately €34 billion in the acquisition or construction of up to 109 thousand infrastructures to be acquired or built by 2030 once the Iliad Poland Acquisition, the CK Hutchison Holdings Pending Transactions, the T-Mobile Infra Acquisition and the Hivory Acquisition (all as defined herein, and in the section "Post balance sheet events" of the accompanying Consolidated Management Report) are closed (which, together with the infrastructures already owned at the time of such listing, amount to an aggregate of up to 120 thousand infrastructures).

During 2020, due to the onset of the coronavirus crisis in Europe, Cellnex has adapted to an unprecedented situation and has managed to deliver on its organic and inorganic strategy whilst maintaining full financial flexibility. In this context, the results of 2020 include the effect of both business continuity with sustained like-for-like growth and the significant expansion of the Group due to the acquisitions undertaken in 2019 and 2020, which has translated into substantial growth in revenues, adjusted EBITDA and recurring leveraged free cash flow.

As explained below, during 2020, the Group announced two acquisitions in Portugal: the Omtel Acquisition (completed in January 2020) and the NOS Towering Acquisition (completed in September 2020). During this year, Cellnex also strengthened its presence in France through a new agreement with Bouygues Telecom to roll out a fibre network (Fibre to the tower, fibre to the antenna and fibre to the Small Cell) to boost the 5G ecosystem.

In the UK, Cellnex received the necessary approval from the Competition and Markets Authority ("CMA") to acquire Arqiva's telecommunications division, which was completed in July 2020. The project, which was announced in October 2019, involves integrating approximately 7,400 sites and the marketing rights of approximately 900 sites across the UK, involving an investment of GBP 2 billion.

In Poland, Cellnex reached an agreement with Iliad ("Iliad") to acquire a 60% controlling stake in a new Polish telecommunications tower company which will own Play Communications' tower portfolio in Poland (the "Iliad Polish Acquisition").

On 12 November 2020, Cellnex announced it had reached an agreement with CK Hutchison Holdings' for the acquisition of Hutchison's European tower business and assets across six countries by way of six separate transactions (one transaction per country). Combined, the agreements contemplate a total headline consideration (subject to certain adjustments) of approximately €10 billion. The transactions in Austria, Ireland and Denmark were completed in December 2020.

In accordance with the above, the main changes in the consolidation perimeter, together with assets purchased during financial year 2020 are as follows:

Portugal

OMTEL Acquisition

In January 2020 Cellnex acquired 100% of the share capital of Belmont Infra Holding, S.A. from Belmont Infra Investments B.V. and PT Portugal SGPS, S.A. (sellers of 75% and 25%, of the share capital, respectively) (the "Omtel Acquisition"). The acquisition, additionally, comprises the roll-out of approximately 500 sites by 2023, which could be increased by up to 250 additional sites by 2027.

OMTEL currently manages a portfolio of 3,000 sites that account for around 25% of the telecommunications towers on the Portuguese market.

NOS Towering Acquisition

Cellnex reached an agreement with the Portuguese mobile operator NOS for the acquisition of 100% of NOS Towering. The transaction initially involved 2,000 telecommunications sites. This is a portfolio of telecommunication towers and rooftop antennas, located in urban (40%), suburban and rural (60%) areas throughout the country.

Under the agreement, Cellnex and NOS have signed an initial 15-year contract, extendible by successive additional 15-year periods, under which NOS will continue to use the sites that Cellnex will operate, locating its voice and data signal transmission equipment there. Likewise, the agreement also foresees the increase of the perimeter by up to 400 new sites over the next six years.

France

In the first half of 2020, Cellnex and Bouygues Telecom reached a strategic agreement through which they became shareholders of Nexloop, a newly incorporated company (49% owned by Bouygues Telecom and 51% owned by Cellnex). This company will deploy a national fibre optic network in France to provide mobile and fixed networks based connectivity and especially accelerate the roll-out of 5G in the country. The agreement comprises the roll-out of a network of up to 31,500 km., including the interconnection of the telecommunications rooftops and towers providing service to Bouygues Telecom (approximately 5,000 of which some of them belong to and are operated by Cellnex) with the network of “metropolitan offices” for housing data processing centres (Edge Computing). The agreement covers the deployment of up to 90 new “metropolitan offices”. The estimated investment up to 2027, amounts to up to approximately €1.1 billion.

United Kingdom

Arqiva Acquisition

In July 2020, was completed the acquisition of Arqiva by Cellnex for a total consideration of approximately £2 billion. The transaction comprises 7,400 of Arqiva’s cellular sites, including masts and towers as well as urban rooftop sites, and the right to market a further 900 sites across the UK. The acquisition continues Cellnex’s investment in the UK and follows on from its previously announced long-term strategic agreement with BT in June 2019, through which Cellnex obtained the rights to operate and market 220 high towers located throughout the UK.

Finland

Agreement to acquire EDZCOM

Cellnex reached an agreement to acquire 100% of the shares of Ukkoverkot Oy, the parent company of EDZCOM, to become the sole owner of the Edge Connectivity solutions provider. Following its acquisition by Cellnex, EDZCOM will retain its brand and continue to execute its strategy with its current leadership and team. EDZCOM designs, builds and operates private wireless networks for industrial customers, mainly in manufacturing, ports, oil and gas, energy generation and mining. EDZCOMs solutions are designed and built for the customer, guaranteeing high performance of business-critical communications, and are operated by the customer via dashboard ensuring 100% customer control.

Poland

Agreement with Iliad

In October 2020, Cellnex reached an agreement with Iliad to acquire a 60% controlling stake in the company that will operate Play's c.7,000 telecommunications sites in Poland.

Cellnex will invest c.€800 million in acquiring the 60% stake, while the remaining 40% will continue to be owned by Play (Iliad) in line with the model that Cellnex and Iliad previously agreed for the sites formerly operated by Free (Iliad) in France.

The new Polish telecommunications tower company could invest up to €1.3 billion over the next 10 years in rolling out up to 5,000 new sites.

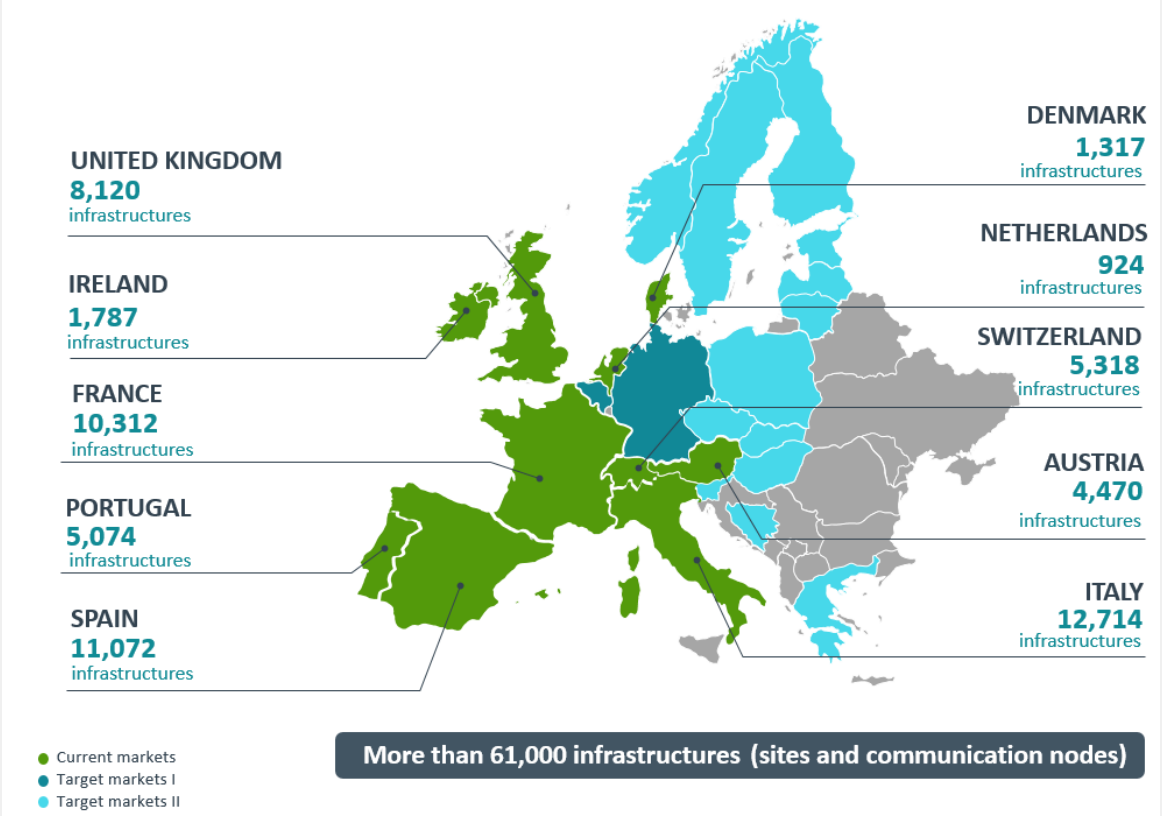
On 23 February 2021, following the signing of the Iliad Poland Acquisition (in October 2020), Iliad, Play and Cellnex have further discussed the structuring of the Iliad Poland Acquisition and agreed on an alternative structure. The agreement between Iliad and Cellnex is expected to be closed by Q1 2021.

CK Hutchison agreements

Cellnex and CK Hutchison announced a series of agreements pursuant to which Cellnex will acquire 22,122 telecommunications towers and sites that CK Hutchison currently owns in Europe for total consideration of €10 billion. The transactions include the roll-out of up to 7,727 sites over the next eight years with an investment of €1.4 billion including further initiatives. Cellnex will sign long term service contracts with CK Hutchison in the various countries for an initial period of 15 years extendable for another 15 years and subsequent five year periods.

According to the agreed terms, Cellnex will enter three new markets: Austria, Sweden and Denmark, extending the geographical footprint of the company's operations to a total of twelve European countries. It will also result in Cellnex expanding its presence in the key markets of Italy, Ireland and the UK, in which the volume of assets under management will double. 8,900 sites of the total of 22,122 sites to be acquired are located in Italy; 4,000 sites in the United Kingdom; 1,120 in Ireland; 2,300 in Sweden; 1,300 in Denmark; and 4,500 in Austria.The transactions in Austria, Ireland and Denmark were completed in December 2020.

At 31 December 2020, the total number of Cellnex infrastructures acquired and built (sites and nodes) in Europe was as follows:


UNITED KINGDOM
8,120
infrastructures
IRELAND
1,787
infrastructures
FRANCE
10,312
infrastructures
PORTUGAL
5,074
infrastructures
SPAIN
11,072
infrastructures
DENMARK
1,317
infrastructures
NETHERLANDS
924
infrastructures
SWITZERLAND
5,318
infrastructures
AUSTRIA
4,470
infrastructures
ITALY
12,714
infrastructures
Current markets
Target markets I
Target markets II
More than 61,000 infrastructures (sites and communication nodes)

Cellnex's ESG strategy

A framework to address ESG issues in the Group

In addition to facing up to the immediate challenges, Cellnex is aware of the new risks and demands arising as a result of the environmental and social phenomena that dominate the international context.

Cellnex is committed to
Environmental, Social and Governance
issues

The increasing regulation in Europe in the field of sustainability, the greater awareness of those aspects beyond the purely economic ones, as well as the great challenges faced by organisations such as Cellnex (greater transparency, shareholder involvement, climate change, risks in the value chain, circular economy, Sustainable Development Goals (SDGs), …) have led the company in recent years to bolster its commitment to Environmental, Social and Governance (ESG) issues. In this regard, the revamping of the company's ESG strategy should be highlighted by updating the ESG Master Plan of Cellnex group.

Because of the diversity of matters that can be considered under ESG issues, there is a certain lack of homogenisation of the ESG criteria to be considered. For instance, experts such as Bank of America Merrill Lynch point out that the key ESG signals for European Telcos are:

- Environmental: Carbon Emissions, Toxic Emissions & Waste
- Social: Labour Management
- Governance: Business Ethics, Anti-Competitive Practices, Corporate Governance

In this connection, Cellnex has carried out a materiality study in which the most important ESG issues of the company were identified and prioritised in each of their components (Environmental, Social and Governance) as explained in the following sections.

Cellnex's commitment to ESG issues is a matter of priority. Thus, the remuneration of leadership positions, including the CEO, is associated with the company's performance in ESG issues.

An ESG Master Plan (2021-2025)

Cellnex defined a new
ESG Master Plan (2021-2025)

In 2020, the company's ESG strategy set out in the company's 2016-2020 CSR Master Plan was updated by defining a new ESG Master Plan (2021-2025) at Group level, taking into account the evolution of the company in recent years and its growth and internationalisation process, updating the ESG diagnosis done in the past to show the current state of the company in ESG matters and the new trends and expectations of stakeholders.

Likewise, a new materiality analysis was performed for Cellnex at Group level, allowing the company to know which aspects are most relevant to it in the field of ESG.

The 2016-2020 CSR Master Plan was used as a starting point for this. During the last five years, 92% of the lines established in the six axes defined in the CSR Master Plan have been implemented and 89% of the actions have been carried out. Actions pending implementation have been included in the new ESG Master Plan.

CSR 2016-2020 Master Plan

Action Areas	No. Action lines	No. Lines under development	No. of actions	Attainment of the different actions
Ethical management and good governance	5	100%	21	90%
People development	6	100%	9	89%
Sustainable development of the business	9	100%	17	82%
Adding value to society	5	80%	9	89%
Communication and reporting	10	80%	13	85%
Governance of Corporate Responsibility	3	100%	13	100%
Total	38	92%	82	89%

Through the ESG strategy, we analyze, measure and manage the impacts that as a company we generate on society and its environment. This is a task in which we should work together in various areas of the company in a transversal manner and that concerns all the people that comprise it. The main challenge ahead is to extend this commitment to all the countries in which we operate

Marissa Serrahima, CSR Expert
Cellnex Telecom

Under the new ESG Master Plan, Cellnex will continue to make progress in integrating ESG into the corporate culture and activities of the company, taking into account the different countries in which Cellnex is present and in line with the business strategy. In this way, the company consolidates a solid and coherent ESG management, defining itself as a company committed to the responsible development of its business, a benchmark in the telecommunications infrastructure sector.

A diagnosis was created to draw up a plan aligned with international standards and sustainability trends that meets the expectations of Cellnex's stakeholders, proxy advisors and society at large.

This diagnosis was structured into eight aspects or subjects with 35 specific aspects defined within each one to focus the analysis.



Cellnex carried out an

external and internal diagnosis

aligned with international standards and sustainability trends

For each specific aspect, the company analysed the importance and management for Cellnex Top Management and Country Managing Directors (internal diagnosis) and identified prescribers demands and media trends in these areas have been identified, as well as good practices implemented by Cellnex's peers (external diagnosis).

In the external diagnosis, Cellnex performed a benchmarking of eight peers to identify the best ESG practices in the telecommunications sector, through an analysis of the public information available for each company.

Likewise, the company consulted public information on reference prescribers, including sectorial prescribers as well as ESG and sustainability prescribers, such as Dow Jones Sustainability Index, CDP, TCFD, OIT, GRI, SABS, SDG, MSCI, Sustainalytics or CNMV.

In addition, in the external diagnosis, Cellnex analysed the main trends in the media and consulted Cellnex's stakeholders, incorporating the country perspective through ad hoc consultations (interviews or surveys) with identified stakeholders. In this connection, the company performed, surveys with customers and suppliers and interviews with the media, sector associations and shareholders and investors.

Furthermore, in the internal diagnosis, the company compiled and analysed the public and internal documentation available from Cellnex relating to the management of the different business aspects related to ESG, such as Strategic Sustainability Plan (2019-2023) or Equity, Diversity and Inclusion Programme (2019-2022). Moreover, Cellnex held interviews with the members of the Management Team and Country Managing Directors and conducted employee surveys.

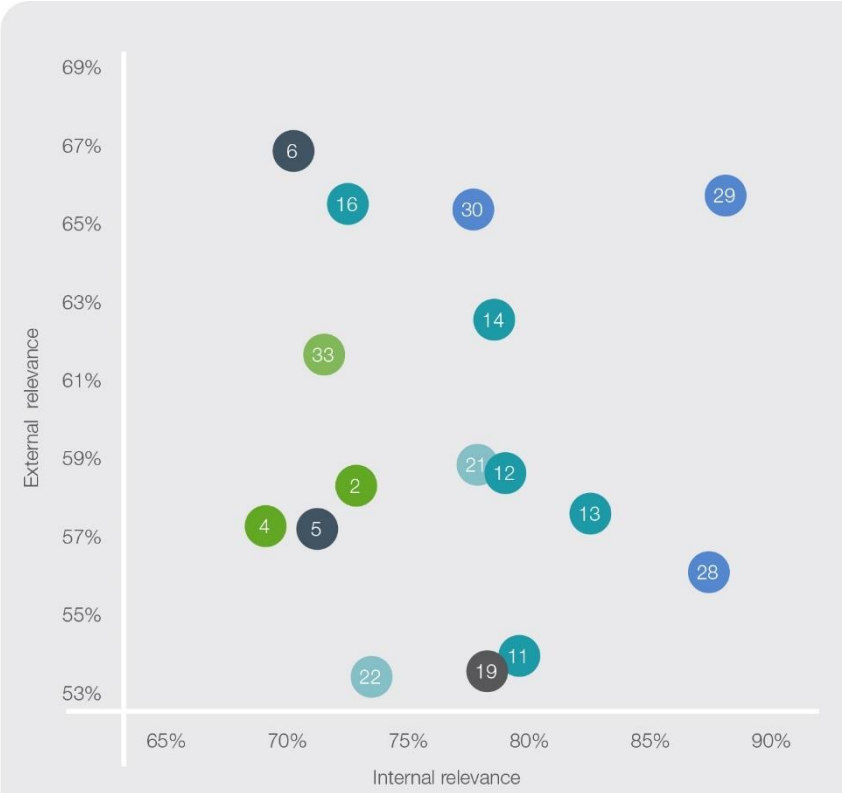
Through the internal and external diagnosis flagged up, the relevant issues for Cellnex and its stakeholders. These inputs were used to update the map of stakeholders, as set out in the next section and to draw up the materiality matrix.

Cellnex updated its

materiality matrix

during 2020

Materiality matrix





- 28 Environmental and climate risks and impacts management
- 29 Climate change and carbon footprint strategy
- 30 Sustainable use of resources
- 11 Corporate culture
- 12 Equity, diversity and inclusion
- 13 Talent attraction and retention
- 14 Training and development
- 16 Health and Safety
- 19 Boosting the digitalisation of society
- 21 Social contribution
- 22 Mitigation of infrastructures' impacts
- 33 Privacy and security of information
- 2 Economic management and performance
- 4 Risks and opportunities management (business, ESG risks, etc.)
- 5 Corporate Governance
- 6 Ethics and Human Rights

7 thematic areas on which the analysis and diagnosis of materiality has been based (see infographic on previous page)

Cellnex defined a new

ESG Policy

approved by the board of directors in December 2020

The ESG Master Plan and the current Cellnex CSR Policy were updated by the new ESG Policy to include the new aspects identified in the internal and external diagnosis and the positioning that the company wants to achieve. ESG Policy was drawn up in line with the Good Governance recommendations of the CNMV. The ESG Master Plan was approved in December 2020 and the ESG Policy in February 2021.

Moreover, the Appointments and Remuneration Committee (ARC) of the Board of Directors has been renamed the Nominations, Remunerations and Sustainability Committee (NRSC), in line with the recommendations of the CNMV published in June 2020 in the revision of the "Good Governance Code of listed companies". Now, this Committee is the highest governing body responsible for ensuring compliance with the commitments established in the ESG Policy, as well as any actions which may derive from it. Similarly, this Committee is responsible for monitoring their degree of compliance, as well as the application of the ESG Master Plan.

This process redefined the vision on ESG within the company's Mission, Vision and Values that set the company's ambitions in terms of ESG in the medium and long term.

The strategic axes were defined within the ESG vision as defined and in light of the recommendations identified from the internal and external diagnosis along with the stakeholder's expectations. Likewise, the analysis of the SDGs and their specific targets and their corresponding objectives were taken into account.

Once the five strategic axes and one cross-cutting communication and awareness-raising axis have been defined, priority will be given to 17 strategic lines that will give rise to 92 specific actions under Cellnex's new ESG Master Plan. A five-year timetable has been drawn up to ensure the implementation of the ESG Master Plan, including KPIs and objectives to be achieved in some actions.



The ESG Master Plan (2021-2025) is aligned with Sustainable Development Goals, a United Nations initiative that aims to eradicate poverty, protect the planet and ensure the prosperity of humanity as part of a new sustainable development agenda (https://www.un.org/sustainabledevelopment/). There are 17 Sustainable Development Goals (SDGs) with 169 associated targets. The following infographic shows the traceability between the lines of actions of the ESG Master Plan (2021-2025) and their specific targets.

Line of action	SDG	SDGs targets
Showing what we are, acting with integrity	8	8.3 8.7 8.8
	10	10.2 10.3 10.4
	13	13.1
	17	17.14 17.15 17.16 17.17
Boosting our talent, being diverse and inclusive	4	4.3 4.4 4.5
	5	5.1 5.2 5.3 5.b 5.c
	8	8.3 8.5 8.6 8.8
	10	10.2 10.3 10.4
Being a facilitator of social progress	1	1.4
	4	4.3 4.4 4.5 4.7 4.b
	9	9.1 9.4 9.5
	10	10.2
	17	17.7 17.15
Growing with a long-term sustainable environmental approach	9	9.1 9.4
	13	13.1 13.2 13.3
	15	15.1 15.4 15.5
Extending our commitment to the value chain	8	8.3 8.7 8.8
	9	9.3
	17	17.14 17.15 17.16 17.17

This ESG Master Plan (2021-2025), based on the material issues resulting from the materiality study, is aligned with both the Global Reporting Initiative indicators and the requirements of the Law 11/2018 related to non-financial information and diversity. The

Materiality matrix		ESG Master Plan 2021-2025	Reporting	
ESG main topics	ESG specific topics	Strategic axes	GRI	Law 11/2018
Company business model	Economic management and performance	Showing what we are, acting with integrity	102: Company Profile 201: Economic Performance 202: Market Presence 203: Indirect Economic Impacts 207: Tax 419: Socioeconomic Compliance	Business Model Tax Information
	Risks and opportunities management (business, ESG risks, etc.)	Showing what we are, acting with integrity	102: Strategy	Risks
Governance model and Compliance	Corporate Governance	Showing what we are, acting with integrity Ensuring the awareness of our responsible way of doing	102: Governance	
	Ethics and Human Rights	Showing what we are, acting with integrity Ensuring the awareness of our responsible way of doing	102: Ethics and integrity 205: Anti-corruption 406: Non-discrimination 408: Child Labor 409: Forced or Compulsory Labor 412: Human Rights Assessment 414: Supplier Social Assessment	Accessibility Equality Human rights Anti-corruption and anti-bribery Suppliers
People management	Corporate Culture	Boosting our talent, being diverse and inclusive	401: Employment 405: Diversity and Equal Opportunity	Employment Work organisation Social relations Accessibility Equality
	Equity, diversity and inclusion	Boosting our talent, being diverse and inclusive	405: Diversity and Equal Opportunity 406: Non-discrimination	Employment Accessibility Equality
	Talent attraction and retention	Boosting our talent, being diverse and inclusive	401: Employment 404: Training and Education	Employment Work organisation Training
	Training and development	Boosting our talent, being diverse and inclusive	404: Training and Education	Training
	Health and Safety	Boosting our talent, being diverse and inclusive	402: Labor/Management Relations 403: Occupational Health and Safety 407: Freedom of Association and Collective Bargaining	Health and safety
Commitment to innovation	Boosting the digitalisation of society	Being a facilitator of social progress	413: Local Communities	Commitments of the company to sustainable development
Contribution to society	Social contribution	Being a facilitator of social progress	204: Procurement Practices 413: Local Communities	Commitments of the company to sustainable development
	Mitigation of infrastructures' impacts	Being a facilitator of social progress	203: Indirect Economic Impacts 413: Local Communities 416: Customer Health Safety	Commitments of the company to sustainable development
Sustainability and environment	Environmental and climate risks and impacts management	Growing with a long-term sustainable environmental approach	102: Strategy 302: Energy 304: Biodiversity 305: Emissions 307: Environmental Compliance 308: Supplier Environmental Assessment	Risks Global environment Biodiversity Suppliers
	Climate change and carbon footprint strategy	Growing with a long-term sustainable environmental approach	302: Energy 305: Emissions	Contamination Climate change
	Sustainable use of resources	Growing with a long-term sustainable environmental approach	302: Energy	Sustainable use of resources
Customers management	Privacy and security of information	Extending our commitment to the value chain	417: Marketing and Labeling 418: Customer Privacy	Customers

following infographic shows the traceability between the materiality matrix, the ESG Master Plan and the reporting regulation.

Sustainable Development Goals

Cellnex identified the

SDGs

in which its contribution is most relevant

A study conducted in 2020 identified and prioritised the most relevant SDGs and their specific targets for Cellnex and analysed the company's contribution to their achievement using the Global Goals Business Navigator tool developed by PwC.

In order to identify and prioritise the relevant SDGs and their specific targets for Cellnex, the necessary information on the company has been compiled in the different countries in which it is present and has been introduced as input in the Global Goals Business Navigator tool, developed by PwC.

Likewise, this study analysed the current contribution of Cellnex to the SDGs and their specific targets by analysing the results extracted from the Global Goals Business Navigator tool, evaluating the relevance that each SDG and its goals have on the company's direct operations and indirect operations associated with its value chain.

Cellnex identified the

risk associated with non-compliance with the SDGs

Cellnex has gone one step further, analysing what Cellnex's potential contribution to the SDGs and their specific targets would be in 2030 by assessing the risk associated with non-compliance with the SDGs and their specific targets by the countries in which the company operates and identifying opportunities and actions to be taken by Cellnex under the new ESG Master Plan, allowing us to maximise the company's current contribution to the SDGs and their specific targets and reducing the risk associated with non-compliance.

In accordance with the prioritisation criteria applied to the SDGs and their specific targets analysed and taking into account the company’s contribution to their achievement, SDGs and their specific targets were classified into two degrees of importance (high or medium) for the Cellnex group. In this regard, SDGs 4, 5, 8, 9, and 13 were identified as having a high degree of importance, whereas SDGs 1, 10, 15, and 17 were identified with a medium degree of importance.

These results have been taken into account in the definition of the company's ESG Master Plan and ESG Policy.



Cellnex contributed to achieve the main Sustainable Development Goals through its activity in 2020. The most outstanding initiatives were:

Cellnex 2020 main contribution to SDGs

Cellnex Group High Relevance SDGs

4 QUALITY EDUCATION

- Talent is a key pillar of People Strategy: "Development for all, focused on business needs and unlocking everyone's growth potential"
- 1st edition of Cellnex MBA finished.
- 193 development actions so far.
- 517 new joiners

5 GENDER EQUALITY

- Initial diagnosis about Equity, Diversity and Inclusion.
- Definition of an Equity, Diversity and Inclusion Policy of Cellnex approved by the Board of Directors in 2019.
- Design of an Equity, Diversity and Inclusion Program of Cellnex Group (2019-2022).
- 90 actions resulting from 20 commitments and 35 strategic lines, with specific KPIs and targets.

8 DECENT WORK AN ECONOMIC GROW

- Continued implementation of some regulations to ensure decent labor conditions at Group level: Human Rights Policy, ESG Policy, H&S Policy, Code of Ethics and Equity, Diversity and Inclusion Policy.
- Promotion of healthy lifestyle habits through the "Click into Wellness" project.
- ISO 45001 in Cellnex Spain, Italy and UK.
- Design of an Equity, Diversity and Inclusion Program of Cellnex Group.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Strategic Sustainability Plan (2019-2023).
- 5G to bridge the digital divide.

13 CLIMATE ACTION

- Strategic Sustainability Plan (2019-2023).
- 50 actions resulting from 11 strategic lines, with specific KPIs and targets.
- Analysis of climate scenarios of all countries has been carried out following the recommendations of the "Task Force on Climate-related Financial Disclosures (TCFD)".

Cellnex Group Medium Relevance SDGs

1 NO POVERTY

- Social projects and volunteer program.
- Donations.
- Contributions to different CSR initiatives.
- Social projects: Third Social Sector Board and Casa Bloc project.

10 REDUCED INEQUALITIES

- Design of an Equity, Diversity and Inclusion Program of Cellnex Group, composed by 5 lines of action.

15 LIFE ON LAND

- Strategic Sustainability Plan (2019-2023).
- DaMA project (Spain) and DaNa project (all other countries). Identification of sites in protected areas and associated regulations.

17 PARTNERSHIPS FOR THE GOALS

- Cellnex action and participation in relevant industry associations.
- Participation in Sustainability Indices and initiatives.
- Projects and partnerships with Third Social Sector Board

Cellnex updated its

map of stakeholders

Stakeholders engagement

Consulting the various stakeholders has made it possible to identify and understand the expectations of Cellnex's stakeholders in the field of ESG. In addition, this process has served to redefine the most relevant stakeholders for Cellnex, taking into account the evolution of the company. Seven key stakeholders were identified based on this analysis:



- Customers: under Cellnex's business model, all customers are B2B. For further information, see the section on “Customers”.
- Investors and shareholders: companies that invest in Cellnex and/or analyse its sustainable profitability. For further information, see the section on “Shareholders”.
- Employees: both former and recently hired employees in each of the countries in which Cellnex is located. For further information, see the section on “Cellnex’s people strategy”.
- Society and local communities: include local communities, NGOs, social and business associations. For further information, see the section on “Social contribution”.

- Suppliers: includes all providers regardless of size. For further information, see the section on “Suppliers”.
- Media: includes press, communication, brand and advertising agencies.
- Public administrations and associations: include European, national, regional and local administrations, regulators, industrial associations, technological platforms and universities or training centres.

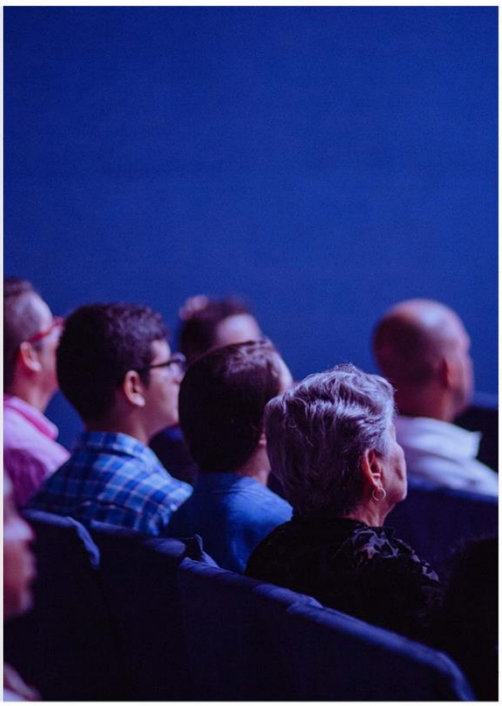
In relation to the Public administrations and associations stakeholder group, Cellnex collaborates actively with various entities at national and international level. Cellnex's participation in different associations allows it to improve engagement with other actors in the sector and participate in decision-making that would affect the company.

Associations	
UER/EBU	ENERTIC
DVB	CAMBRA DE COMERÇ DE BARCELONA
TCCA (antes Tetra MOU association)	CCIES
DIGITALES	BARCELONA GLOBAL
FENITEL	Instituto Auditores Internos
AEDETI	Asociación Emisores Españoles
Broadcast Network Europe	Asociación Española para la Calidad (AEC)
EWIA (European Wireless Infrastructure Association)	Asociación Española para las Relaciones con Inversores (AERI)
HbbTV Association	Asociación para el Progreso de la Dirección (APD)
ADEA	Cámara de Comercio e Industria Italiana para España (CCIS)
ETSI European Telecommunications Standard Institute	Confederación Empresarial de usuarios de seguridad y servicios (CEUSS)
European Innovation Partnership on Smart Cities and Communities (EIP-SCC)	Instituto de Oficiales de Cumplimiento (IOC)
AIOTI (Agrupación Europea de la IoT)	Cámara Comercio de España
GSMA	Asociación empresarios y directivos Aragón
TIP	Foro Conecta Digital
Avicca (France)	5G MAG
InfraNum (France)	SCF (Small Cell Forum)
OFITEM (France)	AERCE AI 2019
Spanish Chamber of Commerce (France)	SmartCat Challenge
Green IT Amsterdam (Netherlands)	IoT Catalan Alliance
techUK	Clúster audiovisual de Catalunya
Parliamentary Internet, Communications and Technology Forum, PICTFOR (UK)	Cátedra RTVE
London Chamber of Commerce	Global Compact
Spanish Chamber of Commerce (UK)	Avaesen (Valencian Region Energy Association)
Thames Valley Chamber of Commerce (UK)	

Additionally, Cellnex participates in fora, sharing its knowledge and experience. Through its participation in these fora, Cellnex is updated on the latest trends and is enriched by the transfer of knowledge that takes place between the entities that are part of the fora. Cellnex also collaborates with different foundations as well as universities and training centres.

Fora

- Digital TV Fora
- International Telecommunications Union (ITU)
- Circle of Technologies Foundation for Defence and Security
- European Conference of Postal and Telecommunications Administrations
- The Electronic Communications Committee (CEPT-ECC)
- Official Professional Association of Telecommunications (COIT)
- Mobile Infrastructure Panel
- Tower Exchange
- Digi-CONNECT
- Digital Radio Fora
- CTN178
- Hybrid Radio Fora



Foundations

- EURECAT
- i2CAT
- SERES Foundation
- Swiss Research Foundation for Electricity and Mobile Communication (Forschungsstiftung Strom und Mobilkommunikation, FSM)
- Leitat Foundation
- The BEST (Barcelona Education in Science and Technology) Foundation
- European Internet Foundation



Universities and training centres

- School of New Interactive Technologies - University of Barcelona
- ESADE
- Graduate School of Economics
- IESE
- Gradiant
- Tecnalia
- University of Bristol



Dialogue with stakeholders

Cellnex maintains a close relationship with its stakeholders, through a constant communication, especially with customers, employees, suppliers and shareholders and investors. This dialogue is built up on the basis on each of the interactions with the stakeholders through the different channels set up for this purpose.

Stakeholders	Stakeholder expectations	Company response	Communication and engagement channels
Customers	• Quality service • Reliability • Support customer needs	• Provide good quality of service. • Support, reliability and coverage. • Fast and efficient deployment in the networks.	• Direct contact with customers • Customer Care Global Model • Webinars at Cellnex Connectivity Days • Social media/email • Customer satisfaction surveySuggestions and complaintsCellnex trends
Employees	• Professional development • Contribute to the company's growth • Stability	• Cellnex Competencies and Leadership model • Employee Value Proposition • Integrated Corporate Culture in all the countries • Improve internal communication with the aim of being closer to employees	• Regular virtual meetingsAnnual climate surveys • Community program (platform of sharing employee's new ideas and attitudes) • Ethical channel • Cellnex Group's intranet • Social media/emailTeams
Suppliers	• Become a partner and/ or maintain a long-term partnership • Business increase • On time payments and less bureaucracy	• Establish long-term relationships with suppliers based on communication and transparency. • Implement Ariba, an IT tool to automate and manage the procurement process	• Ariba tool, especially module Ariba Network. • Annual satisfaction survey
Investors	• European leaders • ESG aspects in the strategy • Maintain the economic performance.	• Consolidate the integration of new acquisitions. • Explore new opportunities • Diversify services • Implement ESG Master Plan aligned to Cellnex strategy	• Investor Relations Area • "IR" section on the Company website. • General Shareholders' Meeting • Social media (YouTube, Flickr, LinkedIn, Twitter, SlideShare or RSS) • Cellnex trends
Other	• Visibility	• Improve the communication and relationship with stakeholders	• Regular participation in forums, conferences or events • Press releases • Interviews • Social media/email • Cellnex trends

Events

The company has taken part in several events during the year, most of them virtual, through videoconference, in order to share its expertise in different fields. The most outstanding were:

- **Woman now reset (Madrid):** A virtual congress that over two days brought together prestigious personalities to begin to build a sustainable and diverse world, reinvent employment and discover new ways of living, always with an eye on the challenges faced by women. Àngels Ucero, Global Management System Director of Cellnex Telecom was invited as a speaker.

- **1st Space & Industrial Economy 5.0 Sevilla Virtual Summit:** The event promoted the development of innovation, technology and the new industry in Spain, with a clear international vocation and a strong presence in the aerospace sector, as well as a dynamic and innovative vision of the economy. José Antonio Aranda, Director of Innovation and Product Strategy of Cellnex was invited as a speaker.

- **Innovation, Technology And Digitalization Meeting: Future And Digital Europe:** The axis of the event revolved around how Europe and Spain can improve their digitisation in a scenario where supercomputing, artificial intelligence, cybersecurity, the digital divide, data management or digital sovereignty have become at the same time challenges and concerns. Tobías Martínez, CEO of Cellnex, was invited as a speaker at an event in which

Margrethe Vestager, Executive Vice-President for the Digital Age and Commissioner for Competition of the European Commission, and Nadia Calviño, Minister for Economic Affairs and Digital Transformation of the Spanish Government, among others, also participated.

- **STEM Women Congress (SWC) (Barcelona):** A meeting point for STEM companies, initiatives and institutions, to make visible and promote female talent in the STEM field. Anna Bufí, Country People & Organization Director, was invited as a speaker.

- **BNEW:** A physical and digital B2B event that gathers unique events of the sectors of Logistics, Real Estate, Digital Industry, Ecommerce and Economic Zones. They all share a common denominator: New Economy. Mikki Uusitalo, Global Mission Critical & Private Networks Director and Jose Antonio Aranda, Director of Innovation and Product Strategy at Cellnex Telecom, were invited as speakers.

- **DigitalES Summit:** A virtual meeting, in which within a scenario generated in 3D, people and technology share the limelight to value the work of all the actors who are leading the change and digitization of Spain at a time as complex as the present. Under the concept "Leading the change", the leaders of innovation and digitization, companies and public institutions met. Oscar Pallarols, Global Commercial and Innovation Director at Cellnex Telecom was invited as a speaker.

- **4K Summit:** The 4K Summit is the main international meeting of professionals from the Ultra High Definition industry, both in the technology and audio-visual content sectors. Xavi Redón, Product Manager at Cellnex, was invited as a speaker.

- **Critical Communication World:** A global conference and exhibition for the critical communications sector. Valentí Roca, Global Head of Private Networks at Cellnex Telecom speaker participated in a round table with representatives from Nokia, Basf, and Ofcom.

- **1er Webinaire: "La Parole des Dirigeants":** The Official Chamber of Commerce of Spain in France (COCEF) launched a series of testimonials from business leaders who spoke about the impact of COVID-19 on their activity. Vicent Cuviller, Managing Director on Cellnex France Groupe, was invited as a speaker.

- **Intel Network & Edge vSummit Series:** A virtual summit series brings of the latest on technologies driving the evolution of network and edge infrastructure. Together with experts of CenturyLink and Lenovo, Jose Antonio Aranda, Director of Innovation and Product Strategy at Cellnex Telecom shared their insights to help expand your knowledge of providing visual experiences at the Edge and Content Delivery Networks (CDN).

Awards and recognition of Cellnex in 2020

During 2020, Cellnex received several awards that recognize the good performance of the company and its contribution to society.

Moreover, Cellnex is part of the jury of the first edition of the IT pioneers award, together with personalities such as the President of CEOE or the President of Ametic, and leading companies such as Telefónica, Whirlpool, Hispasat, Fundación Orange.

This award will be awarded annually to a female Telecommunications Engineer, to value her career and professional career as a "pioneer". The aim of this “Pioneer of the Year” award is to give visibility to the contributions and achievements that have been made in society, thanks to the presence of female talent in the technological field, particularly in telecommunications.

In this connection, the Pioneras_IT Award will also award several mentions to teaching centres or Institutions that promote scientific vocations: Special Mention Pioneras_IT Public Institution, Pioneras_IT Private Institution Mention, and Pioneras_IT Educational Institution Mention.

El Confidencial Influential Awards

Award to the company of the year for its contribution to social and economic development

The entity has positioned itself as one of the best European companies in the deployment of 5G technology. In addition, in 2019, it doubled its market value, becoming the Spanish company with the best results compared to the entire stockmarket.



El Economista awards

Best long-term issuance

Cellnex achieved the cheapest long-term financing in 2019, with the placement of a 9-year convertible bond with a coupon of 0.5% with which it raised 850 million euros.



Best value of the Eco10

Cellnex Telecom has become a key value in the consensus portfolio of the Eco10 index since its last entry in September 2019.



La Información

Business Leader of the Year

Business Leader of the Year to Tobías Martínez, CEO of Cellnex, the telecommunications services company that in the last six years has turned the sector upside down and maintains a commitment to progress that will soon lead to be present in twelve countries, and to be one of the 'star' values of the Spanish business fabric.



Vocento

Revelation Company award

Cellnex won the accolade of Revelation Company as the fourth largest share value in the IBEX-35, with a market cap of € 26.311 billion, having achieved a record demand from investors in its capital increase.



Expansión

Salmon Award

The Salmon Award for the best value of the year, chosen by the readers of EXPANSIÓN, went to Cellnex, whose titles revaluated more than 94% in 2019.



La Razon

Best Value of the Ibex 35

Since its debut, it has multiplied its capitalization by five and is the fourth largest company on the Ibex 35.

José Manuel Aisa, CFO of the company, could not attend the ceremony and thanked the award through a video, appreciating the shareholders' trust in 2019, which is also maintained in 2020.





3

Showing what we are, acting with integrity

Showing what we are, acting with integrity

2020 main highlights

36% of women directors

91% of non-executive directors

64% of independent directors

9% of directors with ESG capabilities and expertise

7 different nationalities in the BoD

15% *of the variable remuneration associated with the performance of the company related to ESG issues for the Top Management.*

Creation of ***Nominations, Remunerations and Sustainability Committee*** *(NRSC).*

Cellnex updated its ***Crime prevention and detection model*** *and its* ***Corruption prevention procedure.***

Cellnex has adhered to the ***Code of Best Tax Practices.***

Global Risk Management Policy *has been approved.*

Management System *Department has set up and a* ***Certifications catalogue*** *tool has created.*

Cellnex participates in the following Sustainability Indexes

Dow Jones Sustainability Indexes

CDP A LIST 2020 CLIMATE

FTSE4Good

UN Global Compact

MSCI

SUSTAINALYTICS

standard ethics

2021 main challenges

40% of women directors from 2022.

90% of non-executive directors from 2022.

60% of independent directors from 2022.

25% of directors with ESG capabilities and expertise from 2022.

At least ***3 different nationalities*** *in the BoD from 2022*

Remuneration associated *with the performance of the company related to* ***ESG*** *issues in leadership positions, including the CEO by 2022 and beyond.*

Cellnex's corporate documents are being updated in order to adapt to the new CNMV ***Good Governance Code of listed companies.***

Compliance Plan 2021-2022

Cellnex has committed to identify and assess potential impacts in terms of human rights.

Global Risk Compliance (GRC) tool *will be implemented in 2021.*

Global risk assessment*, including non-financial risks, especially climate-related financial risks (****TCFD****), and* ***human rights****-related risks (2023).*

Economic performance

Milestones and main figures for the year 2020

Business performance and results

The year that ended on 31 December 2020 highlighted a unique combination of defensive and high quality structural growth with limited exposure to COVID-19, which is possible through consistent and sustainable organic growth, solid financial performance and a tireless focus on integration.

Alternative Performance Measures

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

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

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

The definition and determination of the aforementioned APMs are disclosed in the accompanying consolidated financial statements and are therefore validated by the Group auditor (Deloitte).

The Company presents comparative financial information from the previous year as detailed in Note 2.f of the accompanying consolidated financial statements.

Adjusted EBITDA

This relates to the "Operating profit" before "Depreciation and amortisation charge" (after adoption of IFRS 16) and after adding back (i) certain non-recurring items (such as COVID donations, redundancy provision, extra compensation and benefit costs, and costs and taxes related to acquisitions) or (ii) certain non-cash items (such as advances to customers, and LTIP remuneration payable in shares).

The Company uses Adjusted EBITDA as an operating performance indicator of its business units and is widely used as an evaluation metric among analysts, investors, rating agencies and other stakeholders. At the same time, it is important to highlight that Adjusted EBITDA is not a measure adopted in accounting standards and, therefore, should not be considered an alternative to cash flow as an indicator of liquidity. Adjusted EBITDA does not have a standardised meaning and, therefore, cannot be compared to the Adjusted EBITDA of other companies.

As at 31 December 2020 and 2019, respectively, the amounts are as follows:

Adjusted EBITDA (Thousands of Euros)

	31 December 2020	31 December 2019 restated
Telecom Infrastructure Services	1,272,583	694,248
Broadcasting infrastructure	227,257	235,383
Other Network Services	104,932	101,214
Operating income	**1,604,772**	**1,030,845**
Staff costs	(165,861)	(144,171)
Repairs and maintenance	(50,783)	(35,596)
Leases	(11,118)	(11,102)
Utilities	(102,359)	(84,798)
General and other services	(142,297)	(111,872)
Depreciation and amortisation charge	(974,064)	(501,841)
Operating profit	**158,290**	**141,465**
Depreciation and amortisation	974,064	501,841
Non-recurring and non-cash expenses	45,712	38,461
Advances to customers	3,659	3,790
Adjusted operating profit before depreciation and amortisation charge (Adjusted EBITDA)	**1,181,725**	**685,557**

Non-recurring and non-cash expenses, and advances to customers at 31 December 2020 and 2019 are set out below (see Note 20.d of the accompanying consolidated financial statements):

i) COVID donations, which relate to a financial contribution by Cellnex to different institutions in the context of the Coronavirus Pandemic (non-recurring item), amounted to EUR 5,620 thousand.

ii) Redundancy provision, which mainly includes the impact in 2020 and 2019 year-end derived from the reorganisation plan detailed in Note 19.a of the accompanying consolidated financial statements (non-recurring item), amounted to EUR 4,912 thousand (EUR 5,552 thousand at 2019 year-end).

iii) LTIP remuneration payable in shares, which corresponds to the LTIP remuneration accrued at the year-end, which is payable in Cellnex shares (See Note 19.a of the accompanying consolidated financial statements, non-cash item), amounted to EUR 8,455 thousand (EUR 5,962 thousand at 2019 year-end), and extra compensation and benefits costs, which corresponds to extra non-conventional bonus for the employees (non-recurring item), amounted to EUR 316 thousand (EUR 5,117 thousand at 2019 year-end).

iv) Service contract cancellation cost, which related to the cancellation expense concerning the change of the administration and treasury services provider, amounted to EUR 1,545 thousand at 2019 year-end. This change took place in order to implement a new industrial model at Group level, to guarantee the optimisation and standardisation of policies, processes and procedures in all the countries (non-recurring item).

v) Advances to customers, which Includes the amortisation of amounts paid for sites to be dismantled and their corresponding dismantling costs, amounted to EUR 3,659 thousand (EUR 3,790 thousand at 2019 year-end). These costs are treated as advances to customers in relation to the subsequent services agreement entered into with the customer (mobile telecommunications operators). These amounts are deferred over the life of the service contract with the operator as they are expected to generate future economic benefits in existing infrastructures (non-cash item).

vi) Costs and taxes related to acquisitions, which mainly includes expenses incurred during acquisition processes (non-recurring item), amounted to EUR 26,409 thousand (EUR 20,285 thousand at 2019 year-end).

Adjusted EBITDA Margin

Corresponds to Adjusted EBITDA divided by total revenues excluding elements pass-through to customers (mostly electricity) from both expenses and revenues.

According to the above, the Adjusted EBITDA Margin as at 31 December 2020 and 2019 was 75% and 68%, respectively.

Gross financial debt

At the end, the financing of companies must necessarily be sustainable, or the banks and investors will not give it to us.
Isard Serra, Global Finance Director
Cellnex Telecom

The Gross financial debt corresponds to "Bond issues and other loans", "Loans and credit facilities" and "Lease liabilities", but does not include any debt held by Group companies registered using the equity method of consolidation, "Derivative financial instruments" or "Other financial liabilities".

According to the above, its value as at 31 December 2020 and 2019, respectively, is as follows:

Gross financial debt (Thousands of Euros)

	31 December 2020	31 December 2019 restated
Bond issues and other loans (Note 15)	7,534,957	3,501,124
Loans and credit facilities (Note 15)	1,854,488	1,636,450
Lease liabilities (Note 16)	1,762,819	1,140,188
Gross financial debt	**11,152,264**	**6,277,762**

Net financial debt

Relates to "Gross financial debt" minus "Cash and cash equivalents"

Together with "Gross financial debt", the Company uses "Net financial debt" as a measure of its solvency and liquidity as it indicates the current cash and equivalents in relation to its total debt liabilities. From the net financial debt, common used metrics are calculated such as the "Annualised Net Debt/12-month forward looking Adjusted EBITDA" which is frequently used by analysts, investors and rating agencies as an indication of financial leverage.

The "Net financial debt" on 31 December 2020 and 2019 is detailed in Section "Liquidity and Capital Resources" of this Consolidated Management Report.

Capital expenditures

Maintenance capital expenditures

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

Expansion (or organic growth) capital expenditures

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

Expansion capital expenditures (Build to Suit programmes)

Corresponds to committed build-to-suit programmes (consisting of sites, backhaul, backbone, edge computer centres, DAS nodes or any other type of telecommunication infrastructure as well as any advanced payment related to it) as well as Engineering Services with different customers. Any ad-hoc maintenance capital expenditure that might be required by any service line may be included.

M&A capital expenditure

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

Total capital expenditure for the year ended 31 December 2020 and 2019, including property, plant and equipment, intangible assets, advance payments on land leases and business combinations are summarised as follows:

Capital expenditures (Thousands of Euros)

	31 December 2020	31 December 2019
Maintenance capital expenditures	52,381	40,556
Expansion (or organic growth) capital expenditures	145,618	97,110
Expansion capital expenditures (Build to Suit programmes)	559,417	229,500
M&A capital expenditures	5,619,565	3,663,285
Total Investment	**6,376,981**	**4,030,451**

Recurring leveraged free cash flow

The Company considers recurring leveraged free cash flow to be one of the most important indicators of its ability to generate stable and growing cash flows which allows it to guarantee the creation of value, sustained over time, for its shareholders. The criteria used to calculate the Recurring leveraged free cash flow is the same as the previous year.

At 31 December 2020 and 2019 the Recurring Leveraged Free Cash Flow ("RLFCF") was calculated as follows:

Recurring Leveraged Free Cash Flow (Thousands of Euros)

	31 December 2020	31 December 2019
Adjusted EBTIDA [1]	**1,181,725**	**685,557**
Payments of lease instalments in the ordinary course of business and interest payments [2]	(365,483)	(192,038)
Maintenance capital expenditures [3]	(52,381)	(40,556)
Changes in current assets/current liabilities [4]	(10,426)	(99)
Net payment of interest (without including interest payments on lease liabilities) [5]	(104,593)	(76,925)
Income tax payment [6]	(38,577)	(25,262)
Net dividends to non-controlling interests [7]	-	(699)
Recurring leveraged free cash flow (RLFCF)	**610,265**	**349,978**
Expansion (or organic growth) capital expenditures [8]	(145,618)	(97,110)
Expansion capital expenditures (Build to Suit programmes) [9]	(559,417)	(229,500)
M&A capital expenditures (cash only) [10]	(5,509,513)	(3,659,031)
Non-Recurrent Items (cash only) [11]	(36,941)	(30,827)
Net Cash Flow from Financing Activities [12]	7,909,446	5,597,960
Other Net Cash Out Flows [13]	32,250	(35,785)
Net Increase of Cash [14]	**2,300,472**	**1,895,685**

[1] Adjusted EBITDA: Profit from operations before D&A (after IFRS 16 adoption) and after adding back (i) certain non-recurring items (such as COVID donations (€6Mn), redundancy provision (€5Mn), extra compensation and benefits costs (€0.3Mn) and costs and taxes related to acquisitions (€26Mn)) and (ii) certain non-cash items (such as advances to customers (€4Mn) which include the amortisation of amounts paid for sites to be dismantled and their corresponding dismantling costs, and LTIP remuneration payable in shares and others (€8Mn)).

[2] Corresponds to i) payments of lease instalments (€223Mn) in the ordinary course of business and; ii) interest payments on lease liabilities (€142Mn). See Note 16 of the accompanying consolidated financial statements.

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

[4] Changes in current assets/current liabilities (see the relevant section in the Consolidated Statement of Cash Flows for the year ended on 31 December 2020).

[5] Corresponds to the net of "Interest paid" and "interest received" in the accompanying Consolidated Statement of Cash Flows for the year ended on 31 December 2020, excluding "Interest payments on lease liabilities" (€142Mn) (see Note 16 of the accompanying consolidated financial statements) and non-recurring financing costs related to M&A projects (€12Mn).

[6] Income tax payment (see the relevant section in the accompanying Consolidated Statement of Cash Flows for the year ended on 31 December 2020).

(7) Corresponds to the net of “Dividends to non-controlling interests”, “Dividends received” and “Others” in the accompanying Consolidated Statement of Cash Flows for the year ended on 31 December 2020.

(8) Corresponds to cash advances to landlords (€46Mn) without considering other non-recurring cash advances, efficiency measures associated with energy and connectivity (€34Mn), and others (including early site adaptation to increase the capacity of sites). Thus, it corresponds to investments related to business expansion that generates additional Recurring Leveraged Free Cash Flow.

(9) Committed Build to Suit Programmes and further initiatives (consisting of sites, backhaul, backbone, edge computing centres, DAS nodes or any other type of telecommunication infrastructure as well as any advanced payment in relation to them). It also includes Engineering Services or work and studies that have been contractualised with different customers, including ad-hoc capex eventually required.

(10) Corresponds to investments in shareholdings of companies as well as significant investments in acquiring portfolios of sites or land (asset purchases) after integrating into the consolidated balance sheet mainly the "Cash and cash equivalents" of the acquired companies. Mainly corresponding to the acquisition of Hutchinson, Arqiva, Meo and Nos.

The amount resulting from (3)+(8)+(9)+(10), hereinafter “Total Capex” (€6,267Mn), corresponds to “Total Investment” (see caption “Capital Expenditures” in the accompanying Consolidated Directors’ Report for the year ended on 31 December 2020) minus the “Cash and cash equivalents” of the acquired companies (€111Mn, see Note 6 of the accompanying consolidated financial statements).

The Total Capex (€6,267Mn) also corresponds to “Total net cash flow from investing activities” (€5,897Mn, see the relevant section in the accompanying Consolidated Statement of Cash Flows for the year ended on 31 December 2020), + Cash advances to landlords (€264Mn, see Note 16 of the accompanying Consolidated Financial Statements) + (€106Mn, including financial investments, timing effects related to assets purchases and the contribution of minority shareholders).

(11) Consists of "non-recurring expenses and advances to customers" that have involved cash movements, corresponding to “COVID donations”, “Redundancy provision” and "Costs and taxes related to acquisitions".

(12) Corresponds to “Total net cash flow from financing activities” (€7,434Mn, see the relevant section in the accompanying Consolidated Statement of Cash Flows for the year ended on 31 December 2020), excluding payments of lease instalments (€223Mn) in the ordinary course of business (see footnote 2) and Cash advances to landlords (€264Mn) (see footnote 10) and including non-recurring financing costs related to M&A projects (€12Mn).

(13) Mainly corresponds to timing effects, contribution of minority shareholders and “Foreign exchange differences” (see the relevant section in the accompanying Consolidated Statement of Cash Flows for the year ended on 31 December 2020).

(14) “Net (decrease)/increase in cash and cash equivalents from continuing operations” (see the relevant section in the accompanying Consolidated Statement of Cash Flow for the year ended on 31 December 2020).

Revenues and Results

Income from operations for the year ended on 31 December 2020 was EUR 1,605 million, which represents a 55% increase over 2019 year-end. This increase was due mainly to the consolidation of the business combinations and asset acquisitions performed in the second half of 2019 in France and Italy (Iliad), Switzerland (Salt), the UK (BT), Ireland (Cignal) and Spain (Orange), as well as the acquisition of Omtel, Edzcom, On Tower UK subgroup and On Tower Portugal during 2020 (see Note 6 of the accompanying consolidated financial statements).

Telecom Infrastructure Services income increased by 83% to EUR 1,273 million due to both the organic growth achieved and the acquisitions performed during the second half of 2019 and during 2020, as mentioned above. This business segment is characterised by solid growth driven by increasing demand for wireless data communication services, and by the growing interest of mobile network operators (MNO) in developing high-quality networks that fulfil their consumers' needs for uninterrupted coverage and availability of wireless bandwidth (based on new Long-Term Evolution "LTE" technologies), in the most efficient way. In recent years the Group has consolidated its infrastructure network and long-term strategic relationships with its main customers, the mobile network operators. In addition to its current portfolio, the Group's Management has identified several potential acquisitions which are currently being analysed using its demanding capital deployment criteria. The Group owns a high-quality asset portfolio made up of selective assets and performs the subsequent streamlining and optimisation of the tower infrastructure for Telecom Infrastructure Services. Its main added value proposals in this business segment consist of providing services to additional mobile network operators in its towers and therefore streamlining the customer's network. By increasing the ratio of customers to infrastructures, the Group will generate additional income with little additional costs. This network streamlining may generate significant efficiencies for the Group and for the MNOs. In this context, the Group's organic growth strategy is based on four different business models: (i) multiple allocation, (ii) build-to-suit, (iii) rationalisation, and (iv) tower-adjacent assets.

Income from the Broadcasting Infrastructure business amounted to EUR 227 million, which represents a 3% decrease compared with 2019 year-end. It should be noted that Cellnex completed last year a general cycle of renewal of contracts with customers in the broadcasting area, although in recent years the relative weight of this segment has decreased significantly. The strategy in this business segment is to maintain its strong market position while capturing potential organic growth. Cellnex plans to maintain its leading position in the Spanish national digital TV sector (in which it is the sole operator of national TV MUXs) by leveraging its technical knowledge of infrastructure and network infrastructure, its market understanding and the technical expertise of its staff. A significant portion of the contracts of the Group with operators are inflation-linked and some do not have a minimum limit or floor. The Group experienced, in the past, a high rate of renewal for the contracts in this business segment, although price pressure from customers can be possible when renegotiating contracts. The Group plans to continue working closely with regulatory authorities in relation to technological developments in both the TV and radio broadcasting markets and to leverage its existing infrastructure and customer relationships to obtain business in adjacent areas where it benefits from competitive advantages.

Other Network Services increased its income by 4%, to EUR 105 million. This constitutes a specialised business that generates stable cash flows with attractive potential for growth. Considering the critical nature of the services in which the Group collaborates, its customers require in-depth technical know-how that is reflected in the demanding service level agreements. The Group considers that it has a privileged market presence and geographical distribution, established relationships with government agencies and excellent infrastructure for emergencies and public services. The Group aims to expand and increase its data transmission connectivity services, for both MNOs backhaul and corporate data access, by focusing on services and solutions where its valuable network can be leveraged to differentiate its proposition from its competitors, and by taking advantage of its favourable position to provide mutualised high speed data transmission to MNOs in its infrastructures. The Company plans to leverage its infrastructure and frequency planning know-how to design, roll out and operate advanced telecom services for public administrations in the field of PPDR networks, including TETRA and LTE services networks. The Company aims to be a frontrunner in new types of infrastructure services including urban telecom infrastructure solutions. In addition, Cellnex provides fibre connectivity in Spain following the acquisition of XOC. Its main customer is the public administration.

The transactions performed during 2019 and 2020, especially in the Telecom Infrastructure Services business segment, has helped boost operating income and operating profit, with the latter also impacted by the measures to improve efficiency and optimise operating costs.

In line with the increase in revenue, Adjusted EBITDA was 72% higher than 2019 year-end, reflecting the Group's capacity to generate cash flows on a continuous basis.

In this context of intense growth, the "Depreciation and amortisation" expense has increased substantially, by 94% compared to the 2019 year-end, as a result of the higher fixed assets (property, plant and equipment, and intangible assets) in the accompanying consolidated balance sheet, after the business combinations undertaken during the second half of 2019 and during 2020.

Moreover, the net financial loss increased by 83%, derived largely from the new bond issuances carried out during 2020. Likewise, income tax for 2019 included the effect of updating the tax rate of certain subsidiaries, which resulted in a positive impact of €19 million in the consolidated income statement of the previous year.

Therefore, the net loss attributable to the Parent Company on 31 December 2020 amounted to EUR 133 million due to the substantial effect of higher amortisations and financial costs associated with the intense acquisition process and the consequent geographic footprint expansion, as mentioned above. This scenario remains consistent with the current strong growth that the Group continues to experience and, as mentioned in the 2019 Annual Results Presentation, the group expects to continue experimenting a net loss attributable to the parent company in the coming quarters.

Consolidated Balance Sheet

Total assets on 31 December 2020 stood at EUR 24,070 million, a 85% increase compared with the 2019 year-end, mainly as a result of the acquisition of Omtel, Edzcom, On Tower UK subgroup, On Tower Portugal, CK Hutchison Networks (Austria), CK Hutchison Networks (Ireland) and On Tower Denmark. Around 70% of total assets concern property, plant and equipment and other intangible assets, in line with the nature of the Group's business related to the management of terrestrial telecommunications infrastructure. The increase in property, plant and equipment and intangible assets is due mainly to the aforementioned acquisitions.

Total investments executed in 2020 amounted to EUR 6,377 million, in part for investments linked to generating new revenue streams, for the incorporation of new assets in Portugal, the UK, Finland, Austria, Denmark and Ireland, for the continued integration and roll-out of new sites in France, as well as improvements in efficiency, and maintenance of installed capacity.

Consolidated net equity on 31 December 2020 stood at EUR 8,933 million, a 77% increase compared with the 2019 year-end, due largely to the capital increase of EUR 4,000 million carried out in July 2020.

In relation to bank borrowings and bond issues, on 31 December 2020, Cellnex's debt structure is marked by flexibility, low cost and high average life. The average life of debt is 5.8 years, the approximate average cost is 1.6% (drawn debt), and 81% at a fixed rate.

The Group's net financial debt as of 31 December 2020 stood at EUR 6,500 million compared to EUR 3,926 million at the end of 2019 (restated). Likewise, on 31 December 2020, Cellnex had access to immediate liquidity (cash & undrawn debt) to the tune of approximately EUR 17.6 billion (EUR 6.6 billion at the end of 2019).

Cellnex holds a long-term "BBB-" (Investment Grade) with stable outlook according to the international credit rating agency Fitch Ratings Ltd as confirmed by a report issued on 15 April 2020 and a long-term "BB+" with stable outlook according to the international credit rating agency Standard & Poor's Financial Services LLC as confirmed by a report issued on 17 November 2020.

Consolidated cash flow generation

Net Payment of Interest

The reconciliation of the caption "Net payment of interest" from the Consolidated Statement of Cash Flows corresponding to the year ended on 31 December 2020 and 2019, with the "Net financial loss" in the Consolidated Income Statement is as follows:

	31 December 2020	31 December 2019 restated
Interest Income	**4,969**	**1,254**
Interest Expense	**(362,771)**	**(197,193)**
Bond & loan interest accrued not paid	89,260	54,462
Amortised costs – non-cash	64,075	38,726
Interest accrued in prior year paid in current year	(54,462)	(44,582)
Net payment of interest as per the Consolidated Statement of Cash Flows [(1)]	**(258,929)**	**(147,333)**

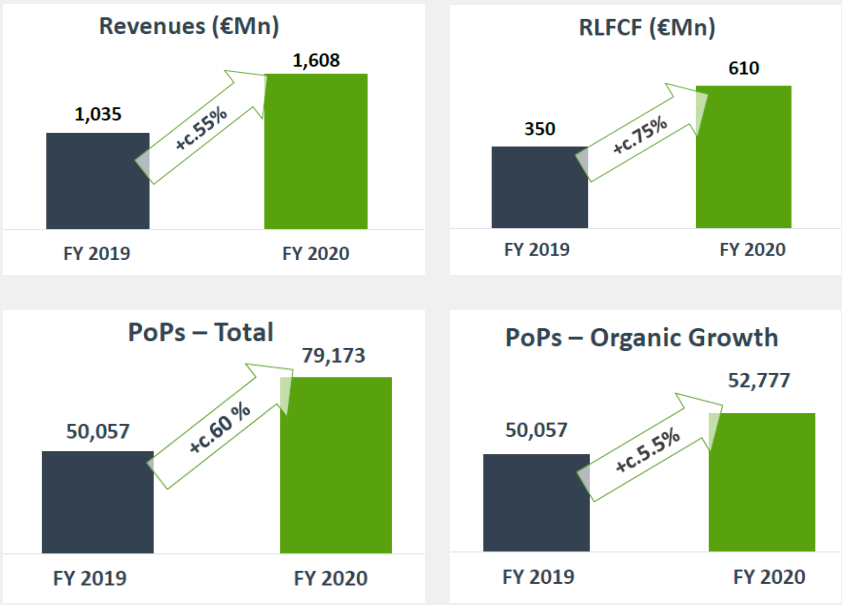
[(1)] Net payment of interest as per the Consolidated Statement of Cash Flows, which corresponds to i) "interest payments on lease liabilities" for an amount of €142,523 thousand (see Note 16 of the accompanying consolidated financial statements) plus ii) "Net payment of interest (not including interest payments on lease liabilities)" for an amount of €104,593 thousand (see section "Recurring leveraged free cash flow" of the accompanying Consolidated Management Report) and plus iii) non-recurring financing costs related to M&A projects for an amount of €11,813 thousand (see section "Recurring leveraged free cash flow" of the accompanying Consolidated Management Report).

Income Tax Payment

The reconciliation of the caption "Payment of income tax" from the Consolidated Statement of Cash Flows corresponding to the year ended on 31 December 2020 and 2019, with the "Income tax" in the Consolidated Income Statement is as follows:

	31 December 2020	31 December 2019
Current tax expense	**(31,828)**	**(14,555)**
Payment of income tax previous year	(5,689)	(3,950)
Receivable of income tax previous year	-	1,048
Income tax (receivable)/payable	3,176	(5,997)
Others	(4,236)	(1,808)
Payment of income tax as per the Consolidated Statement of Cash Flows	**(38,577)**	**(25,262)**

Business indicators



Information relating to the deferment of payments to suppliers

See Note 17 of the accompanying consolidated financial statements.

Use of financial instruments.

See Note 4 of the accompanying consolidated financial statements.

Sustained value creation

Creating value in the company

Cellnex´s Financial Structure

Cellnex's borrowing is represented by a combination of loans, credit facilities and bond issues. At 31 December 2020, the total limit of loans and credit facilities available was €14,783,715 thousand (€5,877,303 as of 31 December 2019), of which €3,324,205 thousand in credit facilities and €11,459,225 thousand in loans (€2,290,227 in credit facilities and €3,587,076 thousand in loans as of 31 December 2019).

Cellnex Financial Structure [(1)] (Thousands of Euros):

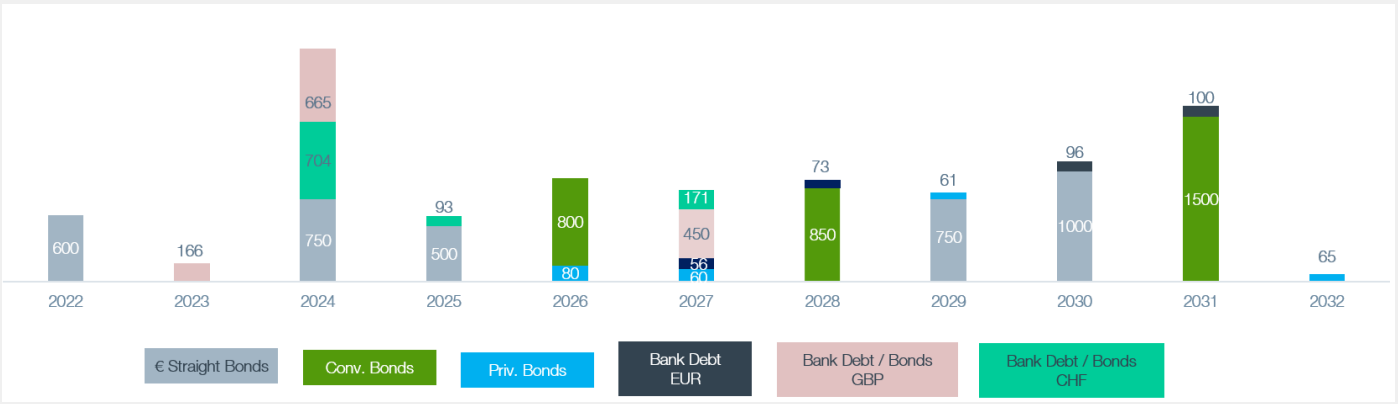
	Notional as of 31 December 2020 [(*)]			Notional as of 31 December 2019 [(*)]		
	Limit	**Drawn**	**Undrawn**	**Limit**	**Drawn**	**Undrawn**
Bond issues and other loans	7,729,340	7,729,340	-	3,600,500	3,600,500	-
Loans and credit facilities	14,783,431	1,864,215	12,919,216	5,877,303	1,643,971	4,233,332
Total	**22,512,771**	**9,590,901**	**12,919,216**	**9,477,803**	**5,244,471**	**4,233,332**

[(1)] Without including "Lease liabilities" caption of the accompanying consolidated financial statements.

[(*)] These concepts include the notional value of each caption, and are not the gross or net value of the caption. See "Borrowings by maturity" of the Note 15 of the accompanying consolidated financial statements.

As of 31 December 2020, Cellnex weighted average cost of debt (considering both the drawn and undrawn borrowings) was 1.1% (1.5% as at 31 December 2019) and the weighted average cost of debt (considering only the drawn down borrowings) was 1.6% (1.7% as at 31 December 2019).

The following graph sets out Cellnex's notional contractual obligations in relation to borrowings as of 31 December 2020 (€ million):



Key highlights

- **Liquidity** of c.€17.6Bn: €4.7Bn cash and €12.9Bn undrawn credit lines
- **Average Maturity** 5.8 years
- **Average Cost** 1.5% (drawn debt) and 1.1% (both drawn and undrawn debt)
- **Fix-rate debt** 81%
- **Gross Debt** c.€9.6Bn (Bonds and Other Instruments)
- **Net Debt** c.€4.9Bn
- Covenants: corporate debt without covenants, pledges nor guarantees

In accordance with the financial policy approved by the Board of Directors, the Group prioritises securing sources of financing at Parent Company level. The aim of this policy is to secure financing at a lower cost and longer maturities while diversifying its funding sources. In addition, this encourages access to capital markets and allows greater flexibility in financing contracts to promote the Group's growth strategy.

Liquidity and Capital Resources

Net financial debt

"Net financial debt" on 31 December 2020 and 2019 is as follows:

Net financial debt (Thousands of Euros)

	31 December 2020	31 December 2019 restated
Gross financial debt [1]	**11,152,264**	6,277,762
Cash and cash equivalents (Note 11)	(4,652,027)	(2,351,555)
Net financial debt	**6,500,237**	**3,926,207**

[1] As defined in the Section "Business performance and results" of the accompanying Consolidated Management Report corresponding to the year ending 31 December 2020.

On 31 December 2020, net financial debt amounted to EUR 6,500 million (EUR 3,926 million in 2019 restated), including a consolidated cash and cash equivalents position of EUR 4,652 million (EUR 2,352 million in 2019).

Net financial debt evolution

Net financial debt evolution (Thousands of Euros)

	31 December 2020	31 December 2019 restated
Beginning of Period	**3,926,207**	**3,166,204**
Recurring leveraged free cash flow	(610,265)	(349,978)
Expansion (or organic growth) capital expenditures	145,618	97,110
Expansion capital expenditures (Build to Suit programmes)	559,417	229,500
M&A capital expenditures (cash only)	5,509,513	3,659,031
Non-recurrent Items (cash only)	36,941	30,827
Other net cash out flows	(32,250)	35,785
Payment of dividends [1]	29,281	26,620
Treasury shares [2]	6,509	-
Issue of equity instruments	(4,018,436)	(3,683,375)
Net repayment of other borrowings [3]	1,014	26,978
Changes in lease liabilities [4]	622,631	613,851
Accrued interest not paid and others [5]	324,057	73,654
End of Period	**6,500,237**	**3,926,207**

(1) "Dividends paid" (see the relevant section in the accompanying Consolidated Statement of Cash Flows for the year ended 31 December 2020).
(2) "Acquisition of treasury shares" (see the relevant section in the Consolidated Statement of Cash Flows for the year ended 31 December 2020).
(3) Corresponds to "Net repayment of other borrowings" (see the relevant section in the accompanying Consolidated Statement of Cash Flows for the year ended 31 December 2020).
(4) Changes in "Lease liabilities" long and short-term of the accompanying Consolidated Balance Sheet as of 31 December 2020. See Note 16 of the accompanying Consolidated Financial Statements.
(5) "Accrued interest not paid and others" include the repayment of the debt assumed on the "Omtel Acquisition" (See Note 6 of the accompanying Consolidated Financial Statements).

Liquidity availability

The breakdown of the available liquidity on 31 December 2020 and 2019 is as follows:

	31 December 2020	31 December 2019
Available in credit facilities (Note 13)	12,919,216	4,233,332
Cash and cash equivalents (Note 11)	4,652,027	2,351,555
Available liquidity	**17,571,243**	**6,584,887**

Regarding the Corporate Rating, on 31 December 2020, Cellnex holds a long-term "BBB-" (Investment Grade) with stable outlook according to the international credit rating agency Fitch Ratings Ltd as confirmed by a report issued on 15 April 2020 and a long-term "BB+" with stable outlook according to the international credit rating agency Standard & Poor's Financial Services LLC as confirmed by a report issued on 17 November 2020.

Adhesion to the

Code of Best Tax Practices

of the Spanish Tax Agency in 2020

Tax Control Framework

roll-out to the countries in 2021

Cellnex's tax contribution

The Cellnex group's tax strategy policy establishes the fundamental guidelines governing the decisions and actions of the Cellnex Group in tax matters in line with the basic principle of regulatory compliance, i.e. compliance with the tax obligations the group is required to meet in each of the countries and territories where it does business. For this purpose, the group fosters relationships with tax administrations based on the duties of transparency, good faith and loyalty, and mutual trust. The Group's Tax Strategy was approved by the Board of Directors of Cellnex Telecom in 2016

The Cellnex Group Audit Committee is the body responsible for periodically reviewing this Policy, making any observations or proposals for modification and improvement it deems appropriate to the Board of Directors.

The Fiscal Risk Management and Control Framework is coordinated and centralized by the Fiscal Department and replicates a model of three lines of defense.

In its goal to gain public interest and generate value for its shareholders, it is important that Cellnex always observes this basic principle of respecting and complying with tax regulations when making business decisions to avoid tax risks and inefficiencies.

In this regard, Cellnex has adhered to the Code of Good Tax Practices of the Spanish Tax Agency. This Code contains recommendations voluntarily followed by the companies, to improve the application of the Spanish tax system by raising legal certainty, reciprocal co-operation based on good faith and well-placed trust between the Spanish Tax Agency and companies, and the application of responsible tax policies in companies with the consent of the board of directors.

Also in 2020 there was an update of a new version of the Internal Control System Over Financial Information that was rolled out to provide reasonable assurance regarding the reliability of the financial information published in the markets.

For 2021, a proposal is being prepared for the improvement and adaptation of the Tax Policy and an expansion of its scope, as well as its management model.

Moreover, the deployment and international roll-out to countries of the structure and methodology of the Tax Control Framework that exists in Corporate will continue in 2021, with special focus on the possible requirements in tax matters of the different countries (in the case of the UK, for example, there are specific requirements such as the appointment of a Senior Accounting Officer, specific policies and processes).

In accordance with the above, Cellnex is currently analysing UNE standard 19602 to identify existing gaps and improvements between Cellnex tax compliance management system and the UNE standard to develop the necessary actions for a possible certification in the future.

Cellnex is also sensitive to and aware of its responsibility in the economic development of the territories in which it operates, helping to create economic value by paying taxes, both on its own account and those collected from third parties. Accordingly, it makes a substantial effort and pays great attention to fulfilling its tax obligations, in accordance with the applicable rules in each territory.

Following OECD methodology on cash basis accounting, Cellnex's total tax contribution in 2020 was € 244.8 million (106.5 in FY 2019). Own taxes are those paid by the company and third-party taxes are those collected and paid into the various tax offices on behalf of such third parties, therefore they are not a cost to the company.

Cellnex's Tax Contribution (Mn €)

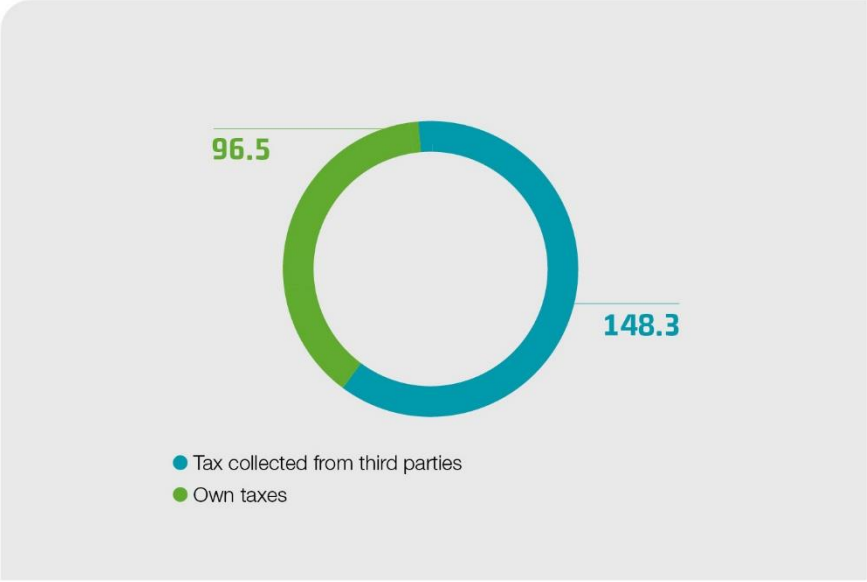
	31 December 2020			31 December 2019		
	Own taxes[1]	Tax collected from third parties [2]	Total	Own taxes[1]	Tax collected from third parties [2]	Total
Spain	33.4	36.3	69.7	25.5	64.2	89.7
Italy	19.2	37.8	57.1	38.7	27.6	66.3
France	7.5	20.0	27.5	2.7	1.0	3.7
Netherlands	7.7	10.4	18.1	4.6	9.9	14.5
United Kingdom	22.3	4.7	27.0	1.0	1.6	2.6
Switzerland	4.3	8.0	12.2	9.2	1.3	10.5
Ireland	0.6	1.9	2.5	0.1	0.8	0.9
Portugal	1.5	29.2	30.8	-	-	-
Total	**96.5**	**148.3**	**244.8**	**81.7**	**106.5**	**188.2**

(1) Includes taxes that are an effective cost to the company (basically includes payments of income tax, local taxes, miscellaneous taxes and employer's social security contributions).

(2) Includes taxes that do not affect the result but are collected by Cellnex on behalf of the tax administration or are paid in for third parties (basically includes net value added tax, deductions from employees and third parties, and employees' Social Security contributions).

Tax contribution in 2020

€244.81 Mn



Income tax payment

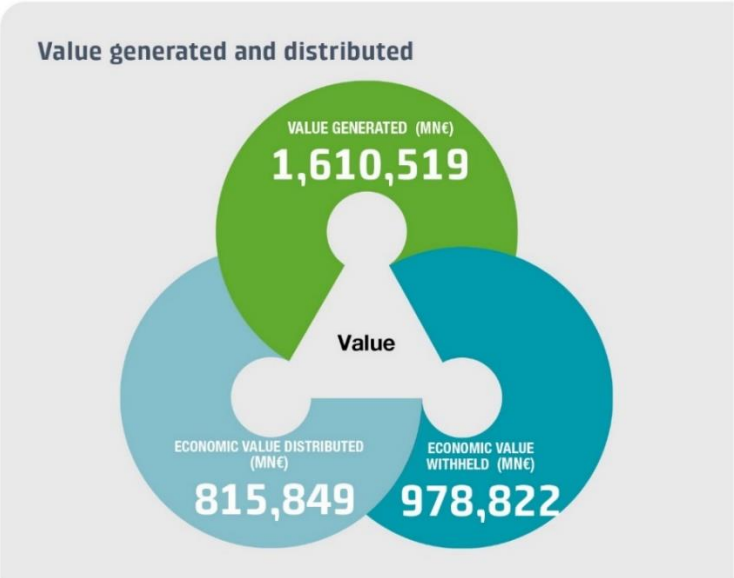
The breakdown of the income tax payment by country for the 2020 financial year is as follows:

Breakdown of the income tax payment by country (Mn €)

	31 December 2020				31 December 2019[2]			
	Income from sales to third parties	Income from intra-group operations with other tax jurisdictions	Tangible assets other than cash and cash equivalents	Corporate income tax accrued on gains / losses	Income from sales to third parties	Income from intra-group operations with other tax jurisdictions	Tangible assets other than cash and cash equivalents	Corporate income tax accrued on gains / losses[3]
Spain	530,328	55,397	865,317	23,878	-	-	-	1,567
Italy	336,296	521	507,655	5,369	-	-	-	16,616
France	309,759	0	1,815,502	11,817	-	-	-	-
Switzerland	137,467	0	193,190	3,813	-	-	-	2,100
Ireland & Netherlands	77,297	0	276,779	324	-	-	-	3,831
United Kingdom	144,339	377	198,107	-1,805	-	-	-	806
Portugal	69,286	0	222,457	5,327	-	-	-	-
Total	**1,605,498**	**56,295**	**4,079,007**	**48,723**	**-**	**-**	**-**	**24,920**

Value generated and distributed

Value generated in 2020 by Cellnex was €1,610,519 million (91,032 million FY 2019), distributed mainly to suppliers, employees, shareholders and public administration.



[2] No data available since they are new indicators in 2020.
[3] The increase of corporate income tax accrued on gains/losses comes mainly from the increase in business volume in the United Kingdom (acquisition of Arqiva) and France and the incorporation into the scope of Ireland and Portugal.

Post balance sheet events

T-Mobile Infra Acquisition

On 21 January 2021, Cellnex and Cellnex Netherlands, B.V. ("Cellnex Netherlands") signed a framework agreement with Deutsche Telekom A.G. ("DTAG"), Deutsche Telecom Europe, B.V. ("DTEU") and Digital Infrastructure Vehicle 1 SCSp ("DIV"), which sets forth among others, the conditions to and the steps and arrangements to achieve the contribution in kind, through DIV, of 100% of the share capital of T-Mobile Infra, B.V. ("T-Mobile Infra") to Cellnex Netherlands, which owns approximately 3,150 sites with an initial tenancy ratio of c.1.2 per site, in exchange for a stake of 37.65% in the share capital of Cellnex Netherlands (the "T-Mobile Infra Acquisition"). Additionally, pursuant to the T-Mobile Infra MLA, T-Mobile Infra and T-Mobile Netherlands, B.V. ("T-Mobile") have agreed to the deployment of approximately up to 180 additional sites in the Netherlands, over a seven-year term. DIV is an investment fund, with a mandate to invest mainly into European digital infrastructure assets, which upon closing will have DTAG and Cellnex (through a carry vehicle) as limited partners, and Cellnex will have the right to co-invest with a stake of 51%, subject to certain conditions, in opportunities originated by DIV in relation to towers, rooftops, masts, small cells or build-to-suit programs. The T-Mobile Infra Acquisition strengthens the Group's industrial project in the Netherlands, and Cellnex will thus execute a second step cooperation with the Deutsche Telekom group following the precedent partnership in Switzerland.

The closing of the T-Mobile Infra Acquisition is expected to take place in the first half of 2021, following receipt of among others, customary regulatory authorizations. In accordance with IFRS 3, given that the T-Mobile Infra Acquisition was not completed as of 31 December 2020 it was not accounted for in the accompanying consolidated financial statements for the year ended 31 December 2020.

The T-Mobile Infra Acquisition, together with the up to approximately 180 additional new sites to be deployed in the Netherlands, are expected to contribute up to an estimated approximately EUR 63 million of annual Adjusted EBITDA once the sites are deployed. This expected annual Adjusted EBITDA is based on management's estimates, and is therefore subject to known and unknown risks, uncertainties, assumptions and other factors that could cause the projects' actual annual Adjusted EBITDA to materially differ from that expressed in, or suggested by, this forward-looking metric. "Adjusted EBITDA" is an APM (as defined in section "Economic performance" of the accompanying Consolidated Management Report).

CK Hutchison Holdings Swedish Transaction

On 26 January 2021, the CK Hutchison Holdings Swedish Transaction has been completed and, consequently, the Group has acquired Hutchison's European tower business and assets in Sweden, comprised of approximately 2,300 sites. Cellnex also anticipates the further deployment of up to 2,880 new sites in Sweden by 2026. See Note 21.b of the accompanying consolidated financial statements.

In accordance with IFRS 3, given that the CK Hutchison Holdings Swedish Transaction had not been completed as of 31 December 2020, it was not accounted for in the accompanying consolidated financial statements for the year ended 31 December 2020.

Hivory Acquisition

On 3 February 2021, Cellnex (through its subsidiary Cellnex France) entered into a put option agreement with Altice France, S.A.S. ("Altice") and Starlight HoldCo S.à r.l ("Starlight HoldCo"), which gives the right to Altice and Starlight HoldCo to require the Group to purchase, on an exclusivity basis, their respective direct and indirect ownerships in the share capital of Hivory, S.A.S. ("Hivory"), which in aggregate amounts to approximately 100% of Hivory's share capital, for an estimated consideration (Enterprise Value) of approximately EUR 5.2 billion to be paid by Cellnex (the "Hivory Acquisition"). Hivory owns and operates approximately 10,535 sites in France. Additionally, Hivory has agreed to the deployment of 2,500 sites in France by 2029, and other agreed initiatives, with an estimated investment of approximately EUR 0.9 billion.

Completion of the Hivory Acquisition is subject to certain conditions precedent, and closing is expected in the second half of 2021. In accordance with IFRS 3, given that the Hivory Acquisition was not completed as of 31 December 2020 it was not accounted for in the accompanying consolidated financial statements for the year ended 31 December 2020.

On 24 February 2021, the Group amended the EUR 7,500,000 thousand bridge loan of the M&A Financing (see Note 15 of the accompanying consolidated financial statements) and cancelled an amount of EUR 1,600,000 thousand of such bridge loan. As of the date of the accompanying consolidated management report, no amounts have been drawn thereunder. Such financing will bear interest at a margin above EURIBOR, will be unsecured and unsubordinated.

New Bond Issuance in 2021

On 15 February 2021, Cellnex successfully completed a triple-tranche EUR-denominated bond issuance for an aggregate amount of EUR 2,500 million (with ratings of BBB-by Fitch Ratings and BB+ by Standard&Poor's) aimed at qualified investors. The transaction included a bond for EUR 500 million maturing in November 2026 at a coupon of 0.75%; a bond for EUR 750 million maturing in January 2029 at a coupon of 1.25%; and a 12-year bond for EUR 1,250 million maturing in February 2033 at a coupon of 2%. Cellnex took advantage of favorable market conditions to maintain its average cost of debt and increase its average debt maturity. The net proceeds from the issues will be used for general corporate purposes.

Iliad Poland Acquisition

On 23 February 2021, following the signing of the Iliad Poland Acquisition (in October 2020), Iliad, Play and Cellnex have further discussed the structuring of the Iliad Poland Acquisition and agreed on an alternative structure. Under this structure, on the Completion Date (i) Play will sell to Cellnex Poland and Iliad Purple, respectively, 60% and 40% of the share capital of Play Tower; and (ii) immediately following such share acquisition, P4 will sell the passive infrastructure business of P4 to Play Tower. The parties expect to finance the business unit transaction with a mix of equity and shareholder loans. The completion of the Iliad Poland Acquisition is expected to take place in the first quarter of 2021, following receipt of customary regulatory authorizations.

Share capital

26%

increase in 2020

Business outlook

In terms of business prospects, during 2021 the Group will continue to focus on executing organic growth (leveraging its neutral operator character), integrating assets resulting from inorganic agreements already signed and seeking new inorganic opportunities to continue to remain a benchmark independent tower operator in Europe.

Thus, as a result of the organic growth expected along with assets and companies acquired, especially during the year ended on 31 December 2020, and their progressive integration into the Group as a whole, the Group expects to increase various key indicators by at least 50% for the year ending on 31 December 2021.

The Group expects its Adjusted EBITDA for the year ending on 31 December 2021 to be in the range of EUR 1,815 million to EUR 1,855 million following the incremental contribution from the Arqiva Acquisition (six and a half months, approximately), and the NOS Towering Acquisition (nine months approximately), and the inclusion of the contribution from the transactions closed to date or expected to be closed during 2021, being these perimeters: CK Hutchison Austria (twelve months approximately), CK Hutchison Ireland (twelve months approximately), CK Hutchison Denmark (twelve months approximately), CK Hutchison Sweden (eleven months approximately), Play (expected nine months), T-Infra B.V. (expected eight months), CK Hutchison Italy (expected six months) and SFR (expected three months). The guidance also considers the new economic terms of contracts in the Broadcasting Infrastructure segment, following the contract renewal cycle that was completed last year, and Group adaptation costs (corporate functions).The Group also expects its Recurring Leveraged Free Cash Flow (RLFCF) for the year ending on 31 December 2021 to be in the range of EUR 905 million to EUR 925 million (to grow by approximately 50%), based on the following assumptions: maintenance capital expenditures to revenues to be approximately 3%-4% of the Operating Income, change in working capital tending to neutral, interest cost according to around 1.5% cost of debt and corporate taxes paid to be approximately 3% of the Operating Income.

The Group also expected an increase in organic PoPs above 5%.

The above Profit Forecasts are based on some assumptions, that relate to factors which are outside the full control of the Board of Directors. The Profit Forecasts have been compiled and prepared on a basis which is both comparable with the historical financial information and consistent with the Group's accounting policies.

Global Management System and Risk Management

A new corporate area named as "Global Management System" was created in 2020, compromising four main pillars: Risk Management, Quality & Certifications, Health & Safety and Sustainability & Environment.

Cellnex created a **Global Management System area**



A Management System Committee was created to reinforce the new area. Both the Risk Management and Quality & Certifications pillars are explained in the following sections. The Health & Safety pillar is explained in detail in "Chapter 4. Boosting our talent, being diverse and inclusive" and the Sustainability & Environment one is set out in more detail in "Chapter 6. Growing with a long-term sustainable environmental approach".

As one of its main challenges for 2021, the area will carry out a campaign to raise awareness of the Cellnex's contribution to the SDGs to communicate the commitments made and the actions taken in this field, which contribute to the achievement of the SDGs. Moreover, the Global Management System area will develop a project to implement a detailed follow-up of the contribution of the different projects to the SDGs.

Cellnex is applying a

three-line defence

to strengthen the global risk management model

Risk management

At the end of 2019, in accordance with the risk culture in Cellnex and with the commitment to strength the global risk management, the Board of Directors approved the methodology of the three lines of defence risk model. These consist of the following:

- 1st Line of defence: Operational Management. This concerns all functional areas in Cellnex, both in Corporate and in Business Units, were the management has ownership, responsibility and accountability for assessing, controlling and mitigating risks together with maintaining effective internal controls, as well as reporting to Management.
- 2nd Line of defence: Global Risk Committee and Quality & Risk Management department. This line of defence facilitates and monitors the implementation of effective risk management practices and assists in defining the target risk exposure and reporting risk information through the organisation. They report to Senior Management.
- 3rd Line of defence: Internal Audit department. This line of defence provides independent assurance to the Board and Senior Management on how effectively the organisation assesses and manages its risks, validating how the first and second lines operate.



Two initiatives were launched in relation to this commitment to integrated risk management: the creation of the Global Risk Committee and the creation of the Risk Management department to reinforce the tasks of the Lines of Defence.

The objectives of the Global Risk Committee, responsible for the second line of defence, are to deploy the risk management in Cellnex group and validate the risks and action plans defined in each risk map. Its main functions are:

- Follow-up action plans.
- Update risk management policies.
- Unify risk management.
- Sponsorship in expanding risk management to other areas of the Group.
- Quarterly meetings to monitor risks, action plans and their coherence
- Quarterly meetings to monitor risks, action plans and their coherence.

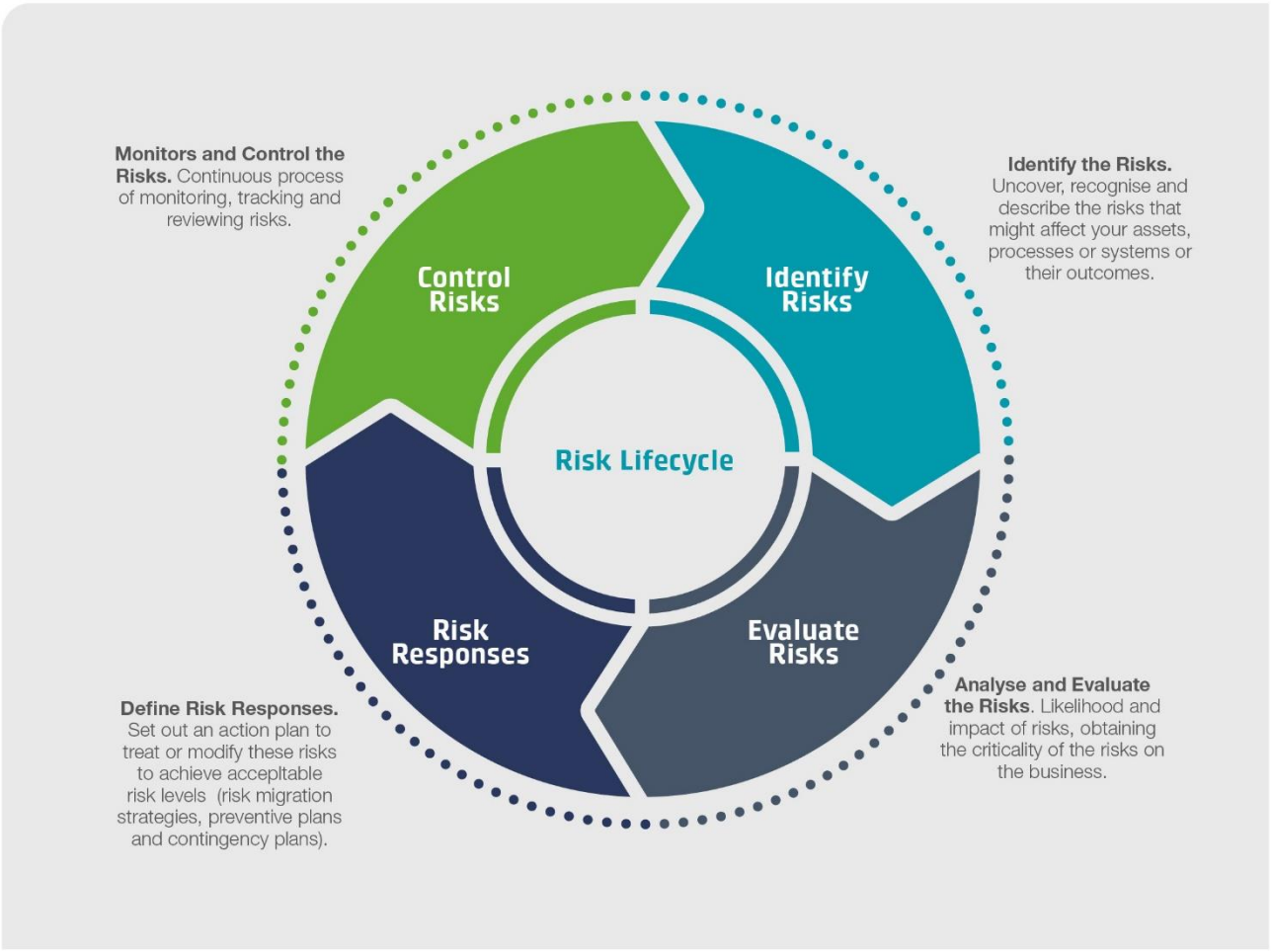
Cellnex approved a new

Global Risk Management Policy

to be applied in all geographical areas

The Risk Management department, created in 2020 as a new corporate area, aims to foster a common risk culture in Cellnex. In this regard, this department creates a global methodology for risk management in Cellnex, guaranteeing coherence through the whole group, created at a global level with the aim of standardising internal processes in the group.

Furthermore, the Global Risk Management Policy was approved in 2020. The Policy establishes the essential principles and commitments in the area of Risk Management within the organisation, their communication to the groups of interest and the progressive integration into all the Cellnex group's operating systems and processes.



The principles and commitments established in this Policy are of general application and must be taken into account in each of the projects, businesses and activities carried out by the company. This Policy is mandatory for all companies controlled by Cellnex Telecom.

The purpose of the Global Risk Management Model is to define the model and common methodology for Global Risk Management in the Cellnex group. It establishes the governance model, roles and responsibilities, risks lifecycle, risks taxonomy and assessment and risks monitoring. The purpose of the Risk Management Blueprint is to define the process of risk management in Cellnex.

A two-year Global Risk Management Master Plan will be established in 2021 following the transformation of the company's global risk management model. This Master Plan aims to implement a global and transversal risk management model in Cellnex. The Master Plan must be scalable and industrialisable according to the growth of the company, allowing the three Lines of Defence to be established, as well as the processes of the Global Quality & Risk Management area. The Global Risk Management Master Plan main objectives are to:

- Integrate the risk and control culture in the business through a 2-year transformation plan.
- Have a comprehensive response capacity to current and potential risks of the company, thereby improving decision-making.
- Have a scalable, industrialisable and digital model that allows us to continue growing and adapting to new businesses without losing control of risk.
- Cover the different types of risk that can impact on any of the areas of the company with an integrated risk governance.
- Have a digitisation plan to detect, anticipate and mitigate the company's risks, while improving the efficiency of its own management.
- Follow the most widespread standards, methodologies and best practices in risk management (such as ISOs 31000 and 22301, COSO or Magerit).

The new risk model promotes a global risk culture and deploys the (Three Line of Defence, providing a comprehensive response capacity to current and potential risks of the company, improving decision-making and increasing the resilience of the Cellnex Group

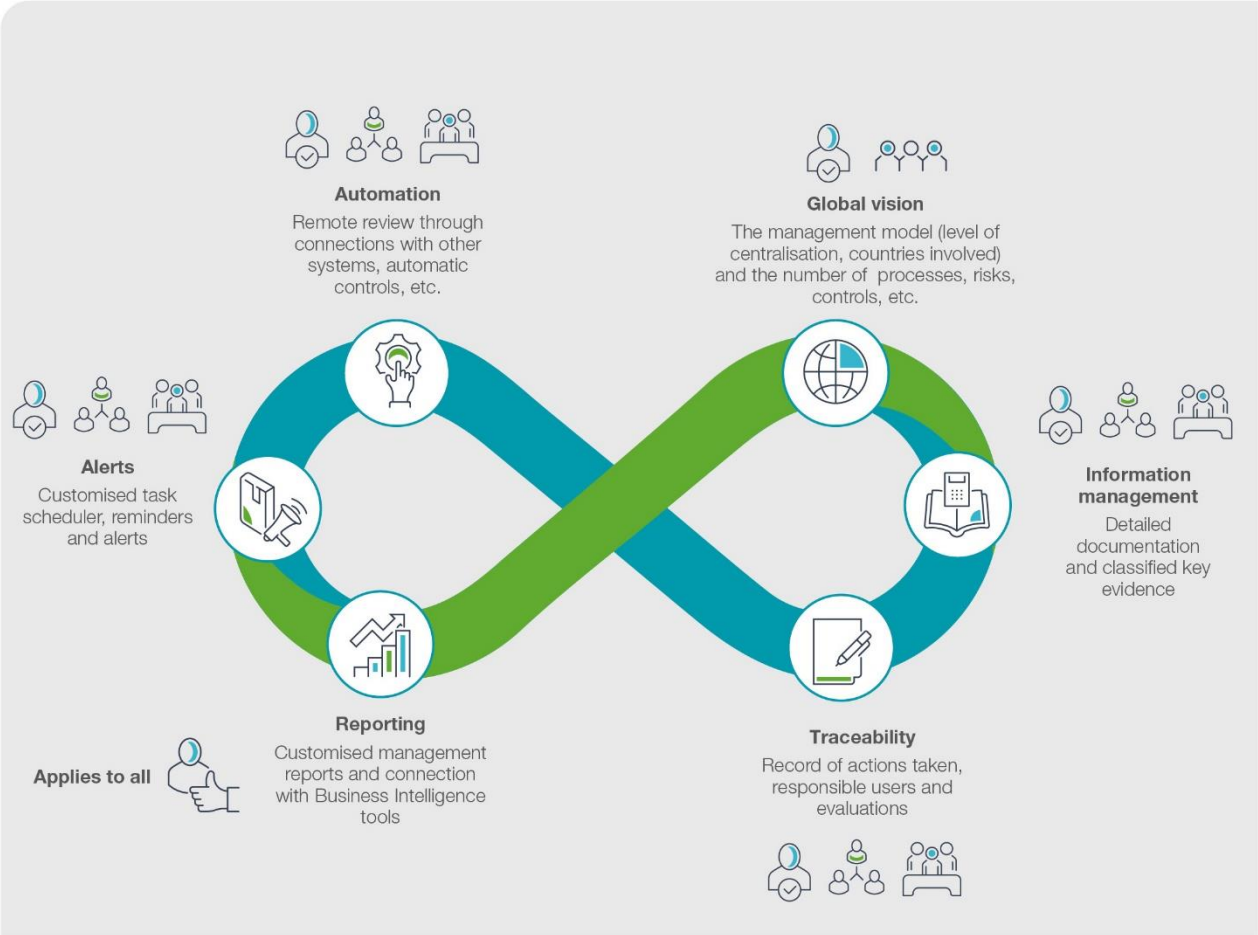
Andres Toribio, Global Head of Quality & Risk Management Cellnex Telecom

Likewise, one of the most important goals of Risk Management department is to promote a risk culture in all Cellnex group, to which end a risk awareness programme will be launched in 2021 to integrate risk management and control in business-as-usual actions and in day-to-day decision-making processes throughout all areas in Cellnex.

Cellnex will implement a

GRC tool

Finally, a Global Risk Compliance (GRC) tool will be implemented in 2021. A GRC tool adds value to the Integrated Risk Management, Internal Control and Internal Audit system, and to its Compliance and Governance, taking Cellnex to a leadership position. This tool will provide users with multiple features that allow monitoring of the necessary tasks to carry out a simple and user-friendly Risk Management, Internal Control and Internal Audit. The tool is adaptable to the needs and requirements of all Cellnex stakeholders, facilitating decision making through reliable data and dynamic and interactive visualisation. The digitalisation of the model has a high impact on all stakeholders, internally and externally, and allows streamlined integration of the model from Corporate to Business Units.



Below, there is a list with the main risks that may affect the activities of the Cellnex group and the achievement of its objectives. In this regard, one of the main challenges of the future Global Risk Management Master Plan is to carry out a global risk assessment by 2023, including non-financial risks, especially climate-related financial risks, and human rights-related risks. Cellnex worked in this regard in 2020 considering this kind of non-financial risks as operational risks of its activity and also updating the risks and opportunities arising from climate change, following the recommendations of the "Task Force on Climate-related Financial Disclosures (TCFD)". For detailed information, see Chapter 6. Growing with a long-term sustainable environmental approach.

Strategic risks	I)	Risks related to the environment in which the Group operates and risks stemming from the specific nature of its businesses.
	II)	Risks of increasing competition.
	III)	The Group's status as a "significant market power" ("SMP") operator in the digital terrestrial television ("DTT") market in Spain imposes certain detrimental obligations on it compared to its competitors.
	IV)	Industry trends and technological developments may require the Group to continue investing in asset class-businesses adjacent to telecommunication towers, such as fibre, edge computing and small cells.
	V)	Spectrum may not be secured in the future, which would prevent or impair the plans of the Group or limit the need for the Group's services and products.
	VI)	Risk related to a substantial portion of the revenue of the Group is derived from a small number of customers.
	VII)	Risk of infrastructure sharing.
	VIII)	Risk of non-execution the entire committed perimeter.
	IX)	The expansion or development of the Group's businesses, including through acquisitions or other growth opportunities, involve a number of risks and uncertainties that could adversely affect operating results or disrupt operations.
	X)	Risks inherent to the businesses acquired and the Group's international expansion.
	XI)	Risk related to the non-control of certain subsidiaries.
	XII)	Risks related to execution of Cellnex's acquisition strategy.
	XIII)	Regulatory and other similar risks.
	XIV)	Litigation.
	XV)	Risk related to the Company's significant shareholder's interests may differ from those of the Company.
Operational risks	XVI)	Risks related to the industry and the business in which the Group operates.
	XVII)	Risk of not developing the strategic sustainability plan.
	XVIII)	Risks related to maintaining the rights over land where the Group's infrastructures are located.
	XIX)	Failure to attract and retain high quality personnel could negatively affect the Group's ability to operate its business.
	XX)	The Group relies on third parties for key equipment and services, and their failure to properly maintain these assets could adversely affect the quality of its services.
Financial risks	XXI)	Financial information.
	XXII)	Expected contracted revenue (backlog).
	XXIII)	Foreign currency risks.
	XXIV)	Interest rate risk.
	XXV)	Credit risk.
	XXVI)	Liquidity risks.
	XXVII)	Inflation risk.
	XXVIII)	Risk related to the Group's indebtedness.
	XXIX)	The Company cannot assure that it will be able to implement its Dividend Policy or to pay dividends (and even if able, that the Company would do so).
Compliance risks	XXX)	Fraud and compliance risks.
	XXXI)	Risk associated with significant agreements signed by the Group that could be modified due to change of control clauses.

For detailed information, see Annex 2. Risks.

Integrated Management System

The Management System Department was set up in 2020 to foster the attainment of Cellnex's strategic objectives in line with European Standards and contribute to achieving the Sustainable Development Goals. In this regard, we are currently defining the Integrated Management System Model which will integrate several systems, such as the Information Security Management System (ISMS).

Cellnex's organisational model is based on an Integrated Management System that provides a framework for:

- Carrying out a systematic approach in the implementation of processes, guaranteeing their effectiveness.
- Establishing an operation that ensures the quality of the services provided.
- Guaranteeing that the activity is carried out in compliance with the requirements of the environmental, occupational health and safety and information security reference standards, as well as the legislation in force.

Likewise, Cellnex has common guidelines in terms of Quality, Health and Safety and Environment, as well as a self-assessment method to make possible:

- The adaptation of the Business Units recently incorporated to the Group to this Management System.
- A quick evaluation of the degree of maturity of the system in each of the Business Units.

Therefore, an Integrated Management System and Certifications:

- Allows new business opportunities.
- Facilitates implementation of Cellnex's Industrial Model.
- Enables Continuous Improvement through Integrated Management System for customer satisfaction.

Cellnex created a

Certifications catalogue tool

to keep a track of the certification status of each country

As part of the Management System, the Certifications catalogue for Cellnex is a tool that allows the company to know the exact status of all Business Units in terms of Certifications.

Taking into account the objectives described above, the gap analysis and roadmap will aim to standardise the Integrated Management System throughout the Group while providing support during the certification processes in accordance with the reference standards.

In the comparative analysis of the selected reference standards it has identified common points and particularities of the reference standards (ISO 9001, 14001 y 45001) and has compiled and analysed the existing documentation in the organisation to comply with the requirements of the reference standards, both at corporate level and in the Business Units. The resulting matrix collects the instruments and level of compliance of each Business Unit with respect to the minimum requirements demanded by the reference standards.

Work is being done to consolidate the

Integrated Management System

in each new Cellnex's acquisition

To continue improving the Management of the Integrated Management System in all its Business Units, Cellnex has defined a project to prepare an Implementation Guide for Cellnex's Integrated Management System, making it possible to:

- Cover the gaps detected in each country.
- Incorporate the best practices identified at the Group level.
- Advance towards the standardisation and globalisation of the Integrated Management System.

In this regard, we would underline that the integration of the Integrated Management Systems will be carried out as part of the integration process of On Tower UK in 2021. Prior to its incorporation, On Tower UK had an Integrated Management System, certified by the ISO 9001, 14001 and 45001 standards, which must now be reviewed and adapted to the Cellnex Telecom Management System.

With a view to incorporating On Tower UK into Cellnex's Integrated Management System existing documentation has been analysed to identify weaknesses that will need to be worked on during integration, along with the strengths and best practices to be considered by Cellnex as part of its continuous improvement process.

Here, the Quality & Certifications department will be focused on deploying global certifications in non-certified countries (ISO 9001, 14001, 45001, etc.) in the period 2021-2023. The main benefits of having global certifications in Cellnex are:

- Maintaining and the renewing of certifications is more efficient because it's a single certification for all companies and Business Units.
- From a cost perspective, it's more cost-effective to manage global certifications rather than local ones, identifying synergies and removing redundancies.

The approach followed by the Quality & Certifications department is to create a global Integrated Management System in Quality (ISO 9001) for all the Business Units as a baseline on which to build ISO 14001 and ISO 45001, paying attention to continuous improvement and best practices in all Cellnex group.

In short, Cellnex maintained the Information Security Management System (ISO 27001) certification during 2020 at global certification level, consolidating the Management System of its first global certification as the Cellnex group.

At local level, and following corporate guidelines, the areas responsible for the management system in the Business Units have successfully renewed and obtained new certifications. Among these are the local certifications for Energy (ISO 50001) and Service Management (ISO 20000-1) in Spain, the Quality certification (ISO 9001) in the Netherlands, the Quality, Environment and Health & Safety certification (ISO 9001, 14001 and 45001) in the UK and obtaining the integrated certification of Corporate Sustainability (EASI) in Italy.

Standard	Validity Date by Business Unit
ISO 9001 Quality	Dec´ 2022 · Mar´ 2021 · Apr´ 2023 May´ 2021 · 2024
ISO 14001 Environment	Dec´ 2022 · Mar´ 2021 · Apr´ 2023 May´ 2021
ISO 45001 Health&Safety	Jan´ 2023 · Jan´ 2022 · Apr´ 2023 May´ 2021
ISO 27001 Information Security	Feb´ 2023
ISO 14064-1 Carbon Footprint	2021
SA8000 Corporate Social Responsibility	Dec´ 2021
Model EASI	Mar´ 2023
ISO 50001 Energy	Nov´ 2023
ISO 20000-1 Service Management	2024
Covid19 Secure Protocol	2021 · 2021

Also, Cellnex has been working on the certification of Corporate Social Responsibility (SA8000). This international standard certifies companies and organisations in the development of socially responsible practices, focusing on the social impact of the activity and the conditions in which their employees, partners and suppliers work. The SA8000 Standard is based on internationally recognised standards of decent work, including the Universal Declaration of Human Rights, ILO conventions, and national laws. SA8000 applies a management-systems approach to social performance and emphasizes continual improvement -not checklist-style auditing. The elements of the Standard are:

SA8000 Standard

- Child Labour
- Forced or Compulsory Labour
- Health and Safety
- Freedom of Association & Right to Collective Bargaining
- Discrimination
- Disciplinary Practices
- Working Hours
- Remuneration



Cellnex approved a

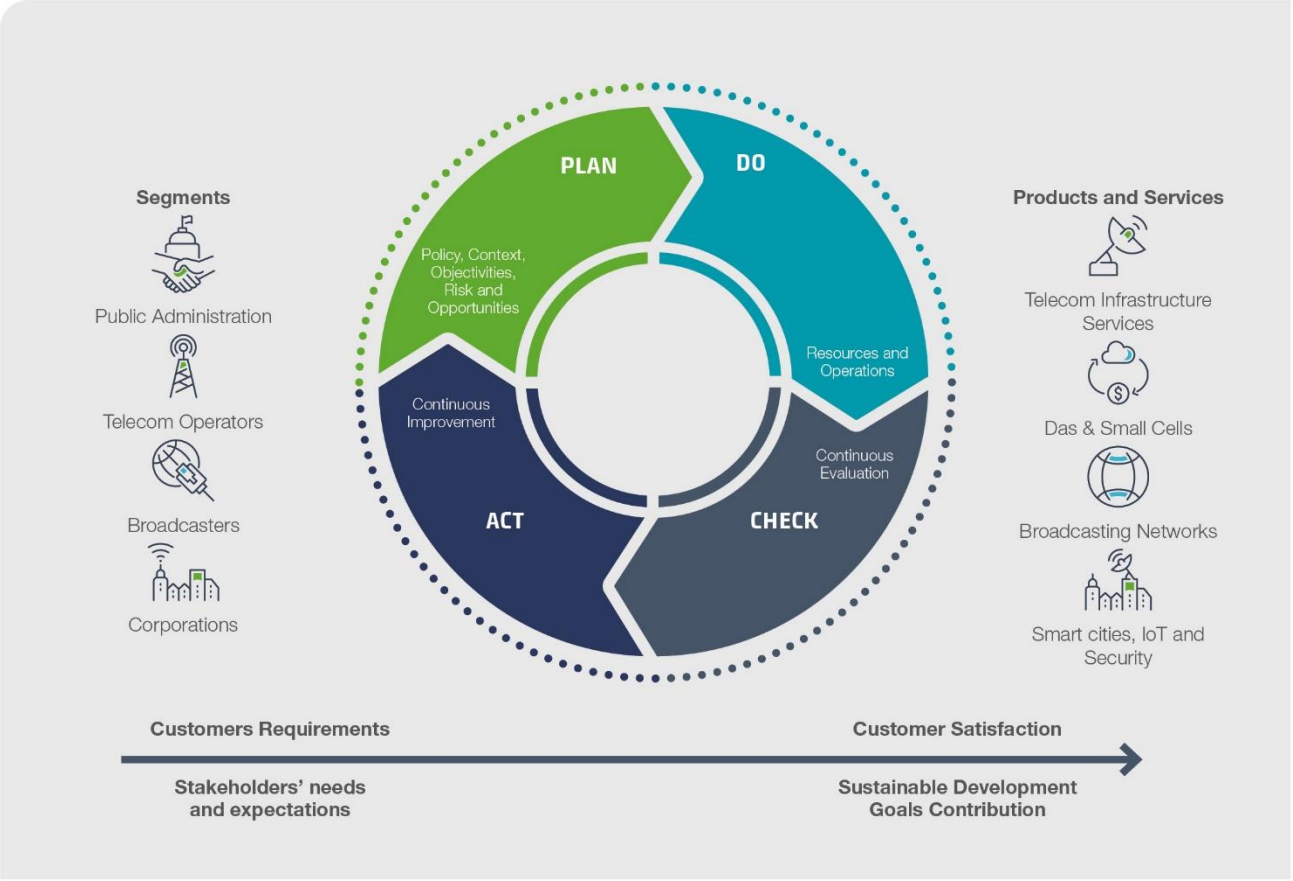
Global Quality Policy

to be applied in all geographies

Quality and continuous improvement

The service provided by Cellnex is focused on meeting the needs and demands of their customers, by adding value throughout the whole lifecycle of services, and by providing support infrastructures and Telecommunications services to Operators, Broadcasters, Public Administrative Bodies and Corporations, promoting satisfaction and the fulfilment of all the stakeholders' requirements.

In this regard, a Global Quality Policy was approved in 2020. This Policy is implemented and developed within an Integrated Management System and is mandatory for all companies under Cellnex Telecom.



A biannual Quality Master Plan will be implemented in 2021 in accordance with the Global Quality Policy. The Master Plan aims to establish Cellnex Telecom's strategic lines of action regarding Quality, thus allowing the development of the essential principles and commitments contained in the policy. These strategic lines should lead to Quality being integrated into the strategy and in corporate action as a crucial element touching on all areas and departments the ultimate objective of which is to achieve higher levels of sustainable development, continuous improvement and business excellence.

The Master Plan has been drawn up as a tool helping to provide coherence to actions in Quality aspects to position Cellnex Telecom as a leading company in this area.

The activities will be articulated around this instrument to be implemented at a later stage. The following steps will be adapted to the monitoring and evaluation. The Plan must be understood as a continually evolving element of management under continuous evaluation.

Cellnex stablished a continuous improvement model to include

best practices

from each geographical area in which Cellnex operates

Customer Care aims to create sustainable value distributed to all stakeholders, a strategic priority and a cross-cutting commitment that must be present in each of the actions performed by Cellnex Telecom.

Furthermore, in 2021 Cellnex will establish a Continuous Improvement Model that will allow the company to centralise all continuous improvement initiatives, giving coherence to all of them from a global perspective.

This global model will apply to all companies in the Cellnex group and will create a global framework to develop continuous improvement in Cellnex, taking into account local adaptation in Business Units. Moreover, best practices from all Business Units will be included in this global continuous improvement model to ensure these initiatives can be rolled out efficiently.

Once the global Continuous Improvement Model is created and approved for the whole Cellnex group, all continuous improvement initiatives should be collected and managed in a coherent way to report the overall impact of their implementation. The impact of these initiatives must be measured through common indicators that allow us to show the global figures of implementing continuous improvement at a global level, as well as from a local perspective.

In this regard, one of the most important goals of the Quality & Certifications department is to promote a quality and continuous improvement culture throughout the Cellnex group. To achieve this objective requires the launch of an awareness-raising programme in these areas to integrate quality and continuous improvement aspects into our day-to-day decision-making process throughout all areas in Cellnex.

Thanks to the quality and continuous improvement culture, the average frequency of network interruptions was of one interruption every 97 days in 2020 in Spain (76 days in 2019) and the average duration of network interruption was 2.0 hours in 2020 (1.9 hours in 2019). Moreover, in Netherlands, there were ten network interruptions in 2020 (two in 2019), and the duration of network interruption ranged from twenty minutes to three days depending on the cause of the interruption. No data is available for the other geographical areas in which Cellnex operates.

Security and availability of the services during COVID-19 pandemic

The policies for the assurance of the service in 2020 have included the carrying out the monitor and operation tasks by the Control Centre remotely without impact on the service. This has made it possible to cope with guarantees, both for services and for people, to the health crisis experienced.

Cellnex has different policies to ensure the availability of services that are developed in all sections of the value chain: engineering or design, supply or deployment, and operation and maintenance.

Regarding to engineering, the policies aimed at ensuring the availability of services are based on the choice of fault-tolerant network architectures, the selection of manufacturers and suppliers of recognised value, selection of products and processes that meet the minimum specifications and the use of redundancies in the most critical elements and sections of the network.

In relation to operation and maintenance, policies to ensure the availability of services include both preventive and corrective aspects. Noteworthy preventive aspects are the use of preventive maintenance protocols to ensure an adequate useful life of the installed equipment and the surveillance of services through supervision systems managed by a control centre.

Likewise, there are contingency plans for specific services and infrastructures that make it possible to guarantee the continuity of certain services in the event of possible far-reaching incidents, within the established limits, such as for DTT head-ends and main distributions.

The control centre manages corrective maintenance actions, always prioritising technical resources to minimise the impact on the business and considering the objective of maximising compliance with the SLAs agreed with the clients. The most outstanding practices are the analysis of repeatability and the associated management of problems, within the processes of continuous improvement, to reduce the future probability of both the volume of interruptions and their down times.

Ethics and compliance

Corporate governance

Cellnex is adapting the corporate documents and procedures to the new

Good Governance Code

published by the CNMV

In June 2020, the CNMV (National Stock Market Commission, in its acronym in Spanish) published a revision of the "Good Governance Code of listed companies". As stated in the document, in recent years, there have been a raft of initiatives concerning good practice in corporate governance matters. These have increased considerably since the start of the global financial crisis, reflecting a widespread conviction of the importance of listed companies being run in a proper and transparent manner, as a key driver of value generation in the corporate sector, improved economic efficiency and the strengthening of investor trust.

Therefore, the main objective of the "Good Governance Code of listed companies" is to ensure the proper functioning of the governing and administrative bodies of Spanish companies to maximise competitiveness, build trust and transparency for shareholders and domestic and foreign investors, improve internal control and corporate responsibility systems, and ensure the correct internal distribution of functions, duties and responsibilities under standards of maximum rigour and professionalism.

The 2020 Good Governance Code has a number of new elements:

- The Good Governance Code uses a new format based on selecting and identifying the principles informing each set of specific recommendations.
- A significant number of the 2006 Code's recommendations have since been written into legislation (in cases such as the powers exclusive to the general meeting or the board of directors, separate votes on general meeting items, vote splitting, etc.), and therefore do not form part of the 2020 Good Governance Code.
- A new set of recommendations deals specifically with what is known as Environmental, Social and Governance (ESG), which is increasingly acknowledged, both in Spain and its neighbours, as a key issue which must be addressed by companies' corporate governance systems, and which therefore has a justified place in any code of good corporate governance recommendations.

In line with the recommendations of the CNMV, Cellnex's corporate documents are being revised to incorporate the best Corporate Governance practices recommended in the new CNMV Good Governance Code of listed companies, inter alia. In this regard, the objective of having a 40% female representation of directors on the Board of Directors by the end of 2022 and thereafter will be included in the Director Selection Policy and in the Board of Directors Regulations.

On the other hand, the Appointments and Remuneration Committee (ARC) of the Board of Directors has been renamed as the Nominations, Remunerations and Sustainability Committee (NRSC), being the highest governing body responsible for ensuring compliance with the commitments established in the ESG Policy, as well as the actions which may derive from it.

Moreover, in 2020 an external consultant performed an evaluation of the functioning of the Board and its Committees. The results show that there is an overall good composition of the Board of Directors; there is a good information flow and there has been a very high capacity and flexibility to adapt and respond to the needs in the exceptional COVID-19 circumstances. Additionally, dedication of the Board members is very high and there is a very good monitoring of the relationship with shareholders.

However, some improvements were identified for the coming years and these will be included in the action plan to be implemented.

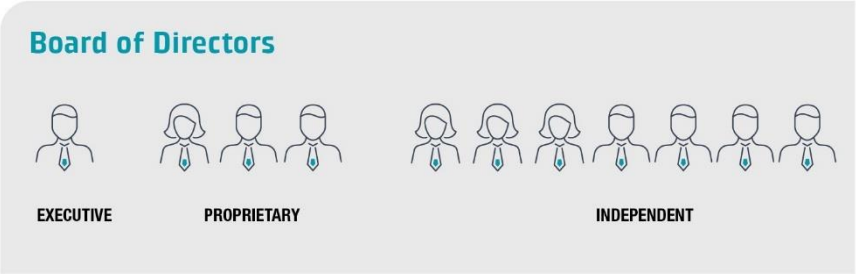
The composition of the Board of Directors follows the Policy for the Selection and Appointment of Board Members. In accordance with article 529 *decies* of the Spanish Companies Law, the policy states that when it comes to proposing the appointment or reappointment of members of the Board of Directors, the Nominations and Remunerations Committee shall be responsible in the case of independent board members, while the Board of Directors itself shall be responsible in all other cases.

In accordance with article 529 (i) of the Spanish Companies Law, the referred policy establishes that the selection of Board member candidates shall be based on a prior analysis of the needs of the Company, performed by the Board of Directors with advice and a report from the Nominations and Remunerations Committee. As the aim is to integrate different professional and management experiences and skills and to promote the diversity of knowledge, experience, age, and gender, while bearing in mind the weight of the different activities undertaken by Cellnex and considering specific areas or sectors that need to be strengthened.

Therefore, candidates for the position of Board Member of the Company must be honourable and ideal persons of recognised solvency, with the competence, experience, qualifications, training, availability and commitment required for the position. They must be trustworthy professionals whose conduct and professional career are aligned with the principles set out in the Cellnex Code of Ethics and with the mission, vision and values of the Cellnex group.

Cellnex stands outs in its
diversity
in their Board of Directors

The overall composition of the Board was maintained during FY 2020, although there were changes in some positions. The current composition of the Board ensures a compact, experienced and strategy-oriented Board of Directors comprising three proprietary directors and seven Independent directors, in addition to the Chief Executive Officer. Two vacancies that have remained unfulfilled at the date of this report.



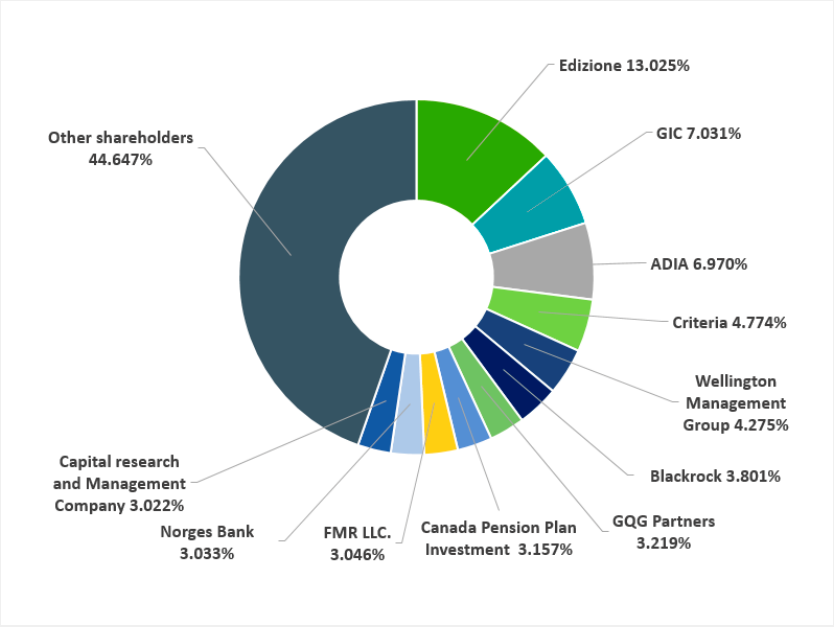
Changes in 2020

Changes in the Shareholder structure

Changes in the shareholding structure have taken place since the previous year's General Shareholder's Meeting, the most significant being the dissolution of ConnecT, the vehicle that controlled 29.9% of the share capital of Cellnex until June 2020. Since then, each of the three shareholders of ConnecT (Edizione, ADIA and GIC) have controlled their shares in the Company: Edizione now has 13.025%, GIC controls 7.031% and ADIA 6.97%.

Therefore, since June 2020, the significant shareholders in Cellnex Telecom are:

SHAREHOLDER STRUCTURE



Changes in the Board of Directors

The most significant changes made to the Group's Board of Directors in 2020 are as follows:

- Mr. Carlo Bertazzo, proprietary director representing ConnecT, resigned on 28 February 2020.
- On 2 April 2020 Mr. Christian Coco was appointed as proprietary director of ConnecT following the resignation of Mr. Carlo Bertazzo.
- Ms. Elisabetta de Bernardi, proprietary director of ConnecT, resigned on 10 June after the dissolution of ConnecT.
- The General Shareholders Meeting held on 21 July 2020 ratified Mr. Franco Bernabè, Mr. Mamoun Jamai and Mr. Christian Coco and re-elected Ms. Marieta del Rivero Bermejo.
- Mr. Mamoun Jamai, proprietary Director of ADIA, resigned with effect from 24 August.
- On 16 December 2020, Ms. Alexandra Reich was appointed as proprietary director of GIC, following the resignation of Ms. Elisabetta de Bernardi.

In 2021 there were significant changes to the Board of Directors as follows:

- Mr. Franco Bernabè, proprietary director of Edizione, resigned on 4 January 2021.
- Mr. Bertrand Kan was appointed Chairman of the Board of Directors on 22 January 2021.

The Cellnex Board of Directors

The Board of Directors met 12 times in 2020 (17 times in 2019), achieving an attendance rate of 100% (95% in 2019). The Board of Directors held most of its meetings by videoconference, as a consequence of the COVID-19 outbreak, with no impact on its functioning. There were also 8 ACC meetings (10 in 2019) and 12 NRC meetings (8 in 2019)".

The new CNMV Good Governance Code was published in June 2020. Cellnex is currently reviewing its corporate documents and processes to incorporate the amendments introduced by the new Good Governance Code, among other things.

Notwithstanding, during 2020 Cellnex complied with 61 out of the 64 recommendations. For the remaining three recommendations, one is to be highlighted:

Cellnex complies with

61/64

Recommendations of the Good Governance Code

- Recommendation 64: CEO compensation may not exceed two years' total compensation:
    - CEO compensation is for two years.
    - In addition to this, there is compensation equivalent to one year through the "post-contractual" non-competition agreement.

The Board of Directors has seven independent directors (representing 64% of the current total), two proprietary directors, and one executive director. There are currently two vacancies on the Board. The Cellnex Audit and Control Committee (ACC) comprises four directors, three of whom are independent, and one is a proprietary director. In the Nominations and Remunerations Committee (NRC), there are five directors, four of whom are independent, and one is a proprietary director.



Independent directors:

- **Bertrand-Boudewijn Kan**. He has extensive professional experience in investment banking and focused on the telecoms, media and technology sector in particular. He spent most of his career at Morgan Stanley where he became a Managing Director and Head of the European Telecoms Group. Subsequently in 2006 he moved to Lehman Brothers, where he was Co-Head of the Global Telecoms Team and was a member of the European Operating Committee. In 2008, he became Head of the Global Telecoms, Media and Technology Group at Nomura and was a member of Nomura and served on the Investment Banking Global Executive Committee. He left investment banking in 2012. Among other responsibilities, in addition to the Cellnex Board, he is currently a member of the Advisory Council of Wadhwani Asset Management, Chairman of Sentient Blue and Chairman of the Board of UWC Netherlands. Bertrand Kan graduated with B.Sc. and an M.S.c degrees in Economics from the London School of Economics.

- **Pierre Blayau.** He is currently holding the position of president of CCR (Caisse Centrale de Reassurance), member of the strategic committee of SECP (Canal+ Group), Censor of FIMALAC, Senior Advisor of Bain & Company and Chairman of Harbour Conseils. He was previously Chief Executive Officer of Pont à Mousson, PPR, Moulinex, Geodis, and Executive Director of SNCF. He has also served as Executive Director of La Redoute, as a member of the Board of Directors of FNAC, and Independent Director of Crédit Lyonnais and President of the Board of Directors of Areva. Pierre Blayau is a Public Finance Inspector of the French Ministry of Finance, and graduated from the École Nationale d'Administration de Paris and the École Normale Supérieure de Saint-Cloud.

- **Giampaolo Zambeletti**. He has spent much of his professional career in the chemicals/pharmaceuticals and telecoms sectors. Currently holds the position Vice-President of Unidad Editorial, S.A. He was previously Founder and Managing Director of Zambeletti España, President and CEO of Zambeletti Group, President of Italgas SpA, President and Managing Director of Ellem Industria Farmaceutica SpA . He served as Vice President of the pharma labs association, Farmindustria. In 2001 he has been appointed Group Senior Vice President International Affairs of Telecom Italia. He has furthermore been a member of the Board of Directors of Telecom Italia International (Netherlands), Auna, S.A. (Spain), Avea (Turkey), Oger Telecom (Dubai), Ojer Telekomunikasyon (Turkey) and Telekom Austria. Giampaolo Zambeletti holds a degree in Chemistry from the Università degli Studi di Pavia, is an international trustee of the Friends of the Prado Museum Foundation in Madrid, and received the Isabel la Católica Award from King Felipe VI in 2015.

- **Peter Shore.** He has extensive experience in the telecommunications and tech sector. He held the position of Chairman of Arqiva in the UK from 2007-2014. He has also been Chairman of Uecomm, Lonely Planet Publications, the Hostworks Group and Airwave. Shore was Group Managing Director at Telstra in Australia, CEO of MyPrice (Aust/NZ) and Managing Director of Media/Communications/Partners. He has served as a Director of Objectif Telecomunications Limited, Foxtel, SMS Management and Technology and OnAustralia. He was furthermore a member of the Advisory Board of Siemens Australia. He also served as member of the Corporate Board of the National Society for the Prevention of Cruelty to Children and Board of the Australia-United Kingdom Chamber of Commerce. He is also currently Chairman of Gigacomm Pty Ltd, a private Australian broadband service provider. Leonard Peter Shore holds a degree in Applied Mathematics and Computing Science from the University of Adelaide.

- **Marieta del Rivero** She is independent director of Cellnex Telecom and Gestamp Automoción. Non-executive Chairperson of Onivia. She is a member of the Advisory Board of the Mutual Society of Lawyers and of the "Made in Möbile". She has been global marketing director of Telefonica, deputy managing director to the digital commercial managing director of Telefónica, CEO of Nokia Iberia, senior advisor of Ericsson, partner of Seeliger & Conde and Chairperson of International Women´s Forum Spain. She was one of 'The 500 Most Influential Women in Spain' in 2018, 2019 and 2020 according to 'El Mundo'; she was one of 'The Top 100 Women Leaders 2018' by Mujeres & Cía, and she was recognized as the 'Best Executive 2017' by the Spanish Association of Business Women. She is the author of the book 'Smart Cities: a vision for the citizen'. Marieta del Rivero is a member of the management board of the Spanish Directors Association (AED), AMP by IESE, EP by Singularity University and executive coach certified by ECC. In 2019, she attended the 'Workshop in Global Leadership' provided by the Harvard Kennedy School. Marieta del Rivero is BA in Business Administration by University Autónoma of Madrid (UAM).

- **Anne Bouverot.** She is currently Chairperson of the Board of Technicolor, as well as Senior Advisor of TowerBrook Capital Partners and Board Director at Capgemini and Edenred. She is also Chairperson of Foundation Abeona, whose motto is "Data Science for Fairness and Equality", working on social impact of AI and digital technology. Previously she was CEO of Morpho, a biometrics and cybersecurity company (between 2015 and 2017) and general director of the GSMA (between 2011 and 2015). She also held several international management positions in companies in the telecommunications sector such as France Telecom / Orange (Executive Vice President of Mobile Services from 2009 to 2011), Global One Communications, Equant and Telmex. Anne Bouverot has a degree in Mathematics and a PhD in Artificial Intelligence from the École Normale Supérieure in Paris, and a degree in Engineering from Telecom Paris.

- **María Luisa Guijarro**. She has worked most of her career in the Telefónica group, from 1996 until 2016, where she held positions including Global Marketing and Sponsorship Manager, CEO of Terra España, Director of Marketing and Business Development in Spain and, in her later years at the company, member of the Executive Committee in Spain as head of Strategy and Quality. She is proprietary director on behalf of EQT in Adamo Telecom Iberia, S.A. and Adamo Telecom, S.L. She has a degree in Economics from the Universidad Autónoma de Madrid.

Proprietary directors:

- **Franco Bernabè.** He is senior advisor to Barclays Bank. He contributed to the creation of Nexi S.p.A. Prior to this, he was Chairman and CEO of Telecom Italia, , he led as CEO the restructuring and the listing in the NYSE of ENI, the Italian state oil company, Vice-Chairman of Rothschild Europe, member of the board and Chairman of the Audit Committee of PetroChina for 14 years, member of the Supervisory Board of TPG Post Group in the Netherlands, member of the International Council of JP Morgan. He was also member of the Executive Committee of Confindustria and a member of the European Roundtable of Industrialists. He served pro bono in the leading Italian cultural institutions as Chairman of La Biennale di Venezia, MART, Quadriennale di Roma and the Italian National Commission for UNESCO. In 2011 he was knighted by the President of the Italian Republic.

- **Christian Coco.** He is Investment Director at Edizione Srl. He is also a director of the companies of Edizione Group, Benetton Srl and CEO of ConnecT Due, as well as non-executive Chairman of Benetton Group Srl. He began his professional career in strategic planning in the energy sector and in 2002 he joined Mediobanca in the acquisition finance department. From 2007 to 2011 he worked in private equity firms, focusing especially on investments in the infrastructure sector in Europe. Subsequently, and until joining the Edizione Group in 2015, he was head of Planning, Control and M&A of the CIR Group of the De Benedetti family. Christian Coco has an engineering degree from Milan Polytechnic, and a post graduate degree in Utility Companies from MIP Milan (Politecnico's Business School).

- **Alexandra Reich.** She has 20 years' experience in the telecommunications industry, after starting her career in investment banking. She is currently member of the Board of Directors of the Dutch company Delta Fiber. She has been senior advisor at Telenor, as well as CEO of Telenor in Thailand – DTAC (from 2018 to 2020) and CEO of Telenor Hungary (from 2016 to 2018) as well as Chairperson of the Boards of Telenor Serbia and Telenor Bulgaria. She also held various management positions at Swisscom (between 2009 and 2016) and Sunrise (between 2007 and 2009) in Switzerland, and at Hutchison (between 2005 and 2007) and United Telecommunications (between 2004 and 2005) in her native Austria. Alexandra Reich has a degree in Business Administration and a Master degree from the Vienna University of Economics and Business Administration.

Executive Director:

Tobías Martínez. He is the company's top-ranking executive (CEO). He joined Acesa Telecom (Abertis Group) in the year 2000, first as Board Member and Director General of Tradia, and subsequently of Retevisión. Before joining the Abertis Group, he headed his own business project in Information and Telecommunication Systems for more than 10 years. He studied Telecommunications Engineering and holds a Diploma in Top Management from the IESE Business School (PADE) and a Diploma in Marketing Management from the Instituto Superior de Marketing de Barcelona (Higher Institute of Marketing of Barcelona).

Secretary non-member of the Board:

- **Jaime Velázquez.** He has a Law degree from the University of Extremadura and is a State Lawyer on leave from that post. He has extensive experience in Commercial Law, mainly in corporate merger and acquisition operations in regulated sectors and in matters related to corporate governance of companies. He is currently running an international law firm in Spain, which he joined in 2005. Previously, he served as secretary of the board of directors and director of legal advice of the Spanish Official Credit Institute (ICO), and general secretary of the council of the Telecommunications Market Commission (CMT). He has taken part in numerous talks and has also been an associate professor of Commercial Law at the Pompeu Fabra University in Barcelona.

Vice Secretary non-member of the Board:

- **Virginia Navarro.** She is Director of Legal M&A & Financing at Cellnex. Prior to that, she was Senior Manager of the Legal Department at Abertis Infraestructuras, where she spent ten years actively participating in the Group's M&A and financing projects, both national and cross-border. Previously, she worked at Linklaters in Spain as Associate in the Corporate Department, and in the legal department of Morgan Stanley. Virginia Navarro has a Law degree from Pompeu Fabra University (UPF) and a Master in International Legal Practice from Instituto de Empresa (IE).

Committees of the Board of Directors

The Cellnex governance bodies are supplemented by the Audit and Control Committee (ACC) and the Nominations and Remunerations Committee (NRC), both composing non-executive Directors, mostly independent Directors. It is also important to note that independent Directors chair the Board Committees. The responsibilities and functioning of the ACC and the NRC are set out in the Board of Directors Regulations.

In the past few months there were some changes on the Committees of the Board of Directors. In this regard, the Appointments and Remuneration Committee (ARC) of the Board of Directors has been renamed as the Nominations, Remunerations and Sustainability Committee (NRSC) and the Audit and Control Committee has been renamed the Audit and Risk Management Committee.



Franco Bernabè
Chairman
Proprietary



Tobias Martinez
Chief Executive Officer
Executive



Bertrand Boudewijn Kan
Vice chairman
Independent
● Chairman



Giampaolo Zambeletti
Coordinating director
Independent
● **Chairman**



Pierre Blayau
Independent
●



Anne Bouverot
Independent
●



Marieta del Rivero
Independent
●



María Luisa Guijarro
Independent
●



Peter Shore
Independent
●



Christian Coco
Proprietary
●



Alexandra Reich
Proprietary
●



Jaime Velázquez
Secretary non-member of the Board



Virginia Navarro
Vice secretary non-member of the Board
● Secretary

● Audit and Control Committee (ACC)
● Nominations and Remuneration Committee (NRC)
*Mr. Alberto López Prior (Global Resources Director) is the secretary of the NRC.

Ethics and compliance

All activities performed by the Cellnex group are based on a solid culture of compliance, ethics and integrity to which the Management and the Board of Directors of Cellnex Telecom are firmly committed.

With the aim of continuously improving its performance in the field of compliance, Cellnex group has put in place a series of bodies, policies and control mechanisms in the area of compliance, among which we would highlight:

- The establishment of the Committee of Ethics and Compliance, which is also the Body Responsible for criminal fulfilment of the Cellnex group.
- The adoption of compliance policies, such as the Code of Ethics and the Prevention of Corruption Procedure.
- The establishment of control mechanisms of the compliance model, such as the Ethical Channel and the Disciplinary System.

The Committee of Ethics and Compliance of the Cellnex group is the body in charge of guaranteeing the Group's compliance with legal requirements, and its function is to ensure the respect for business ethics and integrity, as well as compliance with the imperative and voluntary regulations that apply to the Group, with the Code of Ethics at the centre. Thus, it is the advisory and management body, as well as executive, for all issues related to the Code of Ethics of the Cellnex group.

The current composition of the Committee of Ethics and Compliance is as follows:

- José Mª Miralles (Chairman). General Counsel Legal & Regulatory Affairs
- Sergi Martínez (Secretary). Internal Audit & Risks Control
- Alberto López. Global Resources Director
- Toni Brunet. Corporate & Public Affairs Director

In order to preserve the independence of the Committee of Ethics and Compliance of the Cellnex group, this body maintains its functional and organic dependence from the Committee of Appointments and Remunerations of the Board of Directors of Cellnex Telecom.

The Committee of Ethics and Compliance, as the Body Responsible for criminal fulfilment of the Cellnex group, is the body in charge of identifying risks, mainly specific criminal risks of the Cellnex group, and establishing controls and measures to mitigate them through the dynamic management of the system of Prevention and Detection of Crimes.

In 2020, Cellnex, assisted by PwC, reviewed and updated its Crime Prevention and Detection Model to adapt it to the recent legislative amendments as well as to Cellnex's organisational changes. This task began in 2019 and ended in 2020.

Furthermore, the Independent Expert PwC has issued a report based on the standard ISAE 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" stating that Cellnex has an environment of adequate and reasonable control to mitigate the commission of criminal offences entailing criminal liability of legal persons.

The updated version of the Crime Prevention Model and the Independent Expert report were approved by the Committee of Ethics and Compliance and by the Appointments and Remuneration Committee and by the Board of Directors in 2020.

Cellnex updated its

Crime Prevention and Detection Model

to adapt it to new legislative amendments

Cellnex updated its

Corruption Prevention Procedure

to align it with ISO 37.001

As an essential part of the system of Prevention and Detection of Crimes, Cellnex has adopted a Prevention of Corruption Procedure that obeys the Group's commitment to conduct its business in an integral, honest, responsible and transparent manner, following the ethical principles in the development of its activity at all times, with a zero-tolerance approach to any form of corruption. The Procedure therefore represents the Group's commitment to fight against all forms of corruption.

Cellnex is committed to the best global anticorruption practices and, with the assistance of PwC, updated its Corruption prevention procedure in 2020 to align it with the requirements of ISO 37001. The updated version of the Corruption prevention procedure was approved by the Committee of Ethics and Compliance and by the Appointments and Remuneration Committee and by the Board of Directors in 2020.

In this regard, thanks to all the measures developed by Cellnex to prevent corruption, no cases of corruption were identified in 2020, as in 2019.

In 2020 Cellnex, assisted by PwC, carried out a process of verification and testing to check whether existing Cellnex guidelines and controls on prevention of corruption had been met over the course of the contractual relationship between Cellnex and its suppliers. A random sample of suppliers was selected for this purpose.

To reinforce the culture of compliance, ethics and integrity, we expect to appoint a Tax Compliance Officer within the Cellnex group during 2021 to align with the requirements of UNE 19602. Moreover, in 2020 Cellnex adhered to the Code of Best Tax Practices.

Furthermore, a Compliance Plan 2021-2022 is being drafted, the main purpose of which is to improve the control environment and promote compliance awareness within the Group. In order to improve the control environment as stated above, we expect to implement a tool to carry out due diligence of third parties regarding Corruption, money laundering and financing of terrorism, international sanctions, etc.

Code of Ethics

Cellnex's Code of Ethics, approved in 2015 by the Board of Directors of Cellnex Telecom, S.A., is the fundamental rulebook of the Cellnex group and its aims are:

- To establish general guidelines for action and behaviour.
- To define a mandatory ethical reference framework to govern the working and professional behaviour of those subject to it.
- To create a set of rules of conduct for stakeholders that come into contact with any of the Group companies.
- To establish a regulation for the prevention of corruption to implement the guidelines to be followed in the fight against corruption.

According to the Cellnex group Code of Ethics, the guiding principles of the Cellnex group are the following:

Principles of the Cellnex Group Code of Ethics

- We base our activity on the ethical principles of integrity, honesty, and transparency, always maintaining a conduct based on good faith.
- We seek and commit to protect and respect basic universally accepted human rights.
- We comply with all applicable legislation in the countries in which the Cellnex Group operates as well as with the Cellnex Group's internal regulations.
- Ethical conduct and compliance with rules take precedence over the Cellnex Group's results.
- The applicable legislation shall prevail whenever there is a conflict between the latter and the internal regulations which apply to the Cellnex Group.
- We avoid any personal situations involving the People Subject to this Code directly or indirectly clashing with the interests of any of the Cellnex Group's companies.
- We handle information with the utmost care.
- We use and protect the company's assets in an appropriate manner and we believe that people are the most important asset.
- We ensure equal opportunities and we do not discriminate against the People Subject to this Code.
- We guarantee freedom from reprisal for anyone who submits a query/notification regarding non-compliance with the Cellnex Group Code of Ethics and its implementing regulations, whenever the aforesaid are made in good faith.
- We protect the environment.
- We encourage political neutrality.



Cellnex is including the content of the

Code of Ethics

in all employment contracts

The Code of Ethics was updated in 2019 to align it with the current regulations.

Likewise, information on compliance was updated on the Group's website and intranet. The provisions of Cellnex group's General Conditions include a clause referring to the Group's Code of Ethics that requires suppliers to declare knowledge and full compliance with the contents of the Code of Ethics. Additionally, suppliers must also inform their employees and, if applicable, their subcontractors of the existence and content of the Code of Ethics and ensure that they comply with it. This clause has also been included in the employment contracts of all the new hires of Cellnex group.

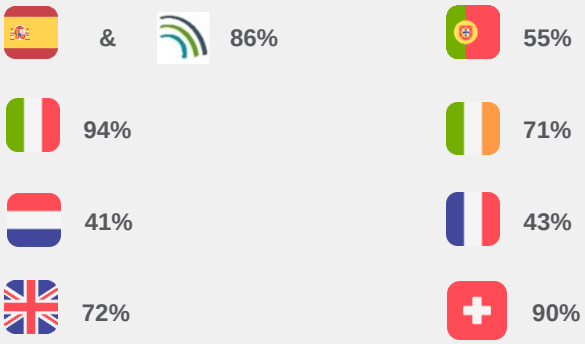
Moreover, the training relating to the Code of Ethics was incorporated into the new intranet and is therefore always available to all Group employees. Given the importance of training in compliance, we plan to encourage this aspect and to distribute it more widely via the intranet.

The Cellnex group Code of Ethics has created an Ethical Channel as a confidential way to notify any potentially significant irregularities detected within Cellnex group companies. The Ethical Channel is managed by the Group's Ethics and Compliance Committee.

In 2020 the Ethics and Compliance Committee continued to make progress disseminating and communicating the Group's Code of Ethics through various actions according to the geographical area concerned.

Anti-corruption training

The total hours related to anti-corruption training were 688.75 hours in 2020. The training actions initiated in the Group in 2018 in relation to the Code of Ethics and other related internal regulations continued during 2020. The percentage of personnel trained in 2020 was:



Ethical Channel

The Ethical Channel allows any employee, or a third party related to the Cellnex group, to report confidentially any kind of breach of the current law and/or other internal regulations that they have detected within the company, and therefore to detect any potentially significant irregularities, particularly relating to financial, accounting, labour and human rights, that arise within the company.

This Ethical Channel is aimed at and is available to all employees of the Cellnex group, regardless of the type or term of their contract, the position they occupy or the geographical area in which they perform their work, and to the various stakeholders (this includes, but is not limited to: suppliers, customers, shareholders, investors, employees, government bodies, regulatory bodies, sectoral associations and international organisations, mass media, partners in shared projects, as well as any other natural or legal person who may have any relationship with Cellnex group) to allow them to report any instances of irregular conduct that come to their attention, provided these are related to their activity in the Cellnex group.

Cellnex has an
Ethical Channel
available to all employees

In accordance with the Spanish Data Protection Agency, reports of possible irregularities are confidential; although informants must identify themselves by giving their name, surname(s) and Tax ID Code number when reporting a case, the information about their identity must not appear in the report, but must be filed separately in a restricted access area, to which only members of the Ethics and Compliance Committee will have access, to preserve the informant's confidentiality.

Notifications of irregularities can be submitted using:

- The Cellnex group's intranet.
- Email - canal.etico@cellnextelecom.com, by filling out the form available on both the intranet and the website.
- Letters addressed to the Chair of the Ethics and Compliance Committee - Ref. Ethical Channel - Cellnex, Avda.Parc Logístic, 12-20; 08040 Barcelona.

Notifications received via email will be forwarded to all members of the Ethics and Compliance Committee, whilst the Chair of the Ethics and Compliance Committee will notify the other Committee members, via email, of notifications received in the form of letters.

Employees receive training on

Code of Ethics and Ethical Channel

Given the importance of Ethical Channel as a powerful communication tool to report potentially significant irregularities by Cellnex group's employees and stakeholders, the company works continuously to improve the Ethical Channel, ensuring that it operates correctly.

In this connection, the Ethical Channel was updated in 2019 and a new site for the Ethical Channel created on the corporate website. Training content relating to the Code of Ethics was incorporated into the new intranet that was launched at Group level. All new hires, including employees from new acquisitions, receive training on Code of Ethics and Ethical Channel when they join the group.

All these actions foster a solid culture of compliance within the group. Consequently, the number of notifications was low for the second consecutive year. Two notifications were received through the Group's Ethical Channel in 2020 (three in 2019). None of the notifications received were related to human rights violations or cases of corruption.

Cellnex has a

Human Rights Policy

Cellnex's commitment to Human Rights

Cellnex is strongly committed to human rights, both in the Cellnex group and among its stakeholders. During 2018, Cellnex formalised its Human Rights Policy - applicable to the entire organisation - which establishes that Cellnex is committed to protecting and respecting Human Rights in accordance with current international standards.

This policy is developed and complemented by other company internal rules of Corporate Governance, such as the Code of Ethics and the Ethics Channel or ESG Policy. Cellnex Telecom also undertakes to draft and publish a Statement from the organisation on slavery and trafficking in human beings for each financial year (currently available on its corporate website), in response to the United Kingdom Modern Slavery Act, which condemns any practice of labour exploitation and pledges to prevent it both in its activity and its supply chain.

Both the Code of Ethics and the Statement on slavery and trafficking in human beings are based on the main international standards, such as The United Nations Guiding Principles on Business and Human Rights and the International Labour Organization (ILO) Fundamental Conventions.

The Cellnex group's Code of Ethics reflects the company's commitment to and involvement with respect for human rights as a fundamental value of its actions, as well as with the principles regulated by the Universal Declaration of Human Rights. The Ethical Channel constitutes a defence mechanism against possible violations of employee's human rights. In 2020, as in 2019, no complaints were received related to human rights violations.

If the Ethics and Compliance Committee receives a notification regarding inappropriate or illegal conduct or actions, a procedure is initiated. If the Ethics and Compliance Committee decides that the action contravenes the Code of Ethics, the Committee could punish and discipline offenders, in accordance with labour legislation and other applicable regulations, according to the nature of the relationship that exists between the accused and the Cellnex group companies.

To this end, the Ethics and Compliance Committee can transfer the results of the investigation to Human Resources and to the Department where the accused employee works, for their information and so that they can adopt any measures they deem appropriate, where applicable.

Likewise, Cellnex can initiate any legal actions (including criminal) that it may deem appropriate based on the offence committed.

Cellnex group offer training about Human Rights to their employees. In 2020 they received 724 hours of training related to human rights.

The company's commitment to Human Rights has also been extended to its upstream and downstream supply chain, considering all stakeholders. For detailed information, see Chapter 7. Extending our commitment to the value chain.

In addition, the company wants to take a step further than complying with legal requirements through internal mechanisms that monitor potential human rights issues. Under the ESG Master Plan (2021-2025), Cellnex has committed to identifying and assessing potential and impacts across the company, especially when a due diligence process takes place, and to implementing an action plan to minimise potential human rights issues and impact on the group.

Regulatory environment. Future prospects

Digital Single Market Strategy

The European Commission has been working on the Digital Single Market Strategy since 2015. This strategy compromises three policy pillars:

- Improving access to digital goods and services.
- An environment where digital networks and services can prosper.
- Digital as a driver for growth.

The Digital Single Market helped to lay the ground for the roll-out of the networks that will foster the Gigabit Society in Europe. Among the key elements of the European roadmap are objectives focusing on connectivity, such as the need for at least one 5G network in each Member State by 2020 or the broadband objectives set by the Digital Agenda for Europe (DAE).

Cellnex deploys
connectivity solutions
across Europe

Within this strategy, Cellnex has worked to achieve these objectives by deploying connectivity solutions across Europe. For example, Cellnex has been working to provide citizens with connectivity by investing in new and better infrastructures both for rural and urban environments and deploying small cells and DAS nodes located at high demand points.

European Electronic Communications Code

Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Communications Code (Recast) came into force in 2018.

This Directive establishes a harmonised framework for the regulation of electronic communications networks, electronic communications services, associated facilities and associated services, and certain aspects of terminal equipment. It lays down tasks of national regulatory authorities and, where applicable, of other competent authorities, and establishes a set of procedures to ensure the harmonised application of the regulatory framework throughout the Union.

The aims of this Directive are to:

- Implement an internal market in electronic communications networks and services that results in the deployment and take-up of very high capacity networks, sustainable competition, interoperability of electronic communications services, accessibility, security of networks and services and end-user benefits; and
- Ensure the provision throughout the Union of good quality, affordable, publicly available services through effective competition and choice, to deal with circumstances in which the needs of end-users, including those with disabilities to access the services on an equal basis with others, are not satisfactorily met by the market and to lay down the necessary end-user rights.

As stated in Article 124, Member States shall adopt and publish, by 21 December 2020, the laws, regulations and administrative provisions necessary to comply with this Directive. And shall apply those measures from 21 December 2020.

In this regard, Cellnex is working to assess whether any transposition of the European Electronic Communications Code Directive on the different countries could affect Cellnex's activity.

The Innovation Fund

Cellnex is also considering the possibilities offered by the European Union initiative, The Innovation Fund, for each of the geographies in which Cellnex operates. The Innovation Fund is one of the world's largest funding programmes for demonstration of innovative low-carbon technologies.

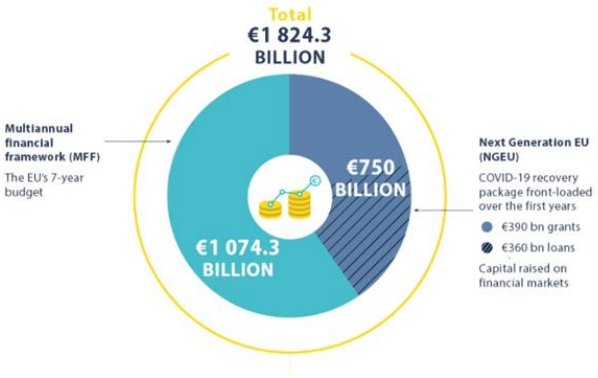
The Innovation Fund is a key funding instrument for delivering the EU's economy-wide commitments under the Paris Agreement and its objective to be climate neutral Europe by 2050, as also recognised in the European Green Deal Investment Plan.

The first call for proposals under the Innovation Fund was launched in 2020, and it contributes to the green recovery of the EU economy by helping businesses invest in clean energy and clean industry to boost economic growth, create local jobs and give a competitive advantage to EU industry.

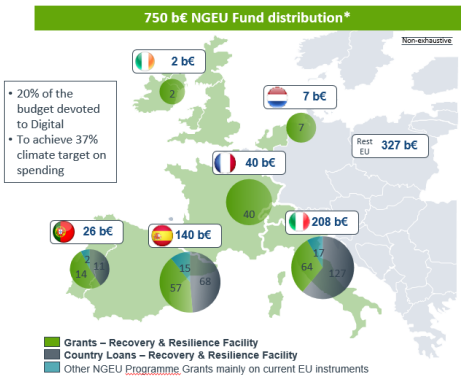
Next Generation EU Recovery Funds

Due to the socio-economic fallout from the COVID-19 crisis, EU leaders agreed a recovery package to support the recovery and resilience of the member states' economies. Therefore, a 2021-2027 budget that will help the EU to rebuild after the pandemic and will support investment in the green and digital transitions.

EU leaders have agreed to a comprehensive package of €1,824.3 billion which combines the multiannual financial framework (MFF) and an extraordinary recovery effort under the Next Generation EU (NGEU) instrument.



The MFF will cover the spending of the single market, innovation and digital projects, among other areas of action. And 30% of the total expenditure from the MFF and Next Generation EU will target climate-related projects. Expenses under the MFF and Next Generation EU will comply with the EU's objective of climate neutrality by 2050, the EU's 2030 climate targets and the Paris Agreement.



Cellnex can contribute to achieve the

EU digital single market objetives

The loans are dedicated to CAPEX (and not OPEX) with a significant impact on the company or in conditions of market failure. The eligibility of the projects must be directly correlated to the impact on GDP, job creation, models of Public Private Partnerships (in line with existing national legislation), co-investment level (with multiplier effect of public investment), level of cooperation and partnership (favourably for multi - partner projects), and cross-border initiatives.

Cellnex is present in various EU countries, and therefore will be able to actively contribute to the achievement of the system objectives of the "EU Digital Single Market". Cellnex can participate actively with a significant multi-national contribution in at least four different types of projects:

- "Ruralisation" (but also applicable to remote and mountainous areas). The aim is to reduce the divide between rural and urban areas and also, thanks to the characteristics of 5G, to help the agricultural sector. It also aims to mitigate depopulation of rural areas by creating the conditions for reliable and resilient access to communication networks and create coverage conditions with high-speed networks for the local development of public services such as education, health services.

- Coverage of cross-border corridors (on rail, road and in tunnels): For the best and accelerated development of 5G services, to achieve seamless coverage conditions between Member States, and to develop pan-European IoT systems and mission critical systems through 5G.

- Densification: For a better future-proof coverage of indoor environments (in public spaces and for public services: hospitals, schools, research centres etc.) and for a better future-proof coverage of outdoor environments (cities, historic centres, villages, nodes of archaeological and naturalistic cultural interest, intermodal transport systems, tourist centres).

- Vertical services: mission and business critical services for the creation of resilient networks at the service of private industries and public sectors (airports, industries, manufacturing, transport and logistics.

As a neutral and technologically agnostic operator, Cellnex also contributes thanks to a model that leverages the cost efficiency of the supply chain through:

- Building all-in-one passive infrastructures with significant improvements in terms of environmental and landscape impact, and in terms of efficient cost-sharing.

- The possibility to free up the resources of operators active in the downstream market (MNOs and FWA operators) to dedicate them to the development of active equipment.

In this regard, these Funds are an opportunity for the activities performed by Cellnex.

Radio Spectrum Policy Programme

Cellnex is also abreast of the European Commission's work on its new Radio Spectrum Policy Programme (RSPP), expected to end in 2021, that will define Europe's spectrum direction for 2025-2030. The plan will:

- Free up to 12 GHz of frequencies below 100 GHz for mobile services.
- Explore the spectrum needs of small and medium-sized enterprises and the spectrum for verticals.
- Tackle the future use of the sub700MHz (including its use by broadcasting services).
- Discuss a variety of policy approaches that promote environmental sustainability.
- Explore the use of artificial intelligence in spectrum management and encourage further sharing.

The programme is currently being reviewed by the Radio Spectrum Policy Group (RSPG), an EU advisory body which expects to produce an official Opinion by 2021. The European Commission will then take this Opinion into account and submit the programme as a formal proposal to the European Council and the European Parliament.

The sub-group for the RSPP at the RSPG said that the Opinion would be based on five pillars:

- Strategic spectrum issues: it will continue the current EU strategy of spectrum-sharing, efficiency and innovation.
- Spectrum needs a supporting EU vision: it will discuss how to satisfy the ever-increasing demand for spectrum from different sectors, including verticals.
- Spectrum governance: it will examine the interactions between the European Commission and EU member states, as well as other organisations such as the European regulatory body CEPT or the Radio Spectrum Committee (RSC).
- External relations: it will explore issues like standardisation and harmonisation in a global context, in addition to relations with the ITU and the WRC process.
- External topics: it will examine the role of spectrum in a variety of topics, including COVID-19, EMF (electro-magnetic fields), security and climate change.

Small cells

For 2020 is also worth highlight that the European Commission issued its implementing regulation on a light-touch regime for SAWAPs (Small Area Wireless Access Points) pursuant to Article 57 of the European Electronic Communications Code (EECC, CODE). According to this piece of legislation, under certain conditions, small cells are to be deployed without the need to apply for permits from local authorities and lowering administrative burdens.

Cellnex was involved in the process, taking part in the various workshops organised, exchanges with the consultants who undertook the study for the Commission and discussions with the Commission officials in charge of drafting the legislation. Cellnex also took part in a series of public consultations such as EWIA, Small Cells Forum and digitals.

Small cells

will open new business opportunities

This new implementing regulation will open new business opportunities for infrastructure providers as it paves the way to facilitating a reasonable and quick roll-out of small cells, and for the deployment of the neutral host model.

EU toolbox

The European Commission published a (non-binding) recommendation on 18 September 2020 to stimulate the roll-out of 5G networks and to reduce the costs of very high-capacity networks. In this way, the Commission calls on member states to develop a common EU approach to 5G and Very high-capacity network (VHCN) deployment based on sharing best practices (toolbox).

The recommendation also explores options to incentivise the environmentally friendly deployment of networks. Reducing greenhouse gas emissions to achieve a climate-neutral continent by 2050 is one of the Commission's main priorities, along with digitalisation.

The three priorities for the toolbox envisaged to date are:

- Enhanced coordination at Union level on reducing the cost and increasing the speed of deploying very high capacity networks:
  - For the streamline permit-granting procedures, Member States should agree on best practices to facilitate compliance with the maximum deadline of four months under the Broadband Cost Reduction Directive (BCRD) for granting or refusing permits for network deployments. Furthermore, fees for permits should cover only the administrative costs of the provision of the permits. The Commission is even suggesting a permit-free regime for the deployment of small-area wireless access points.
  - Improving transparency through the single information point.
  - Expanding right of access to existing physical infrastructure: Telecoms network operators should be able to obtain access to physical infrastructure controlled by public sector bodies, including buildings, in particular rooftops, and street furniture, such as poles for streetlights, street signs, traffic lights, billboards, bus and tram stops and metro stations.
  - Member States should develop best practices to improve the effectiveness and efficacy of the dispute resolution mechanism regarding disputes related to access to physical infrastructure and the functioning of dispute resolution bodies.
  - Reducing environment footprint and performing environmental impact assessment.
- Action at national level to ensure timely and investment-friendly access to 5G radio spectrum:
  - Spectrum authorisation procedures.
  - Incentives for investment.
- Enhanced coordination at union level on spectrum assignment for cross-border use:
  - Identify use cases.
  - Identify common frequency bands and conditions per use case.

Recommendation on Relevant Markets

The 2014 European Commission Recommendation on Relevant Markets (RRM) provides guidance to National Regulatory Authorities (NRAs) in identifying electronic communications markets within their jurisdiction which are susceptible to ex ante regulation. The Code requires the Commission to review the 2014 RRM by 21 December 2020.

The Draft Commission recommendation on relevant markets only maintains two wholesale broadband access markets: wholesale local access provided at a fixed location which can be used to provide mass market broadband services and bundles; and wholesale dedicated capacity which is mainly relevant for business use requiring a higher quality of connectivity.

The Commission accompanied the draft recommendation with an explanatory note including guidance on geographic market assessment.

Contrary to its earlier suggestion, the Commission does not propose the creation of a separate market for wholesale access to civil engineering. The market for wholesale access to physical infrastructure (i.e. ducts and poles) would not be added to the list of relevant markets. The Commission had initially suggested creating a separate market to correspond with the remedy. However, the Commission concluded that the definition of a separate market would not be appropriate at this moment as the characteristics of physical infrastructure networks vary significantly between member states. NRAs would still be able to define a relevant market at national level, which is particularly relevant in Member States where a single operator owns a physical infrastructure network which is ubiquitous (it has national coverage and can reach all households in the national territory) and suitable for the deployment of alternative fibre networks. In such cases, physical infrastructure access could be a cross-market remedy for multiple purposes, including providing local access, central access, backhaul, and potential future/new emergent services.

According to the Commission, the drafts have been published for transparency reasons. But there is no specific opportunity for stakeholders to give feedback.

The Commission emphasised that the drafts are not the final version, but a document that serves as a basis for discussion with the Body of European Regulators for Electronic Communications (BEREC), which is its main interlocutor. The Commission will take particular account of the opinion from BEREC.

Digital Services Act

As part of the European Digital Strategy, the European Commission has announced a Digital Services Act package to strengthen the Single Market for digital services and foster innovation and competitiveness of the European online environment.

The new Digital Services Act package should modernise the current legal framework for digital services using two main pillars:

- First, the Commission would propose clear rules framing the responsibilities of digital services to address the risks faced by their users and to protect their rights. The legal obligations would ensure a modern system of cooperation for the supervision of platforms and guarantee effective enforcement.

- Second, the Digital Services Act package would propose ex ante rules covering large online platforms acting as gatekeepers, which now set the rules of the game for their users and their competitors. The initiative should ensure that those platforms behave fairly and can be challenged by new entrants and existing competitors, so that consumers have the widest choice and the Single Market remains competitive and open to innovations.

Although it does not directly impact Cellnex, it may be affected as a sector actor.

Broadband Cost Reduction Directive

The European Commission started a review of the Broadband Cost Reduction Directive (BCRD), which could include an extension of its scope with the following objectives:

- Fostering a more efficient and faster deployment of very high capacity networks, including fibre and 5G networks, notably by simplifying procedures and further reducing the administrative burden associated with the deployment of such networks (including when jointly rolling-out/network sharing), enhancing transparency, increased legal certainty as regards cost principles and harnessing the potential of additional private and public assets.

- Strengthening and maximising the potential of the current measures under the BCRD (potential synergies across network sectors (i.e. utilities) in relation to joint use of existing infrastructure and coordinated civil works).

- Complementing and ensuring alignment with the Code, including its scope, which provides the overall framework for the electronic communications sector and is applicable as of 21 December 2020.

- Introducing sustainability measures for the deployment of electronic communications networks (for example, incentivising transition to more energy efficient networks) and contributing to greening the ICT sector.

The Broadband Cost Reduction Directive will be one of the main regulatory debates at European level for the next couple of years. The first Commission legislative proposal is expected for the end of 2021.

Investor Relationships

Market figures: Cellnex on the stock market

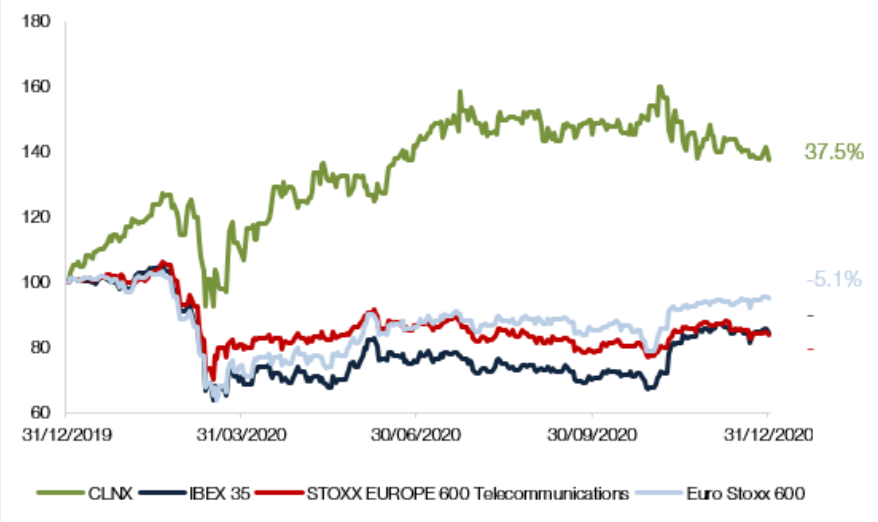
On 20 June 2016, the IBEX 35 Technical Advisory Committee approved Cellnex Telecom's (CLNX: SM) inclusion in the benchmark index of Spain's stock exchange, the IBEX 35, which brings together the principal companies on the Spanish stock exchange in terms of capitalisation and turnover. This milestone brought with it a broadening of the shareholder base, giving Cellnex higher liquidity and making it more attractive to investors. At present Cellnex has a solid shareholder base and the majority consensus of analysts who follow our company +70% - is a recommendation to buy.

As at 31 December 2020, the share capital of Cellnex Telecom increased by EUR 25,345 thousand to EUR 121,677 thousand (EUR 96,332 thousand at the end of 2019), represented by 486,708,669 cumulative and indivisible ordinary registered shares of EUR 0.25 par value each, fully subscribed and paid (see Note 14.a of the accompanying consolidated financial statements).

Cellnex's share price experienced a 38% increase during 2020, closing at EUR 49.1 per share. The average volume traded has been approximately 1,318 thousand shares a day. The IBEX 35, STOXX Europe 600 and the STOXX Europe 600 Telecom decreased by 15.5%, 5.1% and 16.1% during the same period.

Cellnex's market capitalization stood at EUR 23,907 million at the year ended on 31 December 2020, 637% higher than at start of trading on 7 May 2015, compared to a 28% drop in the IBEX 35 in the same period.

The evolution of Cellnex shares during 2020, compared to the evolution of IBEX 35, STOXX Europe 600 and STOXX Europe 600 Telecom, is as follows:



Detail of the main stock market indicators of Cellnex as of 31 December 2020 and 2019

	31 December 2020	31 December 2019
Number of shares	486,708,669	385,326,529
Stock market capitalisation at period/year end (EUR million)	23,907	14,784
Share price at close (EUR/share)	49.12	38.37
Maximum share price for the period (EUR/share)	57.06	41.29
Date	04/11/2020	16/10/2019
Minimum share price for the period (EUR/share)	33.05	19.9
Date	16/03/2020	02/01/2019
Average share price for the period (EUR/share)	47.33	30.24
Average daily volume (shares)	1,317,890	1,039,628

Treasury shares

200,320

0.041%

of its share capital

Treasury shares

In accordance with the authorisation approved by the Board of Directors, on 31 December 2020 the Company held 200,320 treasury shares (0.041% of its share capital). It has not been decided to what use the treasury shares will be put and will depend on such decisions as may be adopted by the Group's governing bodies.

The treasury shares transactions carried out in 2020 are disclosed in Note 14.a of the accompanying consolidated financial statements.

Shareholder remuneration

The Parent Company intends the dividends to be distributed against distributable reserves and/or against the net profit attributable to the Parent Company for the year ending on 31 December 2020, to be equivalent to the dividend distributed corresponding to the year ending 31 December 2019, increased by 10%.

Approved shareholders' remuneration policy, which is amended from time to time, aims to keep the appropriate balance between shareholder remuneration, the Parent Company's profit generation and the Parent Company's growth strategy, pursuing an adequate capital structure. In the implementation of the Shareholders' Remuneration Policy, the Company is focused on distributing an annual dividend by an amount increased by 10% with respect to the dividend distributed the year. As a result, each year the Parent Company distributes dividends against either net profit or distributable reserves attributable to the Company for the respective financial year.

On 31 May 2018, the Annual Shareholders' Meeting approved the distribution of a dividend charged to the share premium reserve to a maximum of €63 million, payable in one or more instalments during the years 2018, 2019 and 2020. It was also agreed to delegate to the Board of Directors the authority to establish, if appropriate, the amount and the exact date of each payment during said period, while always respecting the maximum overall amount stipulated.

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

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

During 2020, and in compliance with the Company´s dividend policy, the Board of Directors, pursuant to the authority granted by resolution of the Annual Shareholders' Meeting of 31 May 2018, approved the distribution of a cash pay-out charged to the share premium reserve of €11,818 thousand which represented €0.03067 for each existing and outstanding share with the right to receive such cash pay-out. In addition, on 3 November 2020, the Board of Directors, pursuant to the authority granted by resolution of the Annual Shareholders' Meeting of 21 July 2020, approved the distribution of a cash pay-out charged to the share premium reserve of €17,463 thousand which represented €0.03588 for each existing and outstanding share with the right to receive such cash pay-out.

Thus, the total cash pay-out to shareholders distributed for the 2019 financial year was €0.06909 gross per share, which represents €26,622 thousand (€24,211 thousand corresponding to the distribution for the 2018 financial year).

Dividends will be paid on the specific dates to be determined in each case and will be duly announced.

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

Shareholders

ESG will dominate financial markets in the coming years, and Environmental, Social and Governance themes will be key as societal trends drive changes in consumer, corporate and investor behaviour, aided by regulatory measures.
Juan José Gaitán Mañoso,
Global Investor Relations Principal
Cellnex Telecom

Cellnex works continuously to maintain a good two-way relationship with its shareholders. To this end, there is a Policy for communication and contact, where it is stated that the Board of Directors will be responsible for providing suitable channels for shareholders to find any information in relation to the management of the Company, and for establishing mechanisms for the regular exchange of information with institutional investors that hold shares in the Company.

The Company has several communication channels to ensure effective compliance with the principles of the above-mentioned Policy, some of which are general channels, intended to disseminate information to the public, while others are private and primarily intended for shareholders, institutional investors and proxy advisors.

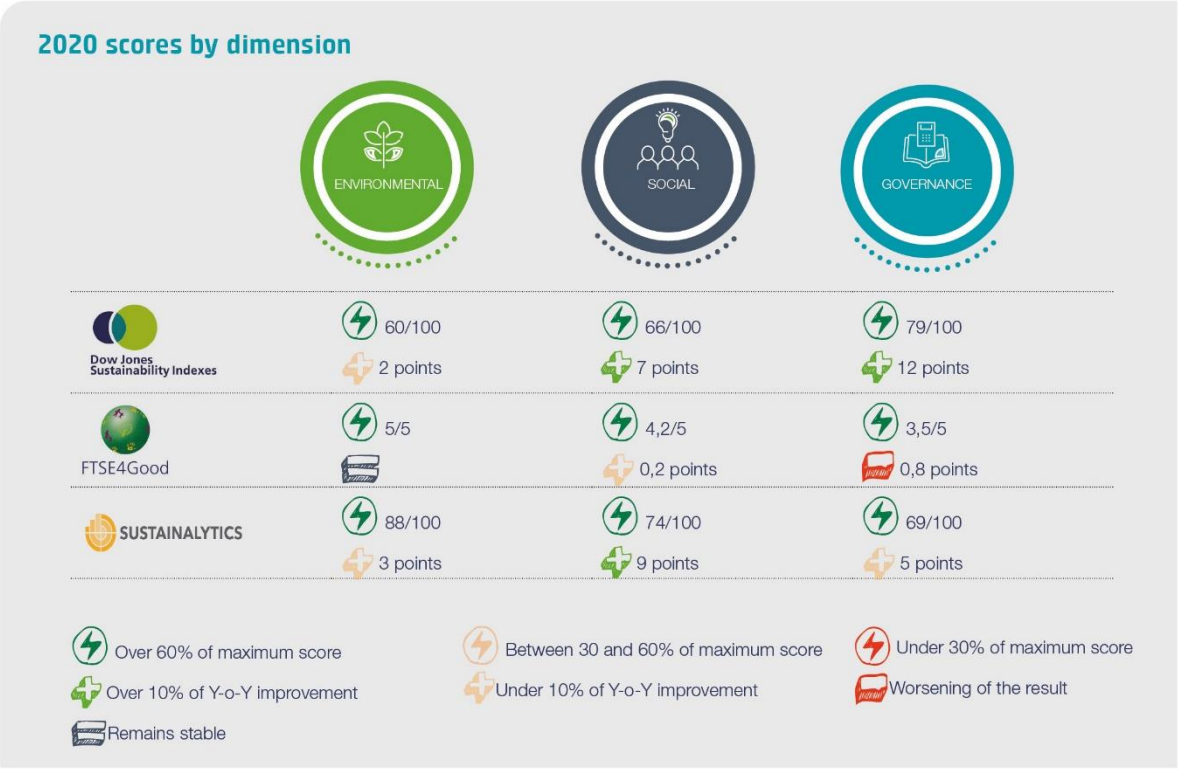
The general channels are the Website of the Spanish Stock Exchange Commission (CNMV) and other bodies, as well as the Cellnex Corporate website. The private channels for shareholders and investors to use are the various social networks on which Cellnex has an account (such as YouTube, Flickr, LinkedIn, Twitter, SlideShare or RSS), as well as the "Shareholders and Investors" section on the Company website and the Investor Relations Area. Concerns can also be expressed at the General Shareholders' Meeting.

Cellnex
improved its score
in the main sustainability indexes

Cellnex's participation in Sustainability Indices and initiatives

In recent years, there has been increased interest and demand for the promotion of ESG activities, projects and operations in companies. Above all, investors are increasingly taking the social, environmental and good governance contribution of a company into account when considering whether to invest in it. To this end, Sustainability Indexes and other initiatives have been developed to evaluate the ESG-minded business practices of a company.

The results of the main indexes in which Cellnex participates, such as DJSI index, FTSE4Good and Sustainalytics, recognize the efforts made by the company in the last four years in ESG matters, improving the overall score in all of them compared to 2017.



Besides these indexes, Cellnex participates in various ESG indexes that are presented below.

Dow Jones Sustainability Index

66

points out of 100

+10%

in 2020 regarding 2019.

Dow Jones Sustainability Index

Each year Cellnex participates in the DJSI index as a guest company, obtaining good results and ranking above the industry average in the three areas evaluated: economic, environmental and social. While the industry's average score dropped in all dimensions in 2020, Cellnex's score increased across the board.

Moreover, in 2020, Cellnex has improved its score in the three dimensions compared to the results obtained in 2019. In short, Cellnex has increased its sustainability score for two consecutive years, reaching an overall score of 66 points (+6 compared to 2019, +9 comparing to 2018, and +14 comparing to 2017). This result has allowed Cellnex to stay ahead of industry average by 24 points (+14 than 2019). By dimension, Cellnex has improved in all dimensions; Environmental (+12 than 2019), Social (+7 than 2019) and Economic (+2 than 2019).

CDP (formerly Carbon Disclosure Project)

The CDP is a global gold standard for measuring and rating corporate transparency in environmental and sustainability matters. CDP's annual environmental disclosure and scoring process is widely recognised as the gold standard of corporate environmental transparency, where the organisation prepares the rankings based on the information submitted by the companies.

A detailed and independent methodology is used by CDP to assess the companies, allocating a score of A to D- based on the comprehensiveness of disclosure, awareness and management of environmental risks and demonstration of best practices associated with environmental leadership, such as setting ambitious and meaningful targets. Those that don't disclose or provide insufficient information are marked with an F.

In 2020 Cellnex continued in the "A List" of companies leading the fight against climate change. The "A" score, the highest score allocated by the CDP means the company is still a Leadership Brand. Only 273 companies are part of the "A" List" of more than 8.400 companies and organisations analysed worldwide.

Furthermore, Cellnex was rated the "A-" score on CDP Supplier Engagement Rating. This is higher than the Europe regional average of B-, and higher than the Trading, wholesale, distribution, rental & leasing sector average of B-.

United Nations Global Compact

Cellnex has been a participant of the United Nations Global Compact since November 2015, as an expression of its commitment to including the corporate social responsibility concept into its operational strategy and organisational culture. Each year, the company publishes its COP (Communication of Progress) on the official Global Compact website.

The 2020 Progress Report includes:

- A declaration from the top management with the commitment to comply with the 10 Principles of the Global Compact.
- A detailed report on the entity's commitment to support and respect the protection of human rights. For example, information on training or awareness-raising for employees in aspects related to Human Rights, with special attention to employees with a direct impact on human rights or who carry out their activity in countries at risk in this area. It also specifies that the company has a complaints channel where anyone can report cases of human rights violations.
- An indication of projects and activities with which the company contributes to local development, through actions to foster employment, economic growth and relationships with other actors in the surrounding area.

- Information on the supply chain impact assessment.
- The report specifies policies and practices for the achievement of effective equality between women and men, as well as measures related to the work-life balance.
- Internal measures to promote inclusion and accessibility for people with disabilities.
- The measures developed by the company to tackle climate change. For example, CO2 emissions, measures related to circular economy and sustainable use of resources.
- The entity details the values, principles, standards and norms of conduct of the organisation, paying special attention to those focused on identifying unethical or illegal conduct through the creation of a complaints channel.
- The report includes a commitment from the entity to contribute to the SDGs, as well as an identification of which SDGs are a priority for the company.

FTSE4Good

FTSE4GOOD

4.2

points out of 5

5/5

in Governance

The FTSE4Good index series is designed to measure the degree of compliance of companies that show a high level of competence in their environmental, social and governance practices. These indices are used by many financial market players as they create and evaluate so-called responsible investment funds and other products that integrate environmental, social and corporate governance factors into their investment decisions.

The indices identify which companies best manage the risks associated with these factors and are used to track indexed funds, structured financial products and as a reference indicator. They are also the benchmark for establishing comparisons between investments.

The ESG ratings, which mark the entry and ratification in the FTSE4Good indices, are used by investors wishing to incorporate environmental, social and corporate governance factors into their investment selection processes. They are also used as a reference framework to evaluate corporate commitment and to qualify corporate governance.

Cellnex was selected to become part of this index in January 2017. In terms of the overall assessment in the ESG Rating, Cellnex obtained a slightly lower score than in 2019 (4.2 in 2020, -0.2 than 2019). In any case, it should be noted that this has been a common trend, as both the subsector and industry averages followed a similar tendency.

Likewise, Cellnex's overall score far exceeded the average of the telecommunications sector, and the mobile telecommunications sub-sector, both of which obtained 2.8 out of 5. Cellnex also outperformed the average of the Spanish companies present in the index (3.2 out of 5).

Cellnex obtained the maximum score (5 out of 5) in the aspects related to corporate governance, anti-corruption measures, labour standards, and climate change. Aspects related to human rights and the community, as well as social aspects throughout its value chain, scored 4 out of 5. However, there is some room for improvement in environmental management throughout its supply chain (which scored 3 out of 5).

Standard ethics

Positive Outlook

EE- (Adequate)

Standard Ethics

Standard Ethics Indices are a benchmark to measure, over time, the appreciation in financial markets of the principles and guidelines from the European Union, the OECD and the United Nations on sustainability, corporate governance and corporate social responsibility issues.

Cellnex has taken part in the Standard Ethics sustainability index since 2017, obtaining an “EE-” this year, the same as last year, equivalent to an adequate level for good compliance in governance, sustainability and social responsibility.

In March 2019, Standard Ethics performed the last review of Cellnex’s score. However, companies Outlook was reviewed in 2020 and Standard Ethics raised Cellnex’s Outlook to Positive.

Sustainalytics

Cellnex is evaluated by Sustainalytics, an environmental, social and corporate governance (ESG) research and rating company for investors worldwide.

Sustainalytics

7th

in the global telecommunications raking

Cellnex made a qualitative leap in the Sustainalytics evaluation this year, rising in category in terms of “Market Cap” ($6bn to $12- $15bn), as well as in evaluation level (from Average Performer to Outstanding). This has placed the company is 7th in the Global Telecommunications Ranking.

This year its average score was 76 points, up from 70 in 2019. In this regard, Cellnex has improved its overall score in all the three dimensions, particularly in social issues, due to the actions developed regarding Diversity Programmes, Health & Safety Certifications and Community Involvement Programmes, and environmental issues, with the Environmental Policy and new Eco-Design requirements.

MSCI ESG Rating

MSCI ESG Ratings aim to measure a company's resilience to long-term ESG risks. Companies are scored on an industry-relative AAA-CCC scale across the most relevant Key Issues based on a company's business model.

Cellnex joined the MSCI Europe index in 2019. For 2020, Cellnex has earned a "BBB" ESG Rating, improving its assessment from the previous year (“BB”). The company has undertaken initiatives to improve its labour management and ethics policies over the last two years, however there is still progress to be achieved on adopting industry best practices. Within the Rating, Cellnex falls into the highest scoring range on the Corporate Governance dimension relative to global peers, reflecting that the company's corporate governance practices are generally well aligned with investor interests.



4

Boosting our talent, being diverse and inclusive

Boosting our talent, being diverse and inclusive

2020 main highlights

Employees in 10 European countries
2,008

Women
30%

Men
70%

Indefinite contract
96%

Average age
44.2

44%
hires of women

✔ Objective for 2020
40%
hires of women

30%
career advancement for women

✔ Objective for 2020
20%
career advancement for women

Training hours per employee
29.93

Hours of training in H&S
7,850

New Health and Safety Policy for the Cellnex Group

2021 main challenges

25% of women in leadership positions by 2022 and beyond.

25% of women in positions of responsibility by 2022 and beyond.

30% of CVs received are from women by 2022 and beyond.

30% of hires of young talent by 2022 and beyond.

30% of anonymous CVs in the outsourced selection processes by 2022 and beyond.

*Implement the Cellnex **Competencies and Leadership Model** and **Career and Development Program** in 2021.*

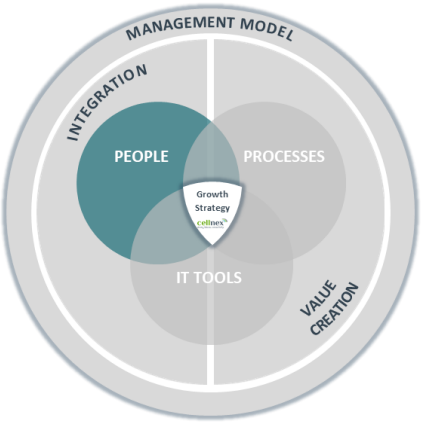
***H&S Improvement Strategic Plan** (2021-2022).*

Cellnex commitment with Covid-19

Cellnex Group deployed a Global Contingency Plan to guarantee the continuity of critical services in all countries.

Safe company against Covid-19 certification in Corporation and Spain

Cellnex's people strategy



The people of the company are essential for Cellnex's success and are therefore a fundamental pillar of the Growth strategy, together with its processes and IT Tools.

To ensure that the Company has the best talent and culture, Cellnex has built a People Strategy underpinned by 3 pillars: culture, leadership, and talent.

The first pillar is culture, understanding as a constructive culture built on the Company's core values, that promotes collaboration and cohesion to achieve its ambitious goals.

The company is convinced that a great team is not a group of people that work together but a group of people that trust each other, that values all voices and promotes equal opportunities for everyone. To achieve this, Cellnex promotes inclusive leaders who lead driven by these same values and convinced that everyone is a leader, which means that everyone must lead themselves first, learning, performing and contributing. Everyone contributes to the teams they work with and leads with humility to achieve the company goals.

The third pillar is talent, which means managing globally in a consistent way to attract and develop diverse talent, as well as allowing equal opportunities. Cellnex needs to ensure that the team has the right capabilities and does this by promoting two main mindsets. The first involves a learning environment where we learn every day, all the time – in short, a lifelong learning approach. The second mindset involves self-leadership - encouraging everyone to be the best version of themselves.

All of this is underpinned by the company's main belief that the best way to grow is together.



Cellnex's workforce increased

25%

in 2020

Our essence is also the most remarkable competitive advantage: people. We are connected and we connect with excellence. We know how to listen and we grow in the face of the challenges that are presented to us. And, above all, we grow together proud of contributing to the development of an increasingly international, diverse and sustainable Cellnex

Arantxa Cid, Global Engagement Expert
Cellnex Telecom

People management

Cellnex multidisciplinary team is key to a successful business project, which enables Cellnex Telecom to be one of the main telecommunications infrastructure operators in Europe. As of 31 December 2020, the total workforce of Cellnex group is 2,008 employees (1,605 people as of 31 December 2019). The workforce increased over the previous year in the wake of the new acquisitions made and in accordance with the company's needs.

Cellnex geographies

Cellnex's people are located across various geographical regions within Europe. In 2020, the employees that were part of Cellnex was of 2,008, and their distribution in by country was as follows:


1,199 59.7%


48 2.4%


267 13.3%


31 1.5%


171 8.5%


15 0.7%


131 6.5%


15 0.7%


73 3.6%


3 0.1%


55 2.7%

Cellnex is improving

female inclusivity

in the telecommunications sector

Although the workforce force is predominantly male, which reflects the current situation in the sector, the efforts being made by Cellnex to improve female representation in the sector are reflected in the data. Furthermore, Cellnex also promotes the inclusion of employees with different abilities. In this regard, in 2020 there were 15 employees in the company with different abilities (13 in 2019).

It should be noted that even during the global COVID-19 pandemic, Cellnex has been able to grow. In this regard, Cellnex group recruited 468 new employees in 2020 (205 women and 363 men). The people that were onboarded displayed a very even gender parity and very solid and diversified backgrounds.

Culture

The company is currently working to develop and deploy a Corporate Culture built on the values that best define the company and its employees. Cellnex defines its culture in action by:

- Being attractive and a recognised great place to work.
- Being competitive, promoting careers and growth to ensure everyone is at their best.
- Being collaborative to accelerate connections and share how-know.
- Being responsible, people focus on their own development and the social responsibility linked to Cellnex's purpose of connecting people.

The four axes on which the Corporate Culture of Cellnex is based:



Cellnex foster

team engagement and commitment

In order to deploy the new Corporate Culture in the company, key initiatives have been rolled out like the updated Cellnex group Purpose, Vision, Mission and Values, Cultural initiatives across the various countries and deploying Equity, Diversity and Inclusion in all countries of the Cellnex group.

Revamp Cellnex group Purpose, Vision, Mission & Values

Over the past five years, Cellnex has grown exponentially and the company will grow even more, which is why Cellnex considers it essential to reflect on and refine its purpose, vision, mission and values that are a tribute of the company and its ambition.

The Company plans to engage with the team in 2021 and deploy it globally and mainstream it in all people initiatives, since teams with a clear sense of purpose deliver better results, are highly committed and resilient, able to overcome any challenge.

Roll out Culture initiatives everywhere

During 2020, Cellnex refocused on raising its sights towards team engagement and commitment, rolling out initiatives based on listening to employees. Also, to accompany the Cellnex team to drive constant change by increasing engagement, sense of belonging, pride and participation.

Deploying the Cellnex group's Culture helps to transmit culture and purpose as a global and international group to integrate and modulate behaviors towards a common project.

These key behaviors have been considered at the new leadership model and are embedded in the learning programmes such as 360 while they are also considered in the performance and development appraisal, among others.

Expected behaviors in the Cellnex Ideal Culture are:

Cellnex Ideal Culture

- Strategy & Execution aligned
- Commitment with customer satisfaction
- Encouraged recognition
- Concern for people
- Delegation & Empowerment
- Interdepartmental cooperation
- Constructive working
- Humanity and emotional attachment
- Responsible flexibility
- Proactivity & risk taking



In this context, a Community program is being defined at group level as a force of cohesion, leading to the rolling out of initiatives including:

- 5th Anniversary - Growing together is part of this, therefore the first virtual meeting with the whole group involved the launch of a short concert to celebrate our anniversary.
- Virtual Sant Jordi in Spain, the Catalan tradition in which books and roses are given to loves ones, was shared through the group. More than 1,200 books and roses were downloaded.
- New Perspectives, a series of testimonies from some of Cellnex's colleagues explaining how they are facing the crisis of COVID-19 in their jobs.

- On holiday: a summer photo contest.
- Global coordination Meeting 2020- the global top 100 virtual gathering.
- Cellnex- Christmas Carol contest - Eurovision. The company celebrated the first virtual Christmas celebration, simulating the Eurovision song contest.

Value project

Cellnex Spain implemented an engagement project to value cross-transversal work in the territory and Network Operation Centre (NOC) through the “Who is who: testimonials from people who do field work”.

This initiative shows the work performed outside the central offices and highlights the value and transversally of end-to-end teams and projects, which generates greater engagement with employees located outside the headquarters and increase the feeling of "one team" and a shared goal.

Community Program

The Community programme aims to make all Cellnex employees feel part of a wider family, sharing new ideas and attitudes from everywhere. A Global Community Team in each country will be consolidated to achieve this.

As part of the Community programme, Cellnex is promoting a channel and content that helps employees to get to know about other people in the organisation. Cellnex also encourages its employees to take part in various initiatives that unite its employees as a one community, sharing common goals and values. For example, Cellnex launched a Virtual global gathering, the Virtual 5th anniversary celebration, and a Virtual Christmas celebration.

Cellnex boosted

employee participation

In digital platforms

Cellnex boosts employee collaboration and participation using the intranet. During 2020 there were improvements in the Global Intranet launched in 2019. The intranet is understood as a workplace with a broader concept and new functionalities (allowing everything to be done from anywhere and at any time, taking into account any relevant regulations and legal requirements).

Cellnex also launched a specific blog called Teams for teams, with tips and tricks as well as tutorials. A newsletter for all managers is also being used to share specific information and to promote the culture of collaboration and participation.

It is worth pointing out that the COVID-19 situation has made it difficult to deploy all the strategies that were intended within the Culture Project, but the actions planned for 2020 were developed.

In this regard, a survey report was launched during COVID-19 lockdown to glean an understanding of people’s feelings and perceptions of remote working. The survey showed that 88% support new community initiatives. Moreover, in Cellnex France they consult their employees on a monthly basis on various topics, such as COVID management (barometer).

During this period, Cellnex has been clear that its priority was the health and safety of the people who are part of the group. To this end, all countries promoted remote work and provided the necessary means to work from home properly.

The pandemic meant that countries had to adapt their initiatives to continue maintaining a corporate culture. For example, Cellnex Spain held weekly virtual meetings, team building, maintaining engagement, etc. as a differentiating element with respect to the previous year. This way of working helps the company move forward: holding meetings using online apps, becoming more cooperative and flexible in our relationships.

Virtual coffee during COVID-19 lockdown

At Cellnex Netherlands, informal meetings were held every Friday as a "Virtual coffee" to update about various topics at business and organisational level.

Those meetings helped build a more cohesive team that could no longer meet so regularly because of the distance between offices.

Moreover, the HR team talks regularly with employees to field their concerns and check if they are doing well. There is also an external coach available for all employees, who can share their feelings about the COVID-19 situation with him in a very confidential way.

diversity PROJECT

44% of hired women

Objective of 40% hired women for 2020 achieved

30% of career advancement are women

Objective of 20% of career advancement for women achieved

Equity, Diversity and Inclusion plan rolled out across countries

In line with the process of cultural transformation and integration in which the Group is currently immersed, Cellnex understands diversity as one of the key elements of its business model. Diversity and inclusion bring unique perspectives to the company and help to create a respectful and inclusive work environment that meets the expectations of different groups, improving employee performance, attracting and retaining the talent of the best professionals and improving the company performance.

In this regard, Cellnex group is firmly committed to equity, diversity and inclusion, defining an Equity, Diversity and Inclusion Policy that establishes the guidelines and lines of action in this area for the entire Cellnex group, approved by the Board of Directors in December 2019. Along with the policy, Cellnex has drafted an Equity, Diversity and Inclusion Programme that defines the lines of action, commitments and strategic lines.

The Equity, Diversity and Inclusion Programme includes all the countries and business units, but is also transversal, not only involving the People department, but also affecting all areas of the company and all levels, from new arrivals to the Executive Committee, showing that the company has clearly identified its diversity drivers.

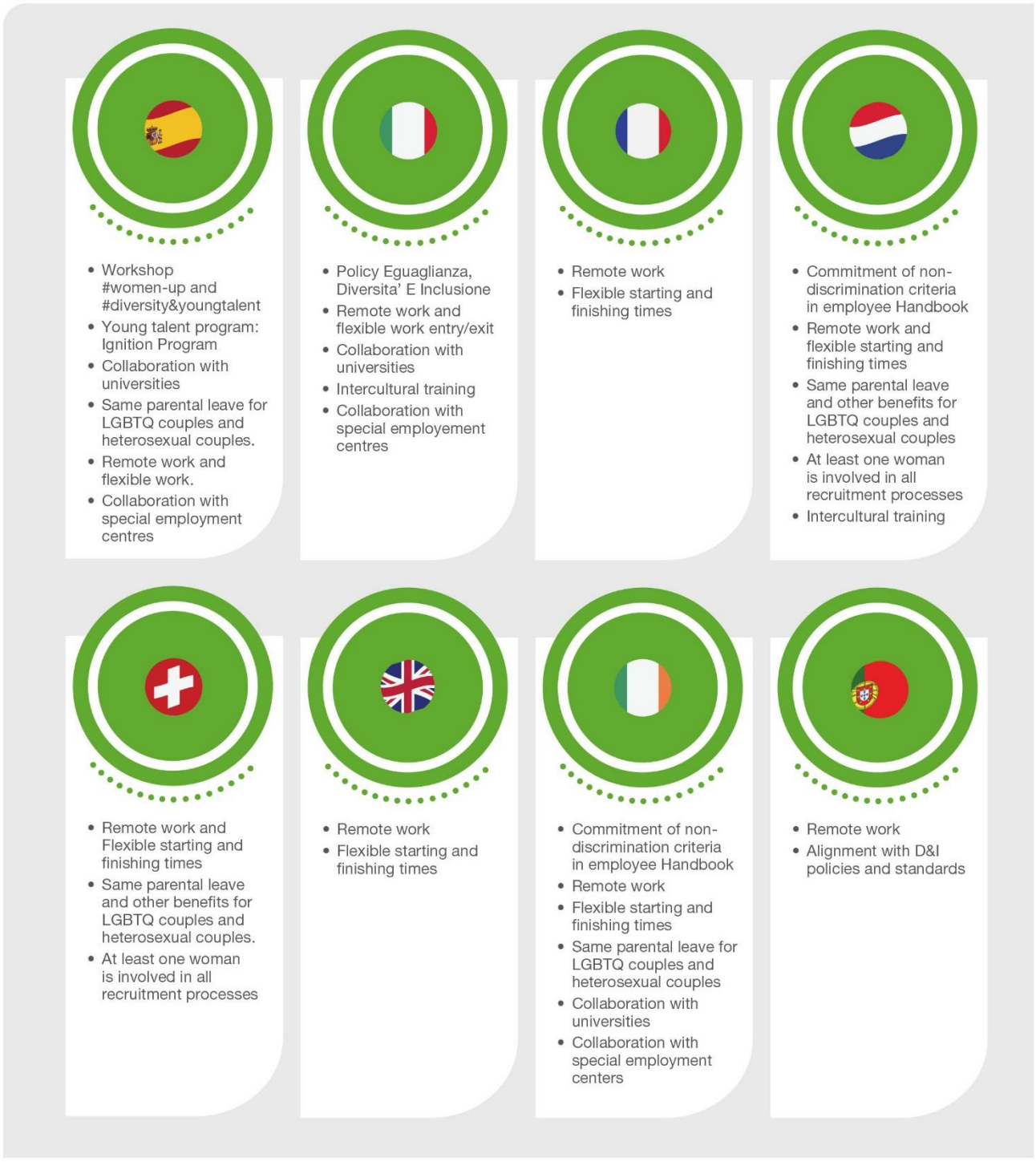
Equity, Diversity and Inclusion Program

The Program consists of 90 specific actions that have been scheduled over the four years (2019-2022) resulting from five lines of actions (gender, generational, affective-sexual, cultural and functional) in addition to a transversal of communication and awareness line of action.



KPIs and objectives to be achieved in some actions have been defined to ensure the implementation of the Programme. Specifically, 60 of actions have a KPI and 28 have an associated quantitative objective.

The Equity, Diversity and Inclusion Programme was rolled out across the countries during 2020, with an initial diagnosis to identify the main elements of the generation gap within the organisation. The diagnosis was made up to the closing date of 31 December 2019 and was updated in April 2020. In the diagnosis, each country's starting point has been analysed in terms of age, gender, professional category and nationality, and the GAP calculated in relation to the objectives set out in the Plan.



The policies and criteria for recruitment in most Cellnex countries have been reviewed and updated, ensuring non-discrimination on the basis of gender, age, sexual orientation or gender identity, race, religion, thought or social status or disability. Moreover, the recruitment process has being adapted to boost diversity by requesting applications from women or sending blind curriculums in most countries. These actions are being monitored through the report of different KPIs such as female curriculums received or anonymous curriculums.

Cellnex Diversity Week

Activities related to diversity were organised over a week to coincide with International Pride Day, allocating one day for each of the five lines of action: gender, generational, affective-sexual, cultural and functional.

Noteworthy examples are a livestream with Marieta del Rivero, member of the Board of Directors of Cellnex; diversity content and quizzes; Internal communication about LGTBIQ International Pride Day; diversity e-learning catalogue; and diversity and inclusion awareness materials circulated among Management.

Cellnex Corporation also defined a Protocol against harassment and discrimination based on sexual orientation or gender identity. The protocol aims to establish mechanisms to prevent and eradicate situations constituting sexual harassment on grounds of gender, sexual orientation and gender identity within Cellnex group companies.

Cellnex defined an

Inclusive language manual

An inclusive language manual was also defined, including the five diversity axes of Cellnex (gender, generational, affective-sexual, cultural and functional). The use of language reflects the cultural and social practices of the social context that can limit human conceptions in certain areas. Furthermore, language is our form of communication and includes our way of thinking. It is therefore important for the language used by our employees to reflect Cellnex's values, which include equity, diversity and inclusion. Given the diversity that exists among the companies composing the Cellnex group, each country will adapt the manual to its language and context.

#women-up workshop

This four-hour women's virtual workshop aims to offer women at Cellnex the chance to pool their vision, expectations and needs as "women of talent" within the Equality, Diversity and Inclusion Programme. Teresa Baró, a specialist in language and communication matters, participated as speaker at the workshop after the D&I presentation. There was then a collaborative exercise based on streamlined methodology to push participation & collaboration, using on-line post-its to answer key questions about gender diversity in Cellnex. This workshop was designed as a cross-cutting initiative to listen to female talent in the company and give visibility to women of all levels and representation of all company management.



Given the success of the project, four additional training sessions with the external expert will be held for all women (first step) at Cellnex Spain in 2021.

#diversity&youngtalent Workshop

The workshop was set up to learn the opinion of young people from the digital generation about gender and generational diversity and better define the next steps and promote gender and generational diversity. This is a transversal initiative and covers the Ignition project and diversity as well as inclusion objectives.



Cellnex provides specific

equality training

Equality Plan

Cellnex's Second Equality Plan 2018-2022 was launched and signed together with the workers representatives in 2018. The general objective of this plan is to progressively increase the number of female employees in all positions and responsibilities, guaranteeing equal treatment and opportunities for women and men and preventing sexual harassment and gender discrimination, both indirect and direct. The actions set out in this Equality Plan focus on a range of areas that cover almost the entire company and include recruitment, training, awareness-raising and work/life balance.

A Monitoring and Evaluation Committee will ensure that Cellnex complies with the Equality Plan, by evaluating the Plan annually to examine compliance with the measures adopted in the Plan, assess whether the measures are appropriate, and to check that they match the objectives initially proposed.

On 2021, the Equality Plans of Retevisión and Tradia will be updated and a new Equality Plan for Cellnex Telecom will be defined, in order to cover all the employees of the company based in Spain and also to adapt these plans to comply with the new regulatory framework approved in October 2020 in this regard.

Specific training sessions were held on equality issues during 2020, for example the courses entitled "Lead in diversity successfully" and "Cultural diversity: intercultural communication".

Work-life balance and labour flexibility

In Cellnex a good work-life balance is important for the way of working as well as creating a good and successful cooperation between colleagues, for the development of the business as well as for the personal element of everyday working life.

In this sense, all employees of Cellnex group generally have flexible hours, choosing within a margin of hours when to start their working day, provided they work the number of hours established by agreement and contract by the end of the day.

Likewise, all Cellnex's Group employees can take the holidays established by the agreement throughout the year, by prior agreement with the head of the department. All employees who have requested a reduction in working hours are granted this right. During 2020, due to the COVID-19 pandemic and lockdown, the dates on which workers could enjoy summer vacations have been made more flexible.

Moreover, in recent years Cellnex group has worked on the implementation of remote work progressively in all countries, with Cellnex Italy being the leading country of reference in this field.

Smart working mode

In 2016 Cellnex Italia adhered to a full "smart working mode" for all the technicians working in the field because of their responsibility to manage, maintain and develop the infrastructure portfolio across the country.

Then, in 2018 the "smart working mode" scope was expanded to all Cellnex Italia employees in an experimental way, giving employees the opportunity to do this for two days a month. This initiative allowed Cellnex Italia to be ready to face the COVID-19 emergency without having to stop production.

Smart working represents a genuine revolution in terms of work culture and sustainability since it optimises time and saves money, improving work organisation and offering greater flexibility to genuinely apply the concept of "work-life balance".

Due to the exceptional situation caused by COVID-19, most of the employees in all the countries that are part of Cellnex group have worked from home in recent months.

Cellnex employees also currently enjoy a range of economic and social benefits including life and accident insurance, pension plans and health insurance, among other benefits accessible through MyCompensa Portal.

In addition, the company offers some conciliation measures based on diversity and equity such as:

- Adaptations of the working day.
- Pooling hours allowed for breastfeeding.
- Prenatal exams.
- Leave of absence for childcare.
- Wedding leave.
- Maternity and paternity leave.

All employees can access the work and life balance measures through their intranet, in the section "My time" in the MyCompensa Portal.

A survey among employees in 2020 asked about their assessment of the catalogue of reconciliation measures of "MyCompensa" portal. Once the feedback has been analysed, improvements will be made in these measures, adapting them to the needs of the employees.

Some changes were observed in the wake of the implementation of the existing flexibilisation and conciliation measures in 2020. For example, in Spain there was a significant increase in the number of women and men who have requested adjustments to the working day as well as a decrease in the number of requests for reduced working hours for both men and women. Moreover, the number of men requesting the pooling of hours for baby feeding and the number of childcare leave applications among men increased.

Likewise, Cellnex has developed a digital disconnection policy to guarantee our employees' right to privacy in relation to the digital environment and guarantee effective rest to protect the health and safety of our employees. In January 2020, the procedures related to work disconnection measures and time registration were signed and presented to the legal representatives, thereby complying with the legal requirements.

Other countries of the Cellnex group do not have labour disconnection measures, with the exception of Cellnex France since they have a Disconnection Charter. The countries are working on this topic in cooperation and collaboration with Celnex Corporate.

Collective agreements

In Spain, the Cellnex Telecom group is made up of several companies: Cellnex Telecom, SA, Cellnex Telecom España, SA, Retevision I SA, Tradia Telecom SA, On Tower, XOC, Adesal and ZENON. The employees of these companies are covered by different collective agreements.

In 2020

74% of employees

were covered by a collective

At Cellnex Telecom, SA, Cellnex Telecom, SAU, and On Tower, the personnel have a benchmark provincial collective bargaining agreement which, according to the opinion issued by the National Consultative Commission of Collective Bargaining Agreements, for the Barcelona centres is applicable the collective bargaining agreement of iron and steel industry in the province of Barcelona and for the centre of Madrid, it is applicable the collective bargaining agreement metal industry, services and facilities sector of the Community of Madrid.

Both Retevision I SA and Tradia Telecom SA have a Company collective bargaining agreement valid until 31 December2020. However, the social dialogue held throughout September 2020 made it possible to reach an agreement to extend the validity of the current collective bargaining agreement until 31 December2021.

The personnel of the XOC company are governed by the collective bargaining agreement for the “Office sector” in Catalonia for the years 2019-2021.

ZENON personnel are governed by the collective bargaining agreement for the “Commerce sector” in Catalonia for subsectors and companies without their own collective agreement.

ADESAL personnel have a reference collective bargaining agreement for the “Office sector”.

Cellnex UK, Switzerland, and Portugal there is no Collective Agreement. In France, the country's Telecommunications sector agreement is followed. Also, Cellnex Italy’s employees are covered by collective bargaining agreement.

In 2020, 74% (82.4% in 2019) of Cellnex group workers were covered by a collective bargaining agreement.

Social dialogue

Cellnex promotes dialogue with its employees and their legal representatives, such as workers councils and employees’ representatives; informing, consulting and negotiating accordingly with them.

In Spain, at Retevision I SA, there are currently four union sections represented: CCOO Union, STC Union, SI Union and CSIF Union. In addition, there is an Inter-Centre Committee that represents all employees and union sections. The members of the Inter-Centre Committee are, in turn, either personnel delegates.

The social dialogue is developed through the Inter-Centre Retevision Committee, which is composed of 12 members. There is also a fluid dialogue with the three Company Committees that have been set up in Retevision. They are:

- Company Committee of Madrid comprising 9 members.
- Company Committee of Barcelona comprising 9 members.
- Company Committee of Valencia comprising 5 members

At Tradia Telecom SA, there are currently three union sections represented: CCOO, STC and UGT. The mechanisms of social dialogue are produced through the Inter-Centre Committee of Tradia, made up of 9 members. There is also a fluid dialogue with the Barcelona Company Committee.

Both Retevision I SA and Tradia Telecom SA, the dialogue is maintained with the different personnel delegates in those work centres where there are no Company Committees. There are also different commissions constituted by the legal representation of the workers and the management of the Company. For example, the employment commission, the social action commission, the Inter-centre health and safety committee, etc.

Social dialogue during the COVID-19 situation

Throughout 2020, there was an intense dialogue with the legal representation of Retevision and Tradia Telecom workers on everything related to COVID-19, where every fortnight there were a follow-up meeting on the impact of the pandemic on the Company. Thanks to these meetings it has been possible to sign with the entire legal representation of Retevision and Tradia Telecom workers the gradual recovery plan.

Another milestone that flowed from the intense social dialogue maintained during 2020 was the signing of the agreement on the registration of the working day and its implementation, and the agreement on digital disconnection. Both have been extended to other group companies domiciled in Spain.

Both On Tower and XOC have a union representative at the Barcelona workplace. The companies Cellnex Telecom, SA, Cellnex Telecom España, SA, ZENON and Adesal have no employee representatives.

On the other hand, Cellnex Italy created a new "Social Performance Team" committee in 2020 that holds meetings at least twice a year, or more if they receive grievances to discuss and to solve. The topics discussed by the Social Performance Team are related to "social responsibility of the Company" (SA8000) and "health and safety in workplace" (ISO45001).

In the UK, there is the Cellnex UK Colleague Board (the CCB), whose aim is to represent the views and thoughts of colleagues across the business in all major people related developments and decisions. The CCB follows a “2-way approach”, as sometimes it will involve consulting with colleagues on proposals and other times it will involve presenting feedback and new ideas gathered from colleagues. Some of the topics that the CCB may be involved in shaping include:

- Colleague Engagement plans
- Equity, diversity and inclusion implementation across the organisation
- Proposing changes to HR policies
- Promote of learning and development across the organisation
- Internal communication
- Championing of Health and Safety
- Wellbeing of colleagues at work
- Formal consultation processes

In other countries such as Cellnex Switzerland, Netherlands, Ireland or Portugal, workers committees do not exist. In relation to Cellnex Switzerland, the Labour Act (art 37 - art 39) and the Co-determination Act (art 1 et seq.) stipulate other types of participation such as employee representation and participation, which includes the right to be consulted and to have a say, but not the right to co-decision. An employee representative body also known as a works committee:

- Can be appointed in workplaces with at least 50 employees (Co-determination act art. 3)

- Must be appointed for the first time in workplaces with more than 500 employees if at least 100 employees request it (Co-determination Act art. 5).

There was no legal claim from the employees, nor has any collective dispute raised by the legal representation of the workers in any of the Cellnex group companies domiciled in Spain. Nor have there was any complaints to the Labor Inspectorate in 2020. All of that is due to a fruitful and intense dialogue that takes place constantly between the company's management and the workers' representatives.

There have also been no complaints in other countries where Cellnex is established except in Cellnex UK (one complaint) and France (two complaints). The Cellnex UK complaint is resolved while the Cellnex France complaints are in process of resolution.

There is an e-mail and a corporate Intranet application to allow any Cellnex worker to blow the whistle on any situations in which worker safety could be compromised.

Talent and Leadership

Talent



Cellnex's strategy promotes the development of all its employees, focused on business needs and unlocking everyone’s growth potential. Cellnex aims to grow talent by the principle of Development for all.

The four pillars in which the talent strategy is based are:

- Acquisition

  To attract new potential employees in line with the company’s goal, Cellnex is defining an Employee Value Proposition and an Employer Branding and has designed a Proactive Talent mapping. To build a “next generation of Cellnex people”, it is important to keep core values and upskilling, as well as increasing Diversity and setting a Global mindset. 468 new employees from different nationalities joined the company in 2020.



Ignition Project

This young talent programme is a strategic talent recruitment pool and an employee branding project that aims to identify our strategic pool of young talented people, promote generational diversity, have an excellent relationship with universities and improve our reputation.

In 2020 Cellnex Spain underwent a very positive development in terms of women hired internally or externally (35.29% in 2020 vs 30% in 2019) marking a higher percentage of women enrolled in the fields of STEM careers. However, Cellnex maintains its commitment to continue increasing the percentage of female interns until it reaches 40% and achieving gender balance.

Cellnex has defined a new process of global onboarding, adapting to the virtualisation of the new situation caused by COVID-19 and under the prism of the user experience and increased sense of belonging. In this regard, Cellnex has automated its selection processes by incorporating a comprehensive talent management tool called The Hub.

The Hub

The Hub is the Corporate tool used to provide all Cellnex Employees with the resources for their career development. Cellnex has signed an agreement with Linkedin which strenghthens the learning content by more than 16,000 training contents on various topics available. During their onboarding in the company, all employees will be introduced to The Hub and its functions.

Talent review

The yearly talent review process was consolidated during 2020 with the talking talent sessions with managers to identify talent, risk identification, development needs, and succession plans to build up the talent pipeline for the company's future growth. The talent review programme aims to retain and develop people and ensure a talent mapping to cover our company's needs.

- Assess

  One of the main goals of the strategy is to identify and promote the potential talent of each employee. To that end, Cellnex has two tools to evaluate employee's performance: Development Dialogues and Management by Objectives. In addition, a professional development assessment is performed.

  Cellnex approaches this in a holistic way, with a person-centred contribution driving business and individual growth.

Management by Objectives (MBO)

MBO comprises four types of objectives: Group, Country, Area and Individual. All the objectives will be defined during the first quarter of the year. The role and position of the employee will determine her/his profile and therefore the weight of each type of objectives.

Group and Country objectives are defined at corporate level, Area objectives are defined by the director / manager and sometimes the Head at corporate level of the relevant Business Line of the area and validated by the management, and individual objectives are defined jointly by the employee and the manager, in alignment with the objectives of the area and country.

All employees will manage their MBO using the corporate IT tool (The Hub).

- Grow

  Cellnex promotes individual development as well as a teamwork mindset. In this regard, an Individual Development Programme is established for each employee, reinforcing Cellnex's 70/20/10 learning model, as well as their career aspirations. People are encouraged to acquire new skills, competencies and behaviours.

For the teamwork mindset, Cellnex focuses on leadership, collaboration and agility. In this regard, Cellnex has kicked off a pilot on agile methodology that could be rolled out in 2021 across the organisation.

Individual Development Plans and Development Dialogues

The Skills Development guide, provided via the Hub, provides employees with the tool and the guidance to create and follow an Individual Development Plan (IDP). The activities and ideas from this tool enable the employee to achieve improvement goals and provide support for attaining the skills the employee wants (or needs) to develop and/or enhance.

At least once a year, employees will have a Development Dialogue with their manager, as part of the IDP. The employee will work with the manager to jointly set goals, define activities and identify possible training needs. People and Organisation can support and advise in this process.

This process will be introduced and monitored via The Hub along with the plan agreed with the manager.

- Retain

  In recent years, Cellnex has laid the foundations for the “great place to work” that Cellnex aspires to be: a company with a strong purpose. This is the magnet that makes people stay committed and being part of the company journey.

  Cellnex’s Employee Value Proposition is based on:

  - Culture & purpose
  - Job content (Job Levelling) and working conditions
  - Career progression
  - Competitive compensation (My Compensa)

Cellnex has been working for the past few years to define common positions and profiles for the entire company, especially in view of the new incorporations of countries that have taken place.

Work has also been done to define a remuneration policy for each position and a profile that would be competitive with the market in each country. Cellnex is aware of the high competitiveness of the telecommunications market, which is why Cellnex wants to compensate all its workers.

One of the fundamental components of Cellnex’s remuneration strategy is the annual Variable Remuneration (VR), an incentive that rewards excellent performance, promoting contribution and added value, in a limited period.

The individual employment conditions agreed upon with every employee establish the VR potential of the employee’s salary.

The VR is set up through the Management by Objectives (MBO) system, a systematic evaluation method that seeks an overall alignment of efforts, to attain the development strategy of each business unit, and the particular objectives of the areas. The ultimate goal of the MBO is to support the business strategy and achieve the results expected by the market.

Job Levelling

The Job Levelling project was developed in 2019 in the wake of the large number of integrations into Cellnex Telecom, to level standardise Cellnex's professional categories. The project, which defines an exclusive job catalogue and common positions framework for the entire Cellnex Telecom Group, drives talent and global mobility and delivers competitive rewards, while addressing business needs: talent attraction, engagement and key talent retention.

Job levelling is deployed on a permanent basis as the new incorporations are being integrated into job levelling. Salary benchmarking was carried out in all countries except the UK (in the process of organising positions) and is being completed in Ireland and Portugal.

My Compensa

In addition to economic compensation, Cellnex employees also benefit from a range of social benefits, including life and accident insurance, pension plans and health insurance. These economic and social benefits can be found in the "My Compensa" portal.

Each country has different perks and benefits, and employees use My Compensa to manage these as well as receiving summaries of each benefit. It also includes salary information and can be used as a Human Resources administration website.

In 2020, all countries were integrated, except Netherlands (which has been delayed due to an office change) and UK, which will come on stream in 2021.

Leadership



Cellnex's strategy promotes values to make everyone a leader within the company by establishing a Cellnex Competences and Leadership model, performing a career development assessment, retaining key people for the company, and promoting individual development.

The four pillars in which the leadership strategy is based are:

1. Cellnex Leader's DNA:

   Cellnex has defined a Competencies and Leadership model which is aligned with business ambition and strategy, emphasising inspiration and transformation, the growth mindset and operational excellence as well as people-centred growth and inclusion.

   The leadership model is underpinned by the mindset that "everyone is a leader", fostering self-leadership across all levels of the organisation. Cellnex defines its leaders' DNA as being:

   - An Inspirational Leader, connecting people.
   - A Transformational leader, to drive business growth.
   - An Operation leader, to ensure business sustainability.

DISCOVERY
Be a hiring hero

- A Leader coach, to build one joined team.

Hire to Grow project

Hire to Grow Project is a training project for hiring managers to be better "recruiters" of staff, with a procedure and training for selection based on competencies. This project contributes to a recruitment policy that aims to attract talent among profiles that can contribute diversity and join teams to meet the challenges of the future.

The project is being implemented in various phases and will provide an interview guide by competencies and e-recruitment and online training for all managers who participate in recruitment processes.

2. Assess

Cellnex launched several projects during 2020 to boost and assess its people's leadership skills:

- Career development assessment: a model used across levels, directors, middle managers and individual contributors, on demand to support individual development and also used consistently for all new team members joining Cellnex from the M&A.
- 360º: full evaluation of directors with a subsequent coaching programme. 71 Directors were evaluated in 2020.
- Coaching for new Managers: each newly appointed Manager is supported by a psychometric assessment and provided with coaching to support their first steps by leading teams.18 new Corporate managers took the assessment in 2020.

Moreover, Cellnex has launched an Executive Development Program (Succession Plan) for Cellnex Leaders. In 2020 59 Directors and Top managers have participated. The Program is focused on assess individual capabilities to:

- Align with new organization
- Strengthen developmental plans
- Next generation of Leaders
- Executive education

Agile LeaderShip

20-hour training for a Human Resources group in agile mindset and methodologies to promote and evolve towards a flat, collaborative and agile company. An agile methodology process and approach was also used in key projects.

3. Grow

Cellnex promotes the individual development and the teamwork mindset. For individuals to grow, Cellnex has established an Individual Development Plan and is providing resources to further develop their employees' Leadership skills. To foster a teamwork mindset, Cellnex is focusing on enhancing diversity (gender and generational diversity), identify key talent and pool talent.

Some of the projects developed in this regard are:

- The leadership corner:
    - Harvard Mentor: an online platform from *Harvard* Business School with plenty of resources related to the leadership role (articles, training sessions, videos, templates etc) to support the leadership growth of all our Managers and Directors.
    - Leadership Training: direct access to your current training sessions.
    - Development Guide: easy access to our Skills Development Guide in which you will find plenty of ideas to create individual development plans according to the 70 / 20 / 10 model.
    - My Dashboards: in which you can find the results of your last Development Dialogue.
    - My Team Dashboards: Access to graphics with relevant information about your teams included in the hub (development dialogues, training, MBO, etc.)
    - Connecting Together: with direct access to the Intranet's blog.
- Cellnex MBA: in collaboration with EADA. The first edition of Cellnex MBA was launched in 2020 to improve middle managers' knowledge of Strategic, Functional, Innovation, Leadership and Digital and focus. This first edition involved 20 team members globally, for example, some Cellnex France employees took part in the course. The second edition is currently in preparation.
- Emotional leadership and seven Habits Programme. More than 180 leaders (80% of Cellnex Leaders) participated in the Emotional Leadership Programme or Seven Habits Programme to improve soft skills and boost the Cellnex core competencies.

Train to Grow programme



Approximately 30% of training at Cellnex is internal, i.e., given by volunteer employees themselves. Cellnex created the "Train to Grow" programme, which consists of a specific workshop to highlight the work done by the internal trainers in Spain.

4. Retain

A Retention plan was developed to retain key talent, and focused on:

- Competitive compensation & global benchmarking.
- Job content & career progression.
- Alignment with Company values & strategy / Culture.

Internal mobility

In Cellnex France opportunities for internal mobility have been offered between business units, organisations, etc., responding to requests by employees. This internal mobility helps to improve learning skills while increasing contacts between co-workers.

Training

59,104

hours of training

Cellnex is firmly committed to providing training to its employees by making a wide variety of courses available to its workers, some of which are mandatory, depending in some cases on the position of the employee. For example, mandatory training courses are the Code of Ethics and Several Information security courses. Examples of specific training are in Access to Technical buildings or Safety Managers VCA basis. . During 2020 the total hours of training were 59,104 hours (54,318 hours in 2019), being the average hours of training per employee 29.93 hours in 2020 (34.36 hours in 2020).

External study

The individual development plan, or IDP, is defined in accordance with the individual and professional development and training needs that the employee discusses with their manager. This is the basis for approval of any training application.

With the IDP, the employee has the chance to steer their career within the organisation in a proactive manner.

In the context of the COVID-19 pandemic, the continuity of the training career of all employees has been guaranteed by converting 93% of training curriculum into a virtual format. In this regard, Cellnex has carried out a pilot project to provide its internal trainers with the necessary skills to adapt to the virtual environment. Moreover, there was the launch of the LinkedIn online training platform with access to more than 16,000 training contents for all Cellnex employees.

Lean Six Sigma training

Thanks to the efforts made by Cellnex, Cellnex UK has more than 100 employees trained in Lean Six Sigma and who completed many continuous improvement projects resulting in cost savings and productivity improvements.

Occupational health and safety

The corporate H&S area was set up in 2020 to design, establish and apply Cellnex's Risk Prevention strategy, design policies, guidelines and application procedures in all Business Units.

Cellnex has a new

Health and Safety Policy

In this context, a new Health and Safety Policy was published in 2020 which establishes the essential principles and commitments in the area of Health and Safety within the framework of the organization, their communication to the groups of interest and progressive integration into all the Cellnex group's operating systems and processes.

The principles and commitments established in the Health and Safety Policy are of general application and must be taken into account in each of the projects, businesses and activities carried out by the company. Therefore, the Policy is mandatory for all companies under Cellnex Telecom.

H&S Awareness

The new Health and Safety area seeks to create an overarching preventive culture for the entire group, bringing together the attitudes, beliefs and values reflected in the global Health and Safety Policy among all members of the organisation and integrate it into the Cellnex business culture.

Cellnex delivers programmes and projects that are safe, environmentally friendly, on time and conforming to high quality standards. To this end a global Health and Safety Awareness was designed in 2020 as a key tool to foster the promotion and adoption of good practices and measures to build the Cellnex Preventive Culture.

In this context, Cellnex launched the 'Take Care' campaign in 2020, firstly in the UK, with a message that aligns with our people-first commitment and supports our 'Growing Together' culture.

Gap analysis

For recently incorporated geographies, a gap analysis is carried out between the country and the corporation to align the strategies of environment, Health and Safety, and quality.

Cellnex established a

Health and Safety Master Plan

The new Health and Safety Global Area established the Health and Safety 2021-2022 Master Plan, a tool that helps to give coherence to actions in Health and Safety matters as well as positioning Cellnex Telecom as a leading company in this area.

This Master Plan is applicable to all companies under Cellnex Telecom, and its main purpose is to establish Cellnex Telecom's strategic lines of action regarding Health and Safety that allow the development of the essential principles and commitments contained in the Health and Safety Policy. These strategic lines should help to integrate Health and Safety into the strategy and into corporate action as a crucial element reaching all areas and departments, ultimately seeking to achieve higher levels of labour wellbeing and organisational sustainability.

These strategic lines will signal Cellnex Telecom's commitment to promoting achievement of the United Nations Sustainable Development Goals (SDGs), and to establishing its own objectives to contribute to the goals defined.

The Strategic Lines established proceed in accordance with international reference standards, incorporating best practices in this area in the various sites, territories and countries in which Cellnex is present, and promoting the incorporation of Health and Safety Systems in line with ISO standards.

Occupational health and safety compliance is a key priority of Cellnex Portugal and a sound component of our service value proposition to our clients. 2020 was a very challenging year in occupational health due to the context of COVID-19 in which we were able to adapt and establish procedures that guaranteed the team safety and we successfully reached out to all team members to guarantee their mental well-being as well as we were able to maintain all procedures to meet safety standards, and comply with local policies, in all site interventions, which resulted in zero accidents and incidents.

Pedro Duarte, Head of Quality and Processes
Cellnex Portugal

ISO 45001 certification

Cellnex is working to certify all its Business Units with the ISO 45001 standard for management systems of occupational health and safety. The certification will enable Cellnex group to provide safe and healthy workplaces by preventing work-related injuries and ill health, as well as by proactively improving its OH&S performance.

At present, Cellnex Spain, Italy, and UK have all obtained ISO 45001 certification.

Cellnex Italia also maintained the SA8000 and developed the functions of the "Social Performance Team". It holds meetings at least twice a year, or more often if it receives grievances to discuss and to solve. The topics discussed by the Social Performance Team are related to "corporate social responsibility" (SA8000) and "health and safety in the workplace" (ISO45001).

Compliance with the legal provisions on H&S at Work

Cellnex Portugal implemented the provisions on Health and Safety at Work ("HSW") referred to in Law 102/2009, of 10 September 2009 organising external Health and Safety services. This includes the evaluation of H&S risks, identifying preventive measures, providing information and training for co-workers and ensuring periodical medical examinations.

Claims regarding Occupational health and safety

The SINERGA corporate application allows all Cellnex workers to have access to an available channel to notify any claim regarding Occupational health and safety. These notifications are presented to the Health and Safety Committees.

Cellnex owns an operational support system (OSS) to perform exhaustive access checks at its centres, which guarantees strict compliance with the Occupational Risk Prevention Policy and with access operations involving customers and contractors.

In addition, Cellnex Spain has Business Coordination Activities agreements with its customers through which the company defines the audit processes to be applied to its customers. These processes seek to comply with current regulations concerning occupational hazards; RD171/2004 (the Royal Decree implementing Article 24 of Law 31/1995 of 8 November 1995 on Occupational Risk Prevention, on coordination of business activities) and LPRL 31/1955 (Law on Occupational Risk Prevention).

Occupational health

84%

of the workforce is covered by a health and safety committee

Given Cellnex's business model many of its employees work in the field and are therefore more exposed to possible accidents than colleagues in the offices. This aspect is especially relevant in Cellnex Spain and Cellnex Italia, both due to their size and the country's regulations.

In this regard, Cellnex Spain has a Joint Prevention Service in compliance with Royal Decree 39/1997 through a Joint Prevention Service. Most of Cellnex Spain's companies are already in the Joint Prevention Service, with XOC incorporated in 2020.

Likewise, throughout 2020 Cellnex's Joint Prevention Service continued to develop all the operations necessary to comply with the current regulations on radioelectric emissions (Royal Decree 299/2016) and to define working methods for any employee who may be exposed to non-ionising radiation in technical telecommunications centres. This work protocol encompasses all risk prevention and/or protection measures both in the focus, the environment and on the individual.

Similarly, Cellnex Italia has an external prevention service (*responsabile del servizio prevenzione e protezione*), complying with Italian law. This service is responsible for all matters related to prevention and protection. Every year Cellnex Italia performs an "evacuation drill" and holds a meeting with RSPP, RLS and the Managers "legal employers" (*Datori di Lavoro*) to check the level of safety in the Company (in all different premises), to evaluate and to start improving potential actions.

Multi-Plant Health and Safety Committee in Spain

Cellnex Spain has a Multi-Plant Health and Safety Committee which handles prevention issues affecting the company as a whole, comprising 14 members with parity between trades union and Company representatives. The Multi-Plant Health and Safety Committee met 21 times during 2020 (four times in 2019), in keeping with the legal requirement and especially to follow-up on the COVID-19 protection plan (18 times).

Health and Safety Committee in Italy

Cellnex Italy also has a Health and Safety Committee comprising nine members, six internal employees and three external people involved only in case of emergency (one RSPP and two Competent Doctor). The Health and Safety Committee met 3 times during 2020.

Social and Economic Committee in France

Cellnex France established of a Social and Economic Committee (SEC) (staff representation) for On Tower France and Cellnex France Group (Cellnex France CSE already in place). The SEC consisting of seven members who met twelve times in 2020.

Safe company against COVID-19

All Cellnex geographical areas were affected by the COVID-19 lockdown. During this period, Cellnex has been clear that its priority was the health and safety of the people who are part of the group. In this regard, all countries follow the guidelines established by Cellnex Corporate, encouraging remote work and providing the necessary means to work from home properly.

Cellnex has certified as a

Safe company against COVID-19

COVID-19 contingency plan

The Cellnex group deployed a global contingency plan to guarantee the continuity of critical services in all countries and critical infrastructures in Spain. In this regard, Cellnex Spain developed a strategy to ensure the health and safety of all its workers:

- Office Staff: during the pandemic, most employees work from home and have worked at full capacity (staff in commercial, engineering, resources, finances, etc).
- NOC: Madrid, Barcelona and merchant navy control centre: transferred to home. In a proactive and ingenious way, the network was reconfigured to be able to operate all the networks in Spain remotely from home. The networks have been monitored and operated remotely to full satisfaction.
- Staff in the field: risk prevention measures for the coronavirus were extreme (individual vehicles could not come to the offices, PRL from headquarters. There was general and country-level coordination. Various certificates had to be managed with their network of staff and subcontractors.

We were living something never seen before and the best thing to do in this situation is to communicate. This is exactly what Cellnex did, not only with all the employees, but also with the partners. This gave us a sense of protection that was exactly what we needed to continue and energize our personal life and our daily business activities.

Alessandro Prosdocimo, Head of Operations North-East Cellnex Italia

In other countries, such as Cellnex France, most of the employees have worked from home. However, the offices have been kept open in case employees needed to go, with a maximum occupancy of 5-10%. In addition, employees are being co-financed so that they have all the necessary means to carry out their work properly.

Cellnex Italy was adhered to a full “smart working mode” for all the technicians working in the fields in 2016, so they were ready to face the emergency of COVID-19, without any stop of production.

Caring for employees during the pandemic

Cellnex Italia took care of every single person in the HR area, calling the employees one by one to know how they were faring during the COVID-19 situation.

Moreover, the company organised psychology webinars to support employees, such as “Positive management of under-stress relationships”, “Creativity and fear, two sides of the same coin?”, “How to manage sleep in a period of fear”, “Postural Training in smartworking”.

Together with webinars, Cellnex Italia sent out various communications, including a coronavirus risk information manual for workers.

Certification as a COVID-19 safe company

TÜV Rheinland certified the implementation of the specific action plan including the hygienic-sanitary, organisational, health and safety risk prevention measures to reduce the risk of contagion according to the COVID-19 safe protocol applicable to the corporate headquarters in Barcelona and Madrid as well as the main territorial headquarters of the business unit in Spain.

To this end, the TÜV Rheinland audit team visited Cellnex's facilities to analyse the proper effective implementation and deployment of the measures and requirements reflected in the protocol.

After the audit, TÜV Rheinland delivered a COVID-19 Safe Protocol Audit Report to Cellnex along with a Certificate valid for one year.

Health and Safety Training

Occupational health

7,850

hours of training in occupational risk prevention and occupational safety

Cellnex provides information and training in occupational health and safety for the whole workforce to ensure a safe working environment in which all employees know the health and safety measures in the workplace. Noteworthy training courses are:

Compulsory occupational risk prevention training

- Compulsory occupational risk prevention training on COVID-19
- Self-protection plan
- First aid
- Preventive Resource
- Electrical risk
- Work at height
- Work in telecommunications facilities
- Compulsory occupational training on specific risks (electric, confined space, airport security, railways) present in customers facilities

Handling, safety and maintenance of baskets adapted to hydraulic cranes.

In-house emergency response (BHV)

In Cellnex Netherlands, the figure of "in-house emergency steward" ("*Bedrijfshulpverlening*", BHV) has been created. Any employee can become a BHV'er and will be trained to act in case of emergency and bring colleagues and visitors to safety.

The BHV is there for first aid in case of any accident, fire or unexpected evacuation at the office. This service is responsible for managing the first aid tasks until help arrives (police, fire brigade, ambulance).

BHV instructions are available in the office and are clearly visible to allow everyone present to learn about the rules and procedures in case of an emergency. All employees will be informed which colleagues are BHV'ers and on what days which BHV'er will be present in the office.

During 2020, due to the COVID-19 pandemic, most training focused on providing information to work properly from home, as well as training in mental health and wellbeing to deal with the COVID-19 situation.

In this regard, Cellnex organised several communication campaigns to raise employee awareness about the importance of safety at the workplace and at home. The intranet provides access to all procedures, guidelines, etc., which cover all aspects of the work done by Cellnex.

Moreover, for staff working in the towers, information documents are available concerning working at height and use of personal protective equipment (PPE), as well as other aspects. The documents can also be found on the intranet.

In 2020, 7,850 (10,127 in 2019) hours of training were imparted at Cellnex in occupational risk prevention and occupational safety.

Accident rate and absenteeism

102,230

hours of absenteeism in 2020

Cellnex continually monitors safety at work and strives to minimise risks and reduce incidents and accidents among employees and anyone else on its facilities. There were seven labour accidents in Cellnex Spain and three in Cellnex Italy in 2020 (three accidents in Cellnex Spain in 2019). Likewise, there were no occupational diseases in 2020 and 2019.

The total hours of absenteeism for al the group were 102,230 hours in 2020, being 96,421 hours of absenteeism in Cellnex Spain, Italy, France, Switzerland, and Netherland (68,596 hours in those countries in 2019).The rest of hours correspond to Cellnex Ireland and Cellnex Portugal.

Healthy company

Comprehensive Wellness

Cellnex Telecom sees the concept of worker health as a complete state of physical, occupational, emotional, spiritual, social, intellectual and environmental wellbeing.

The Company integrates health within its corporate strategy and action as a cultural element covering the entire Organisation and seeks to achieve greater levels of labour welfare and sustainability.

The company continues to foster the promotion of healthy lifestyle habits through the "Click into Wellness" project to promote and protect the health and wellbeing of all Cellnex workers. In 2020, due to the COVID-19 Pandemic, activities focused on providing resources and tools for emotional health and ergonomics tips for remote work.

Various initiatives within the "Click into Wellness" project were also implemented during 2020, including:

- Regular health promotion campaigns, like blood pressure tests, flu prevention and encouraging blood donation.
- Integrating health surveillance (epidemiology) to design specific campaigns on good posture, nutrition, stress management, cancer prevention, etc.
- Providing fresh fruit in the offices to promote healthy eating.
- Guaranteeing healthy products in the vending machines.

Lifestyle assessment tool in the UK



Cellnex UK designed a comprehensive new online wellbeing platform for all its employees, a lifestyle assessment tool that allows Cellnex UK employees to self-assess their own wellbeing in just 5-6 minutes. It includes digital tools to change health behaviors such as exercise, nutrition, sleep and stress.

Budget to promote a healthy lifestyle



Cellnex Netherlands wants to promote a healthy lifestyle among its employees, making available a budget of €250 per employee per year for that purpose. Employees can use this money to purchase a massage, gym membership, sport material and gear. Monies will be reimbursed against an expenses declaration.



5

Being a facilitator of social progress

Being a facilitator of social progress

2020 main highlights

Creation of **cellnex foundation**

Identify the SDGs and their specific targets to which the company can best contribute.

Internal Task Force in Cellnex for sharing knowledge and best practices on EMF issues.

Cellnex works to bring connectivity to rural areas

Solidarity Euro Project launch globally under the name of Solidary Gift.

Inclusive connectivity Casa Bloc

Quality education and digitalization — Youth Challenge

2021 main challenges



Boost digital skills and develop educational and social projects adapted to the challenges of digital world.



Calculate the return of investment associated with the innovation / R&D projects linked to SDGs by 2023.



Generate materials to explain the progress and effects of 5G on society through EMF Internal Task Force.

Cellnex commitment with Covid-19

Cellnex's Covid-19 Relief Initiative

Cellnex has endowed a fund of **10 million EUR** *over 2020-2021 to face Covid-19 crisis.*

5 million EUR *for cellular immunotherapy project*

5 million EUR *EUR to social action projects with NGOs to assist people and groups in vulnerable situations*

Social contribution

Cellnex is strongly committed to contributing to society, working together with charities, financing projects, volunteering, etc. In this regard, many projects by Cellnex aim to make its knowledge and technology available to society.

Owing to the large number of social projects that Cellnex develops in each of the areas in which it operates, Cellnex has been working for a long time to establish its own foundation to organise and give visibility to all the social initiatives developed by the company.

Cellnex's COVID-19 Relief Initiative

Cellnex has endowed a fund of

10 million €

over 2020-2021 to face COVID-19 crisis

As in previous years, Cellnex showed its commitment to the welfare of society through several donations. However, because of the public health crisis caused by the COVID-19 pandemic and aware of the scale of this disruption worldwide, Cellnex took some unprecedented decisions in 2020. The company set up several collaborative projects in the countries where it operates under the "Cellnex's COVID-19 Relief Initiative" by donating €10 million over 2020-2021.

On the one hand, Cellnex is providing five million EUR over two years to fund a research project involving cutting-edge European research teams in the field of immunotherapy to detect and obtain T-cells that fight the SARS-CoV-2 infection.

Five million euros for a cellular immunotherapy project to tackle COVID-19

This will be a multicentre project involving five cutting-edge European research teams in the field of immunotherapy.

The project is led by the Clínic-IDIBAPS Hospital together with the Banc de Sang i Teixits [Blood and Tissue Bank] (both in Barcelona), and also involves the IISGM-Hospital Universitario Gregorio Marañón of Madrid, the IRST-IRCCS of Meldola, the INSERM-U1183 of Montpellier and the IRCCS Ospedale San Raffaele from Milan.

The project aims to provide a better understanding of how the immune response to SARS-CoV-2 works and to propose new treatments based on the body's cellular response to COVID-19 by using T-lymphocyte cells, which are part of the immune system and are formed from stem cells in the bone marrow.

The field of passive immunisation by administering specific antibodies for curative and/or preventive purposes is one of the alternatives to vaccines to beat the disease, in this case using T-lymphocytes extracted from recovered COVID-19 patients.

The other 5 million out of the total 10 million EUR for the fight against COVID-19 have been allocated to social action projects with non-governmental organisations to assist people and groups in vulnerable situations, funding the purchase of protection equipment for healthcare staff as well as providing resources for the most vulnerable groups.



Bridging the digital divide with Emmaüs Connect

Within the project “Cellnex’s COVID-19 Relief Initiative”, Cellnex France has signed a partnership with Emmaüs Connect, which works for the digital inclusion of people, over the next two years. The partneship aims to continue and relaunch activities such as training, labour support or access to computers, which were impacted during the COVID-19 health crisis. It also includes actions in place to promote the Cellnex France employees to participate as volunteers carrying out installations, training, etc. Moreover, Cellnex is helping to find two locations to carry out the entity's activity.

In this way, Cellnex France is helping to reduce this digital divide and minimise the health, economic and social impact of the COVID-19.

Moreover, the company is working actively with various hospitals and on a technological project to develop, produce and provide a mechanical ventilation system for ICUs. In this connection, the project focuses on producing the Leitat 1 field ventilator, manufactured using industrial 3D printers in the incubator of the Barcelona Free Trade Zone Consortium, type-approved in a clinical study by the Spanish Medicines Agency and tested and functioning in Catalan ICUs.

Cellnex has played an active role in this collaboration, since it has not only supported the project financially, but also a team of company engineers specialised in Internet of Things has participated in the challenge of finding a solution that would ensure the safety and efficiency required for type-approval while gathering data from the ventilator in real time and sending it for analysis via an application.

Cellnex works to

bring connectivity to rural areas

Social projects

Access to communications

The COVID-19 crisis has underscored more than ever how vital it is for everyone to have access to a good connectivity and digital tools to remain connected to the rest of the world in this digital society. The lack of these elements only accentuates the isolation and sense of exclusion of people in difficulty.

Faced with this scenario, Cellnex, as a telecommunication infrastructures operator, works to bring connectivity even to rural areas without incurring high costs through 5G.

Zero-Emissions Rural Site

The project arose by studying communication between vehicles at Cellnex's Mobility Lab (located in the Castellolí Parcmotor circuit, in Barcelona) to increase road safety after Cellnex engineers identified difficulties in transporting energy, therefore the deployment of all this technology in rural areas required an ad hoc energy solution.

Servicing the circuit has made it possible to learn to be much more efficient in energy generation and consumption and extrapolate it to new business opportunities or roll out networks in rural areas in a much simpler way. In this regard, with the micro-environment information provided by each station supported by external data and weather information, Cellnex was able to manage the charging stations individually, without the need for operators. Mini weather stations data is merged with other site information and provides valuable real-time data to AI (Artificial Intelligence) algorithms and machine learning and being able to make predictions concerning energy generation or consumption.



Such a technology would allow connectivity on the road and serve populations that are practically technologically isolated. Areas without road coverage, normally coincided with municipalities with fewer than 20,000 inhabitants. Therefore, this project would boost activity in the area and keep them from being disconnected.

There are other projects in Spain to bring connectivity to rural areas, such as in Matanza de Soria (Soria) where Cellnex Telecom, Nokia and Quobis, in cooperation with MásMóvil, have developed the 5G-Lean project. The system uses a simpler, more lightweight and economical telecommunications infrastructure using state-of-the-art antennas to provide service efficiently to areas of special interest with a model that is easy to install and to roll out.

Cellnex made contact with the local representatives responsible for the articles regarding poor mobile coverage in Windgap, County Kilkenny, and the Ballinskelligs area, County Kerry to explore possibility of deploying infrastructure to resolve the coverage requirements. With support and interaction from/with the local community suitable sites were identified to provide the required coverage and planning permission applications have been generated and submitted.

Laurence Stratton, Head of Operations
Cellnex Ireland

Similarly, in Guadalema de los Quintero, a district of the municipality of Utrera (Seville), Cellnex has rolled out a 5G Fixed Wireless Access (FWA) solution which would be equivalent to a high-speed fibre connection, but via the mobile network.

The project is part of the Red.es 5G pilots in Andalusia led by Vodafone. The project includes 32 use cases in different areas such as digital transformation, agriculture or healthcare. Cellnex collaborates in four specific projects related to 5G, Fixed Wireless Access, crowd security and autonomous harvesting.

Network with Irish local communities

Cellnex Ireland has identified low connectivity areas (black spots) and is working together with the local community to improve the connectivity of the area, such as in Co Kerry or Kilkenny. To this end, Cellnex Ireland's sites are being used in the implementation of the National Broadband Plan and supporting the roll-out of Business Connection Points (BCPs) to deliver free high-speed internet access in some of the most isolated and rural communities in the country.

During 2020, Cellnex Telecom invested over €10m in new telecommunications infrastructure with the remaining additional investment during the year on the enhancement of existing sites, supporting the delivery of improved mobile and wireless broadband coverage to over 100 communities as workers and families struggle with working and schooling from home due to the COVID-19 pandemic.

In addition to promoting the connectivity of the territories, Cellnex wants to connect people, especially people and collectives at risk of social exclusion. One of the most important projects in this area is one that provides connectivity to social housing.

Providing connectivity to social housing at Casa Bloc

Cellnex Telecom and Hàbitat3 Foundation provide Internet of Things (IoT) connectivity and sensorisation technology at Llar Casa Bloc, a social housing project built between 1932 and 1936 located in the city of Barcelona. The Fundació Hàbitat3 is an organisation that manages social rental housing.



Cellnex's participation in this project involves providing connectivity infrastructure, installing home electricity meters, hot and cold-water meters, heating systems and temperature, humidity and CO2 sensors. Moreover, all homes will have Internet connection (wi-fi) and reading tablets to display consumption. All of this will allow residents to monitor their energy consumption and improve comfort in these houses.

The Casa Bloc residence will house 17 social rental housing units home to around 45 people with mental health problems and / or addictions, homeless persons, or those in a situation of residential exclusion.

Quality education and digitalisation

Quality education is one of the biggest global challenges. 103 million young people around the world lack basic literacy skills, more than 60% of whom are women according to the study SDG 4: the role of companies in achieving quality education drawn up by PwC and Seres Foundation.

According to this study, the technology sector is among those most intensely affected by the talent deficit problem. In this context, companies must take on the commitment to develop solutions to improve education from their great capacity for transformation and collaboration with other actors.

In this regard, Cellnex not only promotes internal training, contributing its knowledge and skills, but also supports academic institutions and public administrations to offer quality education for all.

Collaboration with ESADE Foundation

Cellnex has signed a collaboration agreement with the ESADE Foundation, linked to one of the most prestigious business schools in Europe, to contribute to its Scholarship Fund to cover the scholarships of two ESADE students during the academic years from 2020-21 to 2023-2024.

Cellnex collaborated with institutions to offer

quality education

The incorporation of Cellnex into this program responds to the company's commitment to collaborate with the progress of society by training young people. With the “Cellnex scholarship”, the company joins the effort made by ESADE to promote equal opportunities and inclusion, eliminating any economic barrier in access to training for young people.

Collaboration with the BEST Foundation

Cellnex made a commitment to the Barcelona Engineering and Economic Studies project this year as a sponsor company of the BEST Foundation. This new inter-university degree offered by the Polytechnic University of Catalonia (UPC), Pompeu Fabra University (UPF), Barcelona Global, and FemCat aims to train highly skilled engineers to address the challenges of a continuously changing society and equip professionals who are interested in business leadership. Cellnex will sponsor two students in a four-year commitment.

IESE

Cellnex has been an IESE sponsor company since 2017 and is involved in various projects run by the Public Sector-Private Sector Centre of the Business School.

Volunteers and Youth Challenge

During the academic year 2019-2020 a group of 66 volunteers participated as coaches in Youth Challenge, an initiative with young people at very high risk of social exclusion in Barcelona that aims to reduce school dropout rates and promote youth employability.

The Cellnex volunteers were responsible for running a mentoring process, offering students a direct connection to the world of work to encourage them to continue studying and increase their employability through 800 hours of training and mentoring and other activities such as visits to teaching centres, lectures or workshops. They also took part in mentoring sessions focused on improving self-esteem, looking to the future and fostering STEM (science, technology, engineering and maths) vocations.



Following the success of this edition, in which 89% of students declared that the coach helped them to continue studying and 100% of the volunteers would repeat, the programme will be extended to Madrid and Rome and an online option made available.

Furthermore, during 2020, Cellnex supported university talent by taking part in four parallel OnCampus entrepreneurship programmes hosted by four universities: UAB in Barcelona, UdL in Lleida, URV in Tarragona and UdG in Girona. The initiative is coordinated in collaboration with Catalan universities and research centres.

The training is designed for early-stage technological projects with the main objective of validating their market application together with industry experts, such as Cellnex, using Lean Launchpad methodology.

Enterprise Challenge 2020

Cellnex participated in the initiative, sponsoring the project of four students in the annual Enterprise Challenge organised by the BEST (Barcelona Education in Science and Technology) Foundation, which fosters Open Innovation through collaboration between companies and universities.

1st Prize Enterprise Challenges 2020

To that end, Cellnex selected four degree students that created an application in a short time to optimise waiting times for non-critical patients in overstretched and overcrowded A&E departments. The team sponsored by Cellnex won the first prize, obtaining 88 of the 100 points available.

Moreover, Cellnex is working together with MasMóvil on a project to install a test 5G mobile network at IESE Business School. The prototypes deployed by Cellnex will integrate 5G, Edge Computing and Augmented Reality.

This project will revolutionise the educational experience on the campus using VR to broadcast a session recorded in 360 degrees with 4K resolution to thousands of 5G mobiles, creating new learning experiences combined with virtual objects, or designing real-time simulations for work teams.

Other initiatives

As part of its social commitment, Cellnex promotes other projects in collaboration with different organisations such as Seres Foundation, Cancer Fund for Children or Best Foundations.

Solidarity euro project launched globally under the name

Solidarity Gift

One of the main initiatives in this regard is the “Solidarity Euro”, a Project initiated in Spain and then launched globally under the name of Solidarity Gift. In this project, Cellnex Telecom collaborators are invited to donate one EUR (or equivalent) per month from their payroll. After two years, participants can propose social projects in their countries to which they would like the accumulated money raised to be donated. A campaign will be organised to select which of the various projects proposed in the business unit will receive the money raised. The initiative has now been upgraded with a Matching Gift in which Cellnex will match the contribution made by employees.

Teaming micro donations since 1998 #YO CAMBIO EL MUNDO
Los pequeños gestos mueven el mundo

In 2020, employees of Corporate and Cellnex Spain made more than 600 donations. Cellnex donated the same amount collected by employees indistinctly to three foundations with which it works in Spain: Banco de Alimentos [Food Bank], Fundació Juvanteny and Fundación Madrina.

This initiative raises funds to help social causes with micro-donations of one EUR a month from volunteer employees, something that would be impossible if done individually.

Beyond this initiative, some countries collaborate with international and local organisations, increasing their commitment to society and promoting a more sustainable and inclusive environment.

Collaboration with Irish charities

Cancer Fund for Children and Barnardo's were the preferred charities chosen by the entire staff of Cellnex Ireland for the company to support in 2020.

Cancer Fund for Children are a team of specialists that provide a range of practical, financial and emotional support to families affected by cancer, at home, on the hospital ward and in the community while Barnardo's supports children whose wellbeing is under threat, by working with them, their families and communities and by campaigning for the rights of children.

To celebrate one year in business in Ireland, the company shared a webinar with its stakeholders to give an overview about Cellnex Ireland's plans. As part of the event, Cellnex Ireland made a donation on behalf of every attendee at the webinar to these charities.

Seres Foundation

The company worked with the Seres Foundation, whose stated aim is to "Build a healthier, stronger society with competitive businesses that can stand the test of time". The foundation aims to foster and promote strategic business actions that contribute to an overall improvement in the social situation. Cellnex has signed an agreement pledging to work with the Seres Foundation, disseminate their joint work, share knowledge on good practices in social matters, and attend meetings with partners and other social entities.

Barcelona Climate Plan

Participation in co-producing the Barcelona Climate Plan with Barcelona City Council, which sets down all ongoing and planned actions related to climate change in the city. Cellnex draws up proposals within the company and takes part in the debate on the proposals submitted by all participants.

TV3 Telethon

Cellnex has been taking part in the TV3 Telethon for more than 10 years. The Telethon Foundation aims to foster and promote biomedical research into and social awareness of diseases for which no cure has been found. The money raised is used to research new methods of prevention, diagnosis and treatment for minority diseases.

In 2020, due to the exceptional situation, and in view of the need for progress in research into COVID-19, the Board of the Foundation took the exceptional decision to change the theme that was planned for La Marató 2020 and dedicate it instead to COVID-19, moving the edition on mental disorders to 2021.

The Cellnex Foundation is the soul of Cellnex, born with the purpose of generating a positive return to society hand in hand with our volunteers, who are a fundamental pillar of the Foundation. It is time for "growing together" by building a more sustainable society that we can be proud of.

Àngels Ucero García,
Management System Director
Cellnex Telecom

The Cellnex Foundation

In December 2020, the Board of Directors approved the creation of the Cellnex Foundation, in response to the firm desire of Cellnex Telecom to take a further step towards contributing to an environment that is better connected and socially responsible as a comprehensive initiative to complement the Corporate Social Responsibility of the company.

This complementarity and coordination are carried out by means of a flexible structure adapted to the needs of the environment and the scope of the foundation. The aim is to align actions and take advantage of synergies and resources.

The Cellnex Foundation is born with the clear mission of being a dynamic tool at the service of people with a view of making a significant contribution to transforming realities:

- Leveraging the knowledge generated and resources available in the corporation, aimed at fostering positive changes to the lives of people and the environment in a stronger and more direct manner, especially with and for people in a situation of special social vulnerability.

- Using connectivity effectively as a key component for intervention, working to improve the inclusion of people in a growingly connected environment so that nobody is left “disconnected” based on a principle of social equity, while also working actively to build sustainable actions at all levels that have a positive impact on the lives of people and on the environment.

The Cellnex Foundation was created as a social foundation and places people in different conditions and in vulnerable situations at the central of its activities.



The Cellnex Foundation articulates its model of social contribution around four pillars:

- Flagship programme: The main programme led by the Foundation and focused on rural/special environments to meet the challenges arising from the digital, social and territorial gap to help improve social and territorial cohesion and quality of life.

- Joint programmes: Projects carried out in collaboration with strategic actors to promote joint actions with an impact on the ground and coherent with our foundational framework.

- Corporate volunteering: Project focused on involving employees and former collaborators of Cellnex in corporate volunteering initiatives that benefit people and the environment and are aligned with the Foundation's strategic lines. It is considered a main pillar of Cellnex's contribution model Corporate Volunteer program will focus on education, employability and access to technology programs. The Foundation will continue with Youth Challenge in Spain and Italy and will launch other specifics activities in Cellnex countries.

- Eventual funding: Programme for the eventual funding of external projects carried out by other entities, with a system of indicators to select projects based on their impact and aligned with the Foundation's mission.

The Foundation has the purpose of promoting actions aimed at people and entities through technology and telecommunications, such as innovation, connectivity, reducing the digital gap, mobility and the Internet of Things -IoT -, among other. To this end, the Foundation will focus on the challenges arising from the three gaps: Digital gap, Territorial gap, and Social gap. From these three identified gaps, four fields of intervention have been established:



- Technological solutions to improve quality of life and sustainability: programmes to provide digital tools and resources and offer new services to people, social organisations and SMEs with a social, territorial and environmental approach to improve their work while contributing to preserve the environment effectively and sustainably. The gaps involved are Territorial and Digital.

- Digital capacity-building: capacity-building actions aimed especially at disadvantaged groups so they can improve their digital skills, boost their confidence, their relational skills and employability. The gaps involved are Digital and Social.

- Tackling social inequality: measures that contribute to relieve situations of social and inequality by supporting and following highly complex local environments. The gaps involved are Social and Territorial.

- Promoting talent and innovation: programmes and actions focusing on using knowledge and talent to serve innovative social needs and contribute to improving the quality of life and boosting professional careers to STEM. The gaps involved are Digital and Social.

The challenge of digitally and effectively connecting people and territories contributing to the achievement of following SDGs:



The Cellnex Foundation plans to formalise its statutes and begin its activities in the first quarter of 2021.

Managing the impact of our infrastructures

Cellnex's infrastructures consist of towers located throughout the territories in which Cellnex operates. The greatest impact of these towers is visual, since they can hardly be integrated into nature. Even so, as fixed structures occupying little space, it is possible for other economic activities to develop around them, for example agriculture.

However, one of the concerns of society is the possible impact of electromagnetic emissions caused by the towers. In this regard, the European Commission adopted an Implementing Regulation on physical and technical characteristics of small-area wireless access points, specifically their volume, weight, visual impact and emission power. Since Cellnex follows all the existing recommendations, the roll-out of 5G networks will not have a negative effect on people's health.

5G: The fifth generation of mobile telecommunication systems

The GSMA estimates that in 2025 there will be around 24.6 billion connected devices (in 2019 the same source estimates 12 billion), which implies that, on the one hand, there will be a growing demand for mobile data which Cellnex estimates will grow by 600% over the next five years, and on the other hand, the need to connect an increasing number of devices and objects, which Cellnex estimates will grow to about one million connected devices per square kilometre.

In this way, the 5G, or "fifth generation" of telecommunication systems, will be one of the most critical building blocks of the digital economy and society in the next decade, both in Europe and in the world.

The wide-scale deployment of 5G communication networks and the use cases activated by 5G could generate a significant economic and social value for society. An IHS Markit study estimates that $13.2 trillion in global economic value will be made possible by 2035, generating 22.3 million jobs in the 5G global value chain alone.

Cellnex is a
key player
In the development and implementation of
5G

In this context, Cellnex is a key player in the development and implementation of 5G networks, as it operates upstream in the supply chain, providing the enabling infrastructure, with particular attention to the aspects of sustainability and futureproof development of technological solutions for the services that will constitute the ecosystem of reference for the digitalisation of industrial processes and services, both in the public and private sectors.

In short, as a leader in telecommunication infrastructures in Europe, Cellnex plays an essential role in the deployment of 5G in Europe and therefore in economic development. 5G could be a catalyst for socio-economic growth and will bring a whole series of new use cases, applications and services that current technologies cannot provide, thanks to its new features:

- Enhanced mobile broadband, providing a higher network speed. Data transmission will reach speeds of up to 10 Gbps, allowing ultra-fast content download or quality video streaming.

- Ultra-reliable low-latency communication, improving bandwidth, improving the coverage of mobile phones in areas where it is currently difficult, such as underground railway networks.

- Massive machine type communication, making it possible to connect more devices. Connectivity of devices will be optimised, making it easier for everyone to be connected at their optimal level regardless of the number of devices in the area, for example in crowded events.

Moreover, 5G can help to optimise and develop other technologies by boosting networks and Internet architectures in emerging areas such as Machine-to-Machine (M2M) communication and the Internet of Things (IoT).

The introduction of 5G will also lead to more versatile equipment, which, compared to previous generations of communication systems, will allow scalability and reliability suitable for serving in varied operating contexts.

These characteristics of versatility and flexibility of the new networks will bring undoubted advantages in terms of efficiency and resilience of the networks, called upon to manage not only traditional communications between individuals, but also enormous volumes of communications of objects in the industrial field, and in all sectors of services.

It should be emphasised that 5G also has other lesser-known advantages but which certainly have great socio-economic impact, such as reduced energy consumption (in base stations and terminals) compared to previous technologies (for example the battery life of IoT devices will last up to 10 years). Therefore, rapid take-up of the new terminals will help to significantly reduce the carbon footprint.

In the field of transport, connectivity between vehicles and elements of the surrounding area will also help to optimise transport and consequently reduce CO2 emissions.

It is also worth noting the role that 5G plays in the health field, even more so in the COVID-19 pandemic. 5G can help in hospital management, allowing fast data analysis and the use of robotics in healthcare settings. Also, in the field of e-Health, 5G can allow easier, more streamlined and secure technological communication between health workers and patients.

The European Commission adopted a 5G Action Plan for Europe in 2016 to ensure early deployment of 5G infrastructure in Europe to start launching 5G services in all EU Member States by the end of 2020 at the latest, followed by a rapid build-up to ensure uninterrupted 5G coverage in urban areas and along main transport routes by 2025.

Cellnex is aware of the policies, procedures, decisions and working documents of the European Union on 5G deployment in this regard. Furthermore, Cellnex plays a proactive role in providing information to the local administrations of the countries in which it operates. For example, in Spain, Cellnex Telecom considers it particularly important to have a National 5G Plan that helps guide the transition towards 5G, a process that will affect a large number of economic and productive sectors in Spain across the board.

5G will have a significant impact on the industrial and service fabric, becoming a crucial factor for the competitiveness and digitalisation of society, on an unprecedented scale in terms of innovation in industrial processes and innovation in service delivery processes to businesses and communities, both public and private.

To this end, Cellnex is also working with experts and its stakeholders and suppliers to bring 5G on stream in their services.

The company is conscious of the concern of some sectors of society regarding the impact of electromagnetic emissions from 5G. Cellnex wants to ensure that 5G is a safe technology and that its services comply with the regulations and recommendations set out by European and local legislation in this area.

The paradigm shift deriving from the adoption of the new generation of wireless communications is a fundamental stimulus for the entire communication chain, required to expand not only the amount but also the type of infrastructural assets to be offered to operators, especially in the light of the introduction of new network features such as edge computing or architecture virtualisation.

Speed up Britain



Cellnex UK is a founding member of 'Speed up Britain', a cross-industry lobbying campaign to make improvements to the Electronic Communications Code to enable faster and lower-cost deployment of new towers and equipment to support the 5G roll-out.

5G Catalunya



The project comprises seven use cases based on 5G technology, and aims to develop holographic solutions for the education sector; autonomous and connected transport vehicles for industrial environments; immersive remote shopping experiences in urban markets; and the optimisation of mobility, control and management of radio network with large numbers of people, inter alia. It will also facilitate the development of state-of-the-art 5G networks for the management of citizen security and emergencies in Barcelona, as well as the application of 5G in remote television broadcasts through mobile devices.

Electromagnetic emissions

In 2018 the European Commission published the European Electronic Communication Code, which calls for consistency and predictability throughout the Union regarding the way the use of radio spectrum is authorised while protecting public health whilst ensuring more consistent deployment conditions for 5G across the Union.

According to the European Electronic Communication Code, exposure to electromagnetic fields caused by wireless communications equipment is subject to limits defined in a Council Recommendation. These limits are set according to the guidelines issued by the International Commission on Non-Ionizing Radiation Protection. In this regard, Cellnex Telecom complies with these defined limits, both for workers and general public.

Cellnex complies with the **electromagnetic emission legislation**

Moreover, Cellnex complies with the local legislation applicable to electromagnetic emission in each country in which it operates. For example, in Spain Cellnex complies with Royal Decree 299/2016 on the protection of the health and safety of workers against the risks related to exposure to electromagnetic fields, and Royal Decree 1066/2001 approving the Regulation establishing the conditions for the protection of the public radioelectric domain, restrictions on radioelectric emissions and health protection measures against radioelectric emissions.

To show its commitment to society with regard to the possible electromagnetic impact of its towers, Cellnex works together with expert groups for research on electromagnetic emission and its impact on the environment and people's health. Cellnex also takes part in activities related to assessing, managing and communicating the possible health risks of exposure.

As a neutral infrastructure provider and system relevant company, we contribute to the provisioning of efficient and high-quality mobile networks for Switzerland. We also contribute with our extensive experience and knowhow in the field of EMF protection, by participating in national working groups, in the industry association, and by funding research in this specialist area. In addition, we are closely cooperating with all three MNO's in Switzerland with regards to the strict EMF requirements and complex and lengthy permitting procedures

Roger Schaller, Country Head of People
Cellnex Switzerland

Collaboration between Cellnex Spain and DigitalES

Cellnex works with DigitalES, the Spanish Association for Digitisation, which performs activities related to radio emissions. This work involves examining issues of legal compliance and proposals for improvement, based on the recommendations of the International Electrotechnical Commission (IEC), in addition to studying 5G emissions.

Collaboration between Cellnex Ireland, IBEC and EPA

In Ireland, Cellnex works with with IBEC (Irish Business and Employers Confederation) to produce a 5G FAQ's leaflet as well as a COVID-19 and 5G factsheet. Cellnex Ireland also has assisted the EPA (Environment Protection Agency) in producing a public 5G factsheet.

Collaboration between Cellnex Italia and Asstel

In Italy, Cellnex works with Asstel, a branch dedicated to the whole TLC ecosystem within the Italian Association of industrial enterprises (CONFINDUSTRIA). Asstel has always been very vocal in advocacy for the sector on all industrial and political issues towards all stakeholders (NRA, Parliament, Local Administrations) along the debate on the development of digitalization. Since 2018 a strong institutional and communication effort has been carried out on EMF and 5G. With the engagement of valued academic institutions, extensive research has been carried out thanks to the cooperation with Universities, Public and Private Health research Institutes, Engineering, Economic Studies, with the goal of setting the debate on robust terms and be able to react to negative criticism on solid grounds on multidisciplinary aspects.

The Swiss Research Foundation for Electricity and Mobile Communication

Cellnex Switzerland supports "Forschungsstiftung Strom und Mobilkommunikation (FSM)". The Swiss Research Foundation for Electricity and Mobile Communication (FSM) is a non-profit-making foundation for promoting scientific research into the opportunities and risks of radio and electric power technologies that produce and use electromagnetic fields. Further aims of the FSM are the publication of the results of this research in scientific bodies and the dissemination of the research findings and specialist knowledge about electromagnetic fields within the broader community.

Furthermore, Cellnex Switzerland is a member of a working group related to mobile communications and radiation created by the Department of the Environment, Transport, Energy and Communications (DETEC) in Switzerland. As a member, Cellnex contribute to shape the future development of the mobile network in the country.

Cellnex also participates in the working groups on EMF in the following international associations, of which it is a member:

- ETSI (European Telecommunications Standards Institute)
- GSMA (GSM Association)
- SCF (Small Cell Forum)
- UIT (International Telecommunication Union)
- EWIA (European Wireless Infrastructure Association) - The EMF Working Group will be constituted in 2021 and will be led by Cellnex.

In 2020, Cellnex has set up an internal Task Force, a multidisciplinary group that coordinates the Cellnex approach to EMF issues with the vision of:

- Being an internal forum to exchange knowledge and best practices.
- Monitoring international, European Union and national developments.
- Coordinating the Technical and Regulatory approaches.
- Working on an eventual EMF strategy.

Internal task force in Cellnex for

sharing knowledge and best practices on EMF issues

The EMF Task Force has representatives from different functional areas and from all the countries in which Cellnex operates.

The working group strives to involve and engage the stakeholders (MNO's, public administrations, sector associations, business associations) in each country. To this end, the EMF Task Force collaborates with telecom sector associations at national and international level, supports initiatives such as "Speed up Britain" and "Chance5G, participates in events, webinars and training sessions and drafts and distributes a report in this regard.



6

Growing with a long-term sustainable approach

Growing with a long-term sustainable environmental approach

2020 main highlights

Energy consumption

701 GWh (695 GWh from electricity)

100% renewable energy consumption in Cellnex Ireland and UK

Carbon footprint

100% carbon footprint calculation for all countries

100% scope 3 emissions screened for all countries

100% scope 1 emissions offsetted for all countries

Long term Power Purchase Agreement (PPA) signed for renewable energy supply, including embedded Guarantees of Origin (GoO) in Cellnex Spain

DaMA and DaNA programmes to identify Natura 2000 Network protected areas in terms of biodiversity



TCFD Task Force on Climate-related Financial Disclosures

An analysis of Climate Scenarios following the TCFD Recommendations carried out.

SosteniAmo

*Cellnex Italy stablished an Integrated **Sustainable Business Ecosystem (EASI), being first company worldwide** to be full sustainability integrated by DNV-GL certification.*

2021 main challenges

40% Cellnex Group's energy consumption green certified by 2021 and beyond.

100% Cellnex Group's energy consumption green certified by 2025 and beyond.

50% Spain's energy consumption green certified by 2021 and beyond.

30% Italy's energy consumption green certified by 2021 and beyond.

Energy Transition Plan for Cellnex Group.

Definition and establishment of **carbon footprint reduction targets** *aligned with the SBTi (Science-based Target initiative) in 2021.*

50% Reduction of the carbon footprint by 2030

100% Reduction of the carbon footprint by 2050

Responsible environmental management

In 2019 Strategic Sustainability Plan (2019-2023) was approved by the company's senior management. The Plan aims to raise the level of the company's responsibility in the field of sustainability to work towards becoming a leader in environmental management through eleven lines linked to the United Nations Sustainable Development Goals (SDG).

The Strategic and Global Objectives of the Sustainability Plan are:



Following this strategy, Cellnex implemented several actions during 2020:

- Development of Cellnex' s sustainability and climate change policy in line with the Sustainable Development Goals (SDG) (L1 Sustainability Planning and Management).
- Complete screening of the scope 3 of Cellnex's carbon footprint calculation (L2 Climate change mitigation and adaptation).
- Update of the assessment of risks and opportunities related to climate change, following the recommendations of the TCFD (L2 Climate change mitigation and adaptation).
- Analise the climate scenarios of all countries following the recommendations of the "Task Force on Climate-related Financial Disclosures (TCFD) (L2 Climate change mitigation and adaptation).
- Collaborate in drawing up the Cellnex' s Energy Transition Plan (L3 Energy management).
- Life cycle assessment for the Telecom Infrastructure Service (TIS) (L4 Responsible management and circulation of resources).
- Identify sites in protected areas and associated regulations, specifically sites located in areas of the Natura 2000 Network (L6 Natural areas and biodiversity).
- Undertake a global mobility study (L5 Sustainable and safe mobility).

These actions will be coordinated from Corporate but will be implemented in all geographical areas. It is also worth highlighting the actions that the countries develop by themselves, such as Cellnex Italy.

Ecosistema Aziendale Sostenibile Integrato (EASI)

Cellnex Italia established an Integrated Sustainable Business Ecosystem (EASI) allowing it to specify and be aware of all relevant aspects on sustainability issues.

EASI is based on the integration of Social Responsibility and Sustainability into the strategy and business process of the company. In this way, Cellnex Italia is the first company worldwide to be full sustainability integrated by DNV-GL certification, including all the company's processes.

Cellnex Italia pursues its path to sustainability by adopting an integrated strategy to combine business growth and financial solidity with social and environmental sustainability, creating long-term value. To this end, Cellnex Italia has defined the project "SosteniAmo" as a commitment to all stakeholders (internal and external) on sustainability issues.

Following this line, in mid-2020 Cellnex Italia launched the "SosteniAmo Insieme" competition among its workers to identify actions that can combine business growth and financial solidity with social and environmental sustainability, creating long-term value. Five initiatives will be chosen, and a Working Group will be set up for each of the projects to study the idea and transform it into a feasible project and implement it.

Further actions are developed beyond Cellnex itself, for example in Spain, Cellnex has collaborated with Ambientech with a participation in the "Climatic emergency" educational itinerary as well as the participation in the educational itinerary of "Circular economy". During 2020, around half a million visits were received to the website on the subject of "Climatic emergency", and around 181,000 visits on the website on the theme of "Circular economy". Moreover, the age range of the visitors was very diverse, although the majority of participants were under 35 years.

Also, Cellnex Netherlands is a partner in Green IT Amsterdam, a platform consisting of over 50 parties that promotes a strong local datacentre industry that invests in green solutions.

Moreover, Cellnex group offer training to their employees that aims to be aware of sustainability. The employees received 403 hours of training related to sustainability.

Monitoring and managing the main risks, opportunities and environmental impacts

An update of the Risks and Opportunities arising from climate change is being carried out in 2020-2021, following the recommendations of the "Task Force on Climate-related Financial Disclosures (TCFD)". The recommendations of this methodology are based on four axes: governance, strategy, risk analysis and metrics, and aim to improve the organisation's resilience to different climate scenarios.

The methodology will make it possible to establish which economic impacts of climate change could affect the company. TCFD recommends that organisations exposed to the risks of climate change consider using scenario analysis to inform their strategic and financial plans and to report on how resilient to different climate change scenarios their strategies are. The objective is to assess and analyse risks and opportunities, both from a purely climate and transitional perspective - indirect regulatory, political, legislative and market changes, and subsequently evaluate the impact from an economic and financial point of view.

Climate scenarios

Cellnex carried out an analysis of

climate scenarios

following the TCFD recommendations

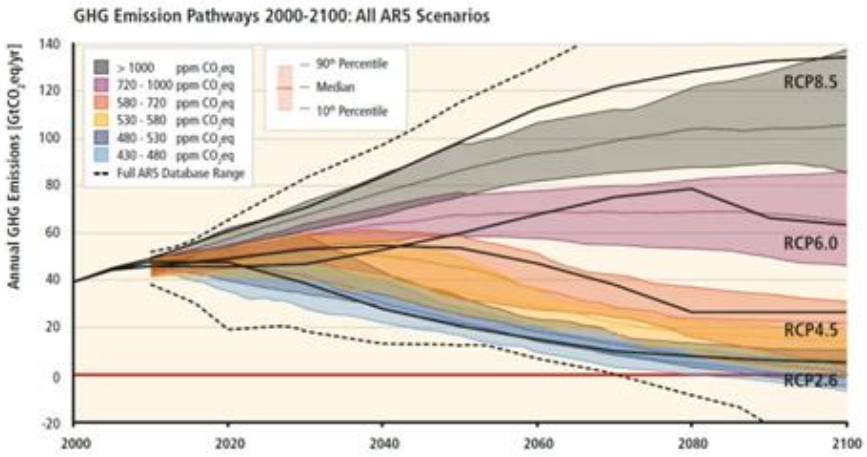
The climate scenarios of all countries have been analysed following the recommendations of the TCFD. The analysis aims to consider and better understand the development of Cellnex's activity under various future climate scenarios, to improve the organisation's resilience to different changes.

Climate scenario analysis is the previous step to undertake the assessment of risks and opportunities arising from climate change, in accordance with the TCFD recommendations and the CDP punctuation criteria. Climate scenarios are also a prior step for mapping the sustainability impacts.

Climate-related scenarios allow an organisation to explore and develop an understanding of how the physical and transitional risks and opportunities of climate change could plausibly impact the business over time. Scenario analysis therefore assesses a range of hypothetical outcomes by considering a variety of alternative plausible future states (scenarios) under a given set of assumptions and constraints. According to the TCFD methodology, there are two main types of scenarios to be analysed: physical and transition.

Physical scenarios

Physical scenarios consider the concentrations of greenhouse gases (GHGs) in the atmosphere and the physical characteristics of the climate to assess the possible risks that climate change may cause, using the scenario developed by the Intergovernmental Panel on Climate Change (IPCC) in its fifth assessment report (AR5). In this regard, the scenario was based on representative concentration pathways (RCP) to define a range of climate scenarios. RCPs measure the cumulatively human emissions of all GHG sources as for 2100. In this way, four RCPs were established based on simulations of GHGs in the atmosphere as shown in the following figure.



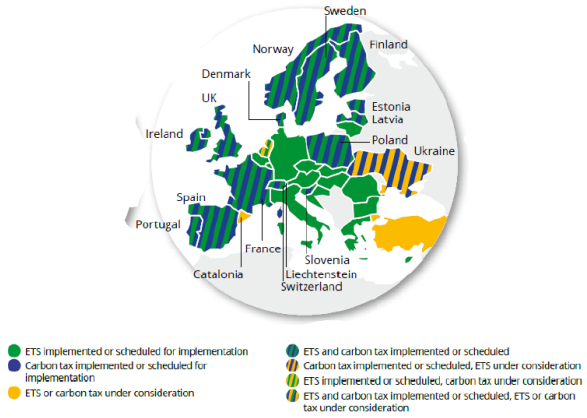
To analyse physical climate scenarios, it is recommended to take into consideration the worst possible scenario, to know and be able to anticipate the most severe impacts that they may have on organisations. That is why the RCP 8.5 scenario has been selected to analyse the climate projections. RCP 8.5 shows a Business-as-Usual (BaU) scenario, in which GHG emissions would continue to increase at the current rate. It is the worst possible scenario of higher GHG emissions in the atmosphere and higher global warming.

Transition scenarios

Transition scenarios analyse trends in politics, energy and economics related to climate change, to determine the possible risks they may have on an organisation's activity. The resulting scenarios are hypotheses that in no case correspond to predictions.

Two scenarios were selected to do this:

- Current policy scenario (Stated Policies Scenario or SPS), to study the existing trajectory and understand what future risks and opportunities would arise from the non-implementation of measures. In this scenario, only policies that have been formally adopted by governments and are already included in their legislation were considered. Therefore, this scenario is built on the basis of what is already defined, and the objectives set by the countries with a 2030 and 2050 horizon. This analysis has been carried out for Spain, Italy, France, the Netherlands, Switzerland, the United Kingdom, Ireland, Portugal and Finland. Below is a summary map of the regional, national and sub-national carbon pricing initiatives in place, scheduled for implementation and under consideration (ETS and carbon tax).



Fuente: State and Trends of Carbon Pricing 2019. World Bank Group

- Scenario of future sustainable development policies. This scenario goes beyond the currently established policies and is considered a more ambitious reduction scenario than the Paris Agreement, as it considers that it will be possible to keep the global temperature below 2ºC. The scenario developed by the International Energy Agency (IEA) called Sustainable Development Scenario (SDS) and the Deep Decarbonisation Pathways Project (DDPP) were used to draw up this scenario. This analysis is done from a more global perspective since it is not based on any approved or agreed document, but on generic hypotheses, therefore the degree of uncertainty is greater, and it is more difficult to go into detail by country.

Sustainable use of resources

Energy Management

Cellnex has recently approved its

Energy Transition Plan

accelerating its plan to reduce their emissions

The energy transition is Cellnex's great challenge for the upcoming years. The Global Energy area is finalizing the Cellnex's Energy Transition Plan, for which the Sustainability department is collaborating by setting appropriate guidelines in carbon emissions reduction calculation and SBTi management. The aim is to achieve emission reduction targets of 50% by 2030 and 100% by 2050. Energy transition plan will be a key lever to achieve Cellnex Carbon Footprint reduction goals via, amongst other actions, making sure that energy supplies to Cellnex are from renewable sources.

The Energy Transition Plan will be approved formally during Q1 2021 despite already first pillar, green energy consumption goals, has been already approved. This plan will detail the actions to be taken to accomplish the established corporate goals as well as the sensitivities to go beyond or accelerate the established timeliness and will also include the new companies integrated during 2020 as well as a clear action plan for those integrated in 2021 or later.

The Energy Transition plan is based on the four main levers of energy management:

- Energy 4.0 principles like smart metering or digitalization of energy related processes and procedures.
- Purchase of renewable energy (considering the different mechanisms available: Power Purchase Agreement (PPA's), Guarantees of Origin, etc.).
- Energy Efficiency (Offer the same service but with a reduction of energy consumption).
- Renewable energy self-generation, mainly through photovoltaic production onsite to reduce electricity consumption from the grid.



In 2021 already 40% of Cellnex energy usage is green energy certified with Guarantees of Origin

The Energy Transition Plan will be implemented in all the countries in which Cellnex operates. In some, specific actions have already been taken:

Thanks to these actions that are currently under way in the above-mentioned countries, in 2021 approximately 40% of Cellnex's energy consumption will be green energy certified with Guarantees of Origin, without considering the increase in scope, derived from the latest acquisitions, especially the acquisition related to CK Hutchinson. Moreover, Cellnex will actively promote and closely work with its customers to ensure that 100% of group's energy will be green by 2025 for the actual perimeter, and in not more than 3 years for any new acquisition.

Additional energy volumes in current or in future Cellnex geographical areas will be included within the Energy Transition plan. The possibility for Guarantees of Origin will be mandatory part of the Contracting model, as will sleeving Power Purchase Agreement clauses. Ad-hoc Power Purchase Agreement accords will be an instrument which Cellnex will monitor closely for countries with certain volumes while virtual or financial Power Purchase Agreements will be constantly explored.

In 2021 already 40% of Cellnex energy usage is green energy certified with Guarantees of Origin

Ten-year Power Purchase Agreement (PPA) between Cellnex Spain and Endesa

Endesa and Cellnex have signed a long-term bilateral contract (PPA) by which Endesa will be the preferred supplier of 100% of Cellnex's energy in Spain for the next ten years. A minimum of 20% of the energy contracted will be 100% produced from renewables.

The relationship of trust between the two companies works both ways, as Cellnex has been declared Endesa's preferred supplier in terms of network.

The significance of the agreement reinforces the partnership with Endesa in the field of energy supply, also committing specific objectives in the field of renewable energy and promoting the energy transition that allows us to contribute to the objectives of reducing our carbon footprint and our impact on climate change..

As part of the actions carried out in regard to energy efficiency, during 2020 ISO 50.001 certification has been obtained for Spain and a global model for further certification to the rest of the countries has been stablished, as there is the intention to implement ISO 50.001 in the rest of the countries of the group in the coming years (2025).

Apart from Cellnex's Energy Transition Plan, several initiatives have been launched to keep improving performance in terms of energy efficiency in all geographical areas with different scale and scope. Additionally, some pilots are being run and/or evaluated for further implementation. For example, the investment in new broadcasting transmitters with lower power consumption, replacement of AACC for free-cooling systems, replacing UPS and light fittings, etc.

In addition, collaboration projects are under way with other entities, for example a project with Enertika to implement photovoltaic self-consumption facilities in their main telecommunications centres.

Energy efficiency projects in Spain

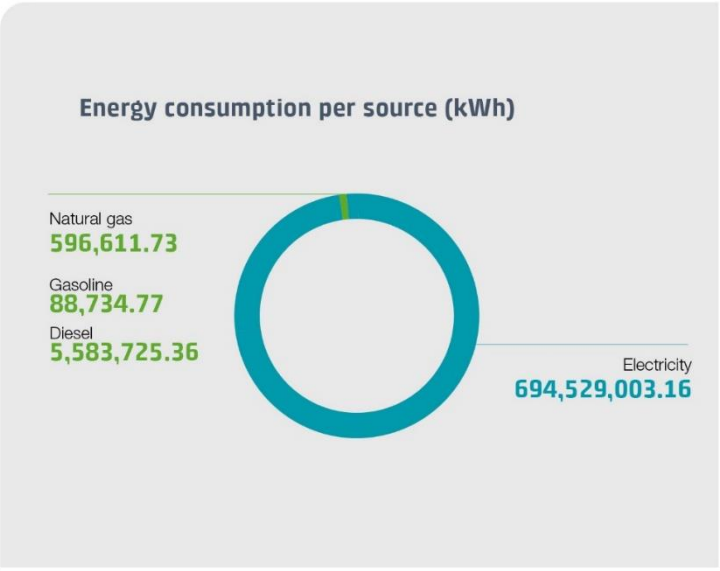
In Spain, five energy efficiency projects were developed. These were:

- Free-cooling installation in 218 centres with a RadiCal fan. This type of cooling system that consumes less energy by using external air to chill water for more efficient air conditioning than traditional systems. The estimated saving was 610 MWh.
- Installation of photovoltaic cells for self-consumption in Legacy and Installation of photovoltaic cells for self-consumption in On Tower. The estimated saving was 275 MWh.
- Renewal of broad equipment connected to uninterruptible power supply (UPS) systems in 22 centres in order to reduce energy consumption. The estimated saving was 247 MWh.
- Renovation of climate equipment with implementation of free-cooling. The estimated saving was 907 MWh.

The 5 planned initiatives have had an impact of 2,039GW of savings in electricity consumption (vs 1,062 GW planned). In terms of year-based savings, savings have been 3,176 GW (vs. 2,953 GW planned). Additionally, the control and monitoring actions of the setpoint temperature and control logic have had an impact of an additional 0.7 GW in 2020.

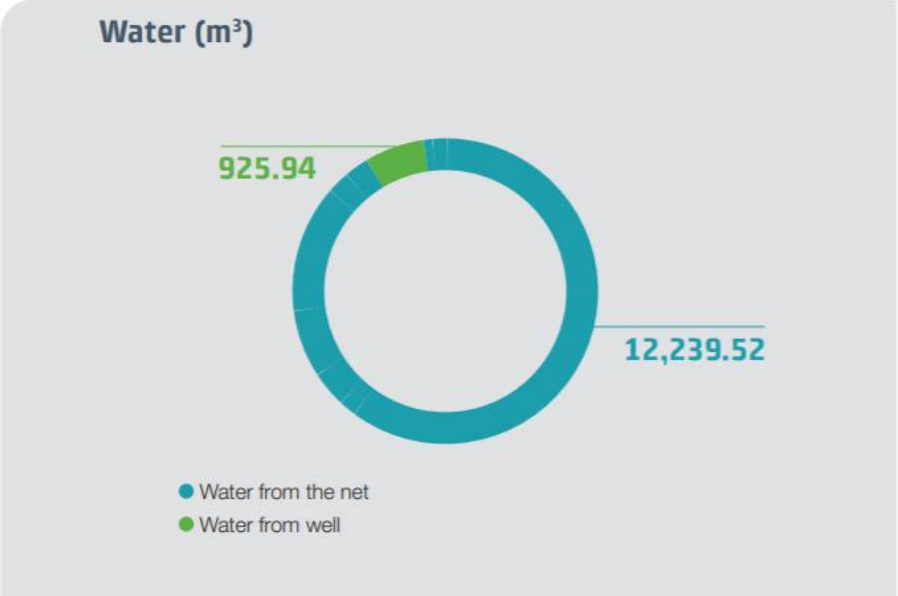
Owing to the nature of Cellnex's business, the only material environmental aspect is, energy. Cellnex monitors the organisation’s energy consumption to achieve maximum efficiency and the lowest possible impact on the environment and hence on society. In this regard, for example Cellnex Netherlands, changed the heating of the building in IJsselstein and saved usage of gas. Moreover, in 2020 they dismantled the gas installation and gas-heater, therefore reducing yearly around 22,824m3 of gas.

Most of Cellnex's electricity consumption comes from its sites and, to a lesser extent, its offices. In 2020, the company's total electricity consumption was 694,529,003 kWh (563,003,094 kWh in 2019).



Water consumption

Cellnex's activity does not require the consumption of water. All the water consumed in Cellnex comes from the municipal drinking water network and is limited to the use of the office's toilets and kitchen. The following chart shows water consumption of Cellnex group in 2020.



However, Cellnex can help the public and private sector in water management efficiency through different initiatives such as Internet of Things network for Integrated water resources management.

Internet of Things network for Integrated water resources management

Cellnex Spain and Global Omnium, a company specialised in water management, have deployed an Internet of Things (IoT) network in the towns of Burjassot and La Pobla de Farnals in the Valencian Community (Spain) to facilitate integrated water resource management to public and/or private sector entities of these municipalities through data capture and transmission. They have also provided an IoT data management platform, which allows them to have information in real time and to act remotely, either manually and/or automatically, throughout the water cycle.

Adesal Telecom, the Valencian company partly owned by Cellnex and Global Omnium, is responsible for operating and managing the maintenance of these two IoT networks, based on LoRa technology, which facilitate automatic detection of leaks and preventive actions on these, remote meter reading or digital customer service and electronic invoicing, among other services.

Waste management

99,2%
waste recovery in Cellnex Spain

Cellnex is not a waste producer, as waste arises from the supplier's activities. The company is committed to ensuring that waste produced by its suppliers on Cellnex sites during their activity (construction, operation, maintenance and dismantling) is managed and disposed of at a licenced waste treatment operator. Cellnex requests evidence of the proper waste valorisation periodically and encourages its suppliers to find

alternatives to waste disposal/incineration when possible e.g. recycling metal used to construct and maintain towers.

Waste management in Cellnex Spain

Cellnex Spain recovered 99,2% of the waste, including hazardous and non-hazardous waste.

Action Areas	Non-Hazardous waste	Hazardous waste	Total
Waste disposal	485	1,018	1,503
Waster recovery	133,926	641,721	175,647
Total	134,411	42,739	177,150

Materials and resource efficiency in Cellnex Portugal

Cellnex Portugal have detailed specifications for tower construction that its contractors must follow. These specifications avoid construction waste being generated due to miscalculation and ensure the towers are designed appropriately for Cellnex's needs.

They have eliminated the use of some materials for durability reasons and will continue to monitor material options to identify opportunities for improving the durability of their towers.

Their contractors are responsible for materials used in preventive and corrective maintenance visits, providing contractors with an incentive to maximise resource efficiency. The towers are designed with the optimal materials so that they are efficient, and thus minimise the amount of materials necessary and waste produced in each maintenance intervention on the tower.

Life Cycle Assessment (LCA) for the Telecom Infrastructure Service (TIS)

The Life Cycle Assessment for the Telecom Infrastructure Services began in 2020. Life cycle assessment (LCA) is a methodology standardised by ISO 14040:44 (2006) that systematises the acquisition and generation of information on the environmental aspects of products, services and processes by analysing inputs (consumption of raw materials and energy) and outputs (emissions to water, air, soil, waste and by-products) throughout all stages of their life cycle.

This study provides the organisation with a basis for taking objective decisions regarding sustainable development, identifying opportunities for improving the whole system and comparing technically viable and functionally equivalent alternatives. The main goals of the TIS LCA are:

- Identification of critical points
- Identification of environmental impacts generated along the value chain
- Minimising the risks of transferring impacts from one process to another
- Obtaining rigorous information for decision-making

Carbon footprint and climate change

We are aware of and are committed to reducing our CO2 emissions, following the guidelines of the United Nations Global Compact. At Cellnex Netherlands we have diligently compiled all relevant data on our CO2 emissions in order to study the opportunity to improve our operations and generate fewer emissions. For example, today we already use 100% wind energy and we continue to reduce gas consumption.

Peter Klein, Manager Maintenance and Operations of Cellnex Netherlands

Once again, this year, Cellnex measured and obtained independent third-party confirmation of its carbon footprint, to ascertain the company's impact on climate change and to set a baseline for managing and reducing its emissions. Since the foundation of Cellnex in 2015, the carbon footprint has been calculated yearly at group level. Each year, the companies acquired by Cellnex are incorporated into the carbon footprint calculation. The operational scope is based on the ISO 14064-1:2018 as well as the GHG Protocol criteria.

Cellnex has carried out in 2020 a complete Screening of its indirect emissions for the eight countries where Cellnex is already operating, in order to determine their significance as per the GHG Protocol Corporate Value Chain (Scope 3) and the ISO 14064-1:2018. This will be the basis on which the emission reduction targets will be defined to keep the increase in global temperature below 1.5 °C, as marked by the Science Based Target initiative (SBTi) to which Cellnex has joined. These relevant categories have also been included in the carbon footprint calculation, that has been verified following the ISO 14064-1:2018 Standard. In addition, and due to the expansion of the countries where the company operates and the addition of indirect GHG emission categories as set out in the new International Standard ISO 14064-1: 2018, Cellnex Telecom has decided to modify its base year. In short, the organization has established 2020 as the base year for GHG emissions for comparative purposes and other GHG programs requirements and intended uses.

The inventory of GHG emissions becomes, therefore, a key instrument to know the global dimension of the impact of the company's activity on climate change, as well as the evolution of its GHG emissions over time. The results obtained in the GHG emissions inventory will be useful to respond to the sustainability index in which the organization participates, such as FTSE4GOOD, CDP, Sustainalytics and “Standard Ethics”. It is worth mentioning that for the second year in a row, Cellnex has been recognised for its commitment to sustainability and the fight against climate change by CDP –which manages a global disclosure system for investors, companies, cities, states and regions to measure their environmental impact–, securing a place on its prestigious ‘A List’.

Moreover, the new internal audit program started in 2020 in four countries will be consolidated and extended to the rest of the countries. Additionally, thanks to the collection of employee commuting data for the carbon footprint Scope 3 Screening, a basic global mobility study is being undertaken. In countries like France for instance, all vehicles used by the company are already hybrid.

According to the verification, the verified emissions inventory for 2020 is 303,819 t CO2e with the market-based approach (205,051 t CO2e in 2019). The increase in emissions is mainly due to the inclusion of new sources of indirect emissions as a result of the Scope 3 Screening (indirect emissions) for the SBT, as well as the incorporation of new countries in the calculation of the carbon footprint.

118

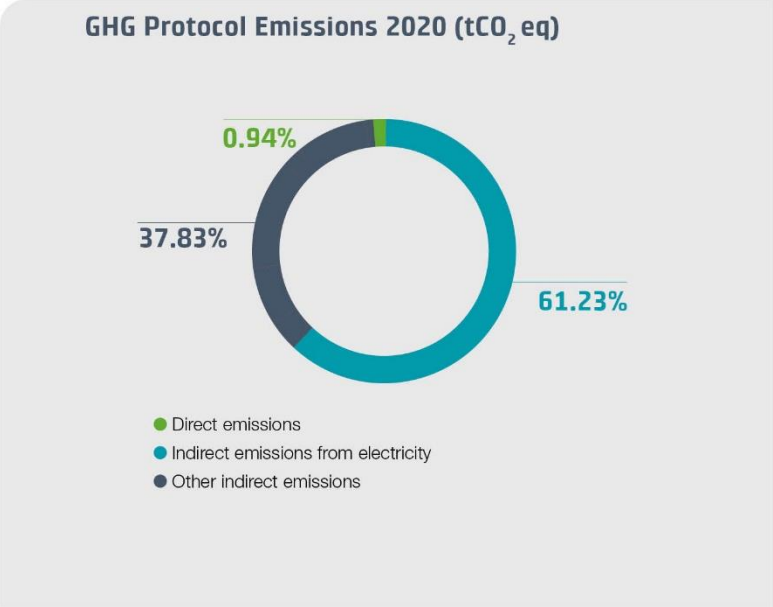
tCO2eq/MEUR of annual revenue

GHG PROTOCOL EMISSIONS (market-based)			ISO 14064 GHG EMISSIONS (market-based)		
Category	GHG emissions (t CO2e)	%	**Category**	GHG emissions (t CO2e)	%
Scope 1: direct emissions	2,848.14	0.94%	C1. Direct GHG emissions and removals	2,848.14	0.94%
Scope 2: indirect emissions from electricity	186,025.52	61.23%	C2. Indirect GHG emissions from imported energy (market)	186,025.52	61.23%
Scope 3: other indirect emissions	114,945.18	37.83%	C3. Indirect GHG emissions from transportation	2,774.76	0.91%
			C4. Indirect GHG emissions from products used by organization	112,170.42	36.92%
			C5. Indirect GHG emissions associated with the use of products from the organizations	0	0.00%
Total	303,818.84	100.00%	Total	303,818.84	100.00%

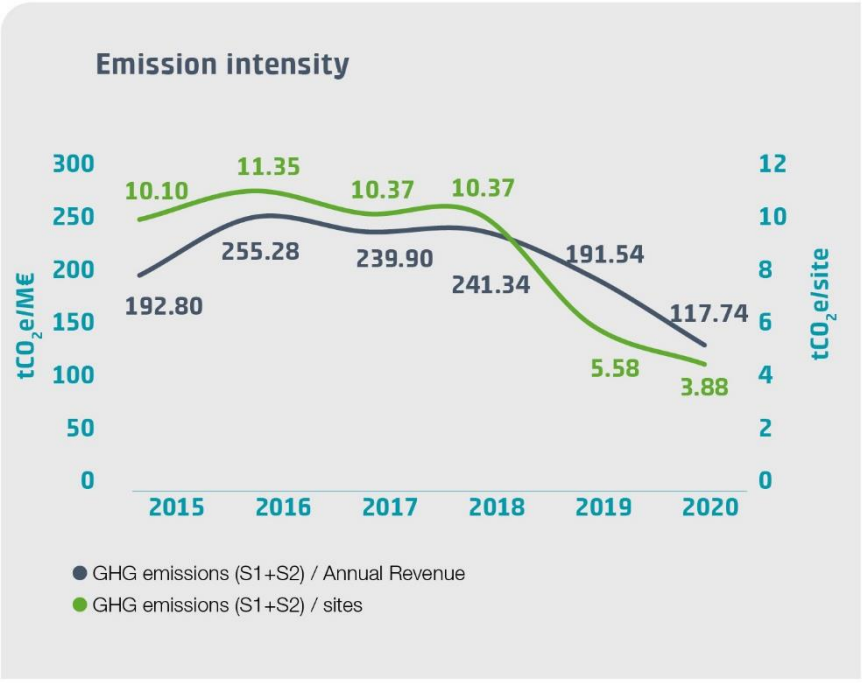
Furthermore, emissions are also reported with the classification established by The Greenhouse Gas Protocol (GHG Protocol) Corporate Accounting and Reporting Standard, developed by the World Business Council for Sustainable Development. In the case of Scope 3 emissions, the classification established in the publication of the GHG Protocol "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" is used.

As shown in the previous table, 61.23% of the GHG emissions inventory corresponds to category “Scope 2: indirect emissions from electricity” (GHG Protocol) or “C2: indirect emissions from imported energy” (ISO 14064), followed by category “Scope 3: other indirect emissions”, with 37.83% of the total emissions (GHG Protocol), that corresponds to categories C3 and C4 (ISO 14064).

The main reason of the high percentage of contribution of the Scope 2 category is that Cellnex do not have yet renewable electricity consumption in most of their countries. Regarding Scope 3 Category, it is composed mainly of GHG emissions derived from the purchase of good and services and capital goods during 2020, and the emissions related to the production of fuels and energy purchased and consumed by Cellnex in the reporting year that are not included in Scope 1 or Scope 2.



The evolution of the company's growth in recent years, as well as the expansion of indirect emission sources, has led to a change in the base year of calculation, being 2020 the new base year established. Thus, with the aim of offering comparable data to evaluate the evolution of emissions in recent years, only the trend of scopes 1 and 2 are shown over the years in relation to revenues and the number of sites, as indicators of emissions intensity.



As part of its efforts to manage greenhouse gas emissions, in 2020 Cellnex Telecom offsetted 2,850 t CO2 by purchasing 2,850 VER (Verified Emissions Reductions) credits

on the voluntary market from the Rio Taquesi Hydroelectric Power Project in Bolivia, with the Verified Carbon Standard (VCS), to achieve neutrality in Scope 1 carbon footprint emissions from all countries.

Regarding noise and light pollution, Cellnex's activity does not produce a significant impact. Even so, Cellnex takes these impacts into account and works to minimize them. Cellnex Netherlands received two complaints related to light disturbance during night and two associated to noise disturbance. Complying with the process, grievances were carried out to be resolved as an incident.

Science-Based Targets Initiative

Cellnex Telecom is firmly committed to reducing its carbon emissions. In October 2019 (signed in July), Cellnex undertook to develop a Science-Based Emission Reduction Target over the following 24 months, which will be recognised by the Science-Based Targets Initiative. In this regard, Cellnex has been working to match all the necessary criteria to submit to the SBT initiative before 30 June 2021.

The Science-Based Targets Initiative, aligned with the Paris agreement (COP 21, 2015), is a joint initiative by CDP, the UN Global Compact, the World Resources Institute and WWF, which supports companies in setting emission reduction targets in line with the level of decarbonisation required to keep the global temperature increase below 2ºC compared to pre-industrial levels. The targets are calculated using methodologies based on scientific knowledge and making it the dominant practice.

Likewise, in 2019 Cellnex joined the Global Compact initiative “Business ambition for 1.5ºC”. This is a global initiative, signed by more than a hundred companies, 10% of which are Spanish. The initiative sets out two areas of action: "1.5°C science-based targets", aligning its GHG emissions in all relevant areas with emission scenarios at 1.5°C, and "Zero Emissions Commitment" setting a public target to achieve zero emissions by 2050. In this way, the Group is stepping up and committing the business to set science-based targets aligned with limiting the global temperature rise to 1.5°C above pre-industrial levels. In December, the Spanish Global Compact Network, together with the UN Global Compact, the Chilean Network and the British Network, held an event in the context of COP25 in which, in addition to presenting the commitments in the manifesto, publicly recognised the Spanish entities adopting Business Ambition for 1.5°C.

The company worked during 2020 to match all the necessary criteria prior to setting the SBT initiative:

- Boundaries (scopes 1+2)
- Timeframe (5 to 15 years)
- Level of ambition (temperature reduction below 1.5 ºC)
- Scope 3 (if it represents more than 40% of emission)
- Reporting (annual disclosure of emissions inventory in CDP, website)

After the results of the screening of the scope 3 it has been determined that a scope 3 target is not to be included initially in the SBTi. A timeframe will be also established, and the SBT will be completed and submitted to the SBT Initiative during the first semester of 2021.

Internal carbon price

During 2021-2022 Cellnex will conduct a study for the implementation and calculation of the Internal Carbon Price, with the aim of completing it in 2022.

The incorporation of the internal carbon price will be a key instrument in strategic decision-making (both at investment and operational level) at Cellnex Telecom. Among other aspects, it will enable the organisation to increase its positioning and corporate reputation with investors and improve its assessment in the various sustainability ratings in which Cellnex is involved, such as the CDP, and to make progress on possible regulatory changes linked to climate change.

The internal price of carbon is a financial tool that helps reflect the social, environmental and economic costs of climate change in relation to the greenhouse gas emissions generated by the consumption of energy and materials necessary for the daily activity of an organisation:

- It can add value to investments that reduce social, environmental and economic costs, thus creating incentives for innovation in low-carbon companies.
- It makes it possible to get ahead of policies that may affect the operations or the value chain of the company.
- It helps to achieve ambitious emission reduction targets.
- It translates the business impact on climate change into financial terms, helping to translate carbon into relevant terms for the company and to strengthen internal engagement.
- It responds to investor and customer demands.
- It improves corporate positioning on climate change.

Biodiversity

Cellnex advocates the protection and preservation of the environment and its biodiversity. To this end, Cellnex manages its facilities to minimise any type of environmental impact, not only the direct impact caused by Cellnex but also the potential impact of its providers when executing maintenance work and services. To achieve this, Cellnex also works with its suppliers to ensure that they are environmentally responsible and that they use best practices, for instance by properly managing waste and protecting biodiversity.

Cellnex takes into account local, national and European regulations on matters of environmental protection. To this end, Cellnex has a global tool (SALEM) for identifying and evaluating compliance with all the legislation that applies to the company. The tool is updated every month with the European, national and local legislation in reference to issues related to Environment, Quality, Health and Safety, Biodiversity, Energy, etc.

Cellnex Tower Finder App

In Ireland, several Cellnex's sites are on land currently or originally owned by the State forestry body (Coillte forests). Therefore, whenever Cellnex develops new site on Coillte land, the company has to follow the national policy that states that, for each tree that is cut by Coillte to install a tower, another tree must be replanted tree elsewhere on the Coillte estate.

Moreover, to minimise the impact while working on Coillte, Cellnex Ireland has developed a "Cellnex Tower Finder App", to make sure that operators are using the correct access route to a Cellnex location, among other things.



In addition to minimising its impact, Cellnex carries out specific projects in relation to biodiversity conservation.

DaMA and DaNA programmes

Cellnex uses environmental data servers to identify sites in protected areas and associated regulations, specifically sites located in areas of the Natura 2000 Network (DaMA is the project for Spain, DaNa is the global one for all countries).

The objective is to know which sites are in protected areas and thus be able to take the necessary measures for impact prevention and mitigation on these sites, in terms of biodiversity protection.

DaMA and DaNA programmes to identify Natura 2000 Network

protected areas in terms of biodiversity

	Total sites	Inside Nature 2000 Network	Perimeter of 100m of Nature 2000 Network	Outside of Nature 2000 Network	% of sites in protected areas
Spain	8734	997	198	7539	16%
France	4753	52	50	4651	2%
Ireland	520	31	20	469	4%
Italy	11477	334	182	10961	4.5%
Netherlands	817	23	23	771	8%
Portugal	4927	357	49	4521	8%
UK	8419	51	45	8323	1%
Switzerland	5085	0	336	4749	7%
Total Cellnex	44732	1845	903	41984	100%

Preservation of natural habitat of storks



Cellnex Portugal has undertaken actions that aims to preserve the natural habitat of storks.

Prior to the removal of a stork nests, the company guarantees that the specific situation has evaluated and licensed by the Institute for the Conservation of Nature and Forests.

The Peregrine falcon projects

Cellnex Netherlands is helping to build nesting boxes for Peregrine falcons at several very high tower sites. This not only protects a rare breed of bird, but also helps Cellnex to keep the high towers free from pigeon droppings.

Moreover, the municipality of Amsterdam has installed a webcam on the Cellnex-towers at De Zuidas in Amsterdam. The camera is equipped with the latest technology, the images are HD-quality and the camera can be manually operated to different positions. Visitors can see not only the offices, the Zuid and the RAI, but can also zoom into Schiphol to see aeroplanes landing and departing. The WTC, A10 ring road and the ABN AMRO can also be viewed. Every image remains for 15 seconds until the next visitor operates the camera.

Alive webcam in the Mortel data tower offers an inside view of the peregrines. The telecom and data tower in the Mortel (Municipality of Gemert) houses the falcons. On the “Beleef de Lente” (Experience the spring) website anyone can view the life of a pair of peregrines that nested there in 2005. A few years ago, the Dutch Bird Protection Foundation installed a webcam that records every event. Looking inside the nest box is not only fun and interesting to do, but peregrine falcons are also very useful near the towers because they scare off pigeons, which are the favourite food of this bird of prey. Pigeon excrement can be a nuisance in the towers.

The Marker Wadden project

Marker Wadden is a unique nature reserve in development. The nature islands are being built with sand, clay and sludge from the Markermeer (a 700 km² lake in the central Netherlands). New forms of nature will develop on this novel group of islands with their natural shores, both under water and on the surface. It is a natural paradise for fish and birds and a wonderful recreational island.



Because there is no fixed internet connection to the island, Cellnex Netherlands has deployed a communication infrastructure based on microwave transmission. The connection is established using microwaves over eight kilometres, between the telecom & data tower in Lelystad and the site set-up point in the booth near the entrance of the Marker Wadden harbour.

The required equipment uses the self-supporting energy system on the island and the whole fits completely into the coherent architecture which is so typical for the Marker Wadden.

Thanks to this connectivity, the network can also be used in future for collecting data with, for example, sensors (IoT) or other ‘smart’ systems.



7

Extending our commitment to the value chain

Extending our commitment to the value chain

2020 main highlights

Customers

100%

user **complains** received have been resolved.

Customer satisfaction surveys

Spain	Italy	Netherlands	UK
59% NPS	79%	78%	+17 NPS

Customer Care Global Model

Cellnex Connectivity Days

Cellnex ISO 27001 certification renewal for the ISMS.

Suppliers

Ariba
tool implementation

2,630
local suppliers

~400
suppliers have been selected for evaluation in terms of ESG.

435
suppliers evaluated in terms of ESG.

2021 main challenges

*Critical suppliers identified for both business and **ESG perspective** from 2022.*

100%
of critical suppliers homologated considering ESG criteria from 2023.

80%
of critical suppliers audited from 2025.

Code of Conduct for customers and CSR training and awareness by 2025.

Code of Conduct for suppliers and CSR training and awareness by 2021.

***Align** existing **processes** according to the **National Institute of Standards and Technology** (NIST) standards by 2025.*

Cellnex commitment with Covid-19

*Cellnex has been able to provide **uninterrupted service to its customers** during the Covid-19 pandemic.*

*Cellnex has carried out different initiatives, including **financial support,** in order to guarantee the relationships with its **suppliers as part of the Contingency Plan.***

Customers

We think using reason, we act with our heart. First, we think about the actions that we have to take consciously, for our own safety and that of others. Second, we act with our heart to provide services that reach customers who need them, and it is gratifying to be able to make our contribution, knowing that it affects thousands of people.
Javier Mingo,
Central Territory Operation Manager

Customers are one of the most important stakeholders for the company, which understands that connecting with them is key for the Cellnex model to function successfully.

To this end, Cellnex has set itself the objective of guaranteeing that best practices are used in the performance of its services. All products and services are continuously reviewed to improve the health and safety impacts both of the employees dedicated to their installation and operation, and the possible impact on customers.

Likewise, the company maintains a constant and close dialogue with customers, through meetings and training sessions or webinars to explain Cellnex best practices, improving the engagement with them.

Moreover, Cellnex provides various communication channels with customers, such as those contained in the service-level agreement (SLA) reports. To guarantee a personal and stable customer relationship, Cellnex strives to focus its commercial force on market segments by enhancing the role of the account manager who looks after the specialist end-to-end relationship with customers by providing a comprehensive and personalised service geared towards their overall satisfaction.

Cellnex continued to manage complaints under the Complaint Management Procedure. A complaint is understood as the formal manifestation of disagreement or dissatisfaction with the service received by a client, a user or society.

- Customer Complaint: a complaint made directly by the customer with whom Cellnex has a contractual relationship.
- User complaint: a complaint made directly by the end user, received directly or derived from an external client.
- Society Complaint: a complaint made directly by a group of users that may be represented by Public Administration bodies and by private bodies (antennae organizations, neighbourhood communities, etc.).

In 2020, there were four user complains in Cellnex Spain and nine in Cellnex Italy (16 in 2019), of which 75% (100% in 2019) were processed and resolved according to the company's procedures before the end of the year.

100%
user complains received were resolved

In 2020, the relationship with customers was especially important, since Cellnex's services have been essential during the COVID-19 pandemic. The primary objective was to respond to crisis situations in Cellnex group by guaranteeing the provision of critical services. To achieve this, a Global risk committee and Local risk committees were set up and a daily report regarding the status of the services was established. A Global contingency plan was also developed to guarantee the continuity of critical services in the eight European countries in which it operates from the outset.

Cellnex has been able to provide
uninterrupted service
during the COVID-19 pandemic

Furthermore, Cellnex has worked hard to preserve the security and availability of the services 24/7 while ensuring the application of the strictest protection measures for employees, minimising all control, maintenance or intervention operations on the ground due to network incidents, the risks of contagion and the spread of the disease. In a proactive and ingenious way, the Network Operation Centre (NOC) was reconfigured to be able to operate all the networks in Spain remotely from home. The networks have been monitored and operated remotely to full satisfaction.

Cellnex's relationship with customers during the COVID-19 situation

The situation caused by COVID-19 has changed the telecommunications paradigm, driving it to unprecedented levels, since both individuals and companies have used technology to keep their day-to-day activities active. Because of this, Cellnex has made a commitment to its customers through several initiatives, for example a free expansion of data capacity to its customers to meet the needs of households.

In Spain, Cellnex helped with the contingency plans of its customers. For example, the company helped set up field hospitals by providing connectivity (for IFEMA field hospitals, and Sabadell hospital).

Moreover, within the global survey that has been carried out to customers in Cellnex Spain, they were asked about the management that Cellnex has carried out during the pandemic. Most of the customers surveyed point out that they have not noticed a change in the service received and consider that the service has been just as good prior to the situation marked by COVID-19. 85% of customers feel very satisfied or satisfied with company's management during this period.

Likewise, Cellnex Italy collaborated to TLC Operators to improve the mobile connectivity for the COVID patients of the Niguarda Hospital (Milan) and it was offered for free during the period of the higher pandemic emergency.

In France, to promote the continuity of deployment, the works franchises were increased for two months (credit of 1.5 million to the main customer).

85% of customers
feel satisfied with company's management during COVID-19

Cellnex works to continue improving its relationship with customers, developing new infrastructures that offer coverage for their services in an efficient and reliable way. In this regard, a new Global Marketing & Sales area was created to enrich the Cross-Country Opportunities, to improve the commercial approach in all the countries, to introduce new products and services for different segments, to create additional value propositions, to facilitate materials and collaterals to increase the Sales and to extend best practices to all sales reps. Moreover, the implementation of the Salesforce tool to all countries makes it possible to level and standardise the sales process and better coordination and knowledge of the commercial pipeline.

A new Global Marketing & Sales area
was created to enrich the cross-country opportunities

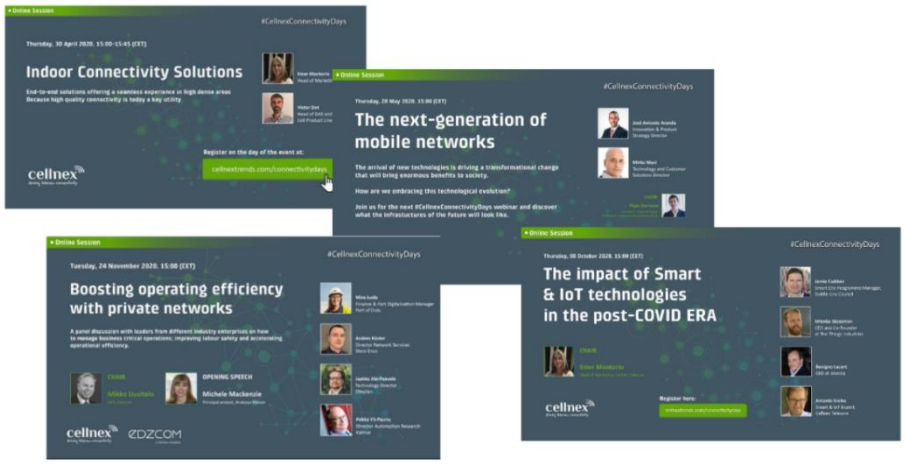
Moreover, under the ESG Master Plan, some actions will be implemented to extend our commitment to ESG issues to our value chain. To this end, the company will offer ESG training and awareness for customers.

A specific Code of Conduct for customers will be drawn up in the coming years. This Code will include issues like labour conditions, human rights, anti-corruption and bribery, etc., to ensure compliance in ESG matters.

Cellnex is working to engage with customers through activities such as the "Cellnex Connectivity Days", a brand-new initiative which looks to gather a broad range of telecoms industry stakeholders to debate the most pressing topics in the industry and their impact on society. The very last objective of these events is to position Cellnex as a key player in markets where the brand awareness is still weak and where Cellnex also offers a unique networking opportunity.

In 2020, in response to the evolving nature of COVID-19, and to stay close to our customers and stakeholders in general, Cellnex was forced to reimagine these "Cellnex Connectivity Days" by creating an on-line version. In those sessions, Cellnex and its stakeholders had the opportunity to debate directly with leaders and experts from the industry. The following webinars were held are and are all available on YouTube:

- April 2020: Indoor Connectivity Solutions.
- May 2020: The Next-Generation of Mobile Networks.
- October 2020: The impact of Smart & IoT technologies in the post-COVID era.
- November 2020: Boosting operating efficiency with private networks.



Cellnex Ireland: one year in business

A webinar was organised to celebrate the first anniversary of Cellnex Ireland in the group. Speakers from Dublin and Barcelona shared an overview of Cellnex Ireland's plans and talked about some main topics such as next generation infrastructures and networks or Cellnex approach to diversification.

Apart from explaining the company's plans, Cellnex Ireland made a donation on behalf of every attendee at the webinar to two social charities from the Irish community.

Customer Care Global Model

Customer Care is a strategic priority and a cross-cutting commitment that must be present in each of the actions by Cellnex Telecom to create sustainable value distributed to all stakeholders.

Cellnex aims for maximum customer satisfaction

With the Customer Care Global Model, Cellnex aims to create a work environment to provide its customers the most demanding levels of satisfaction through a service management based on process approach and service support. This is achieved by collecting and analysing customer experience insights to incorporate the information into continuous improvement processes and to understand customer's needs and expectations.

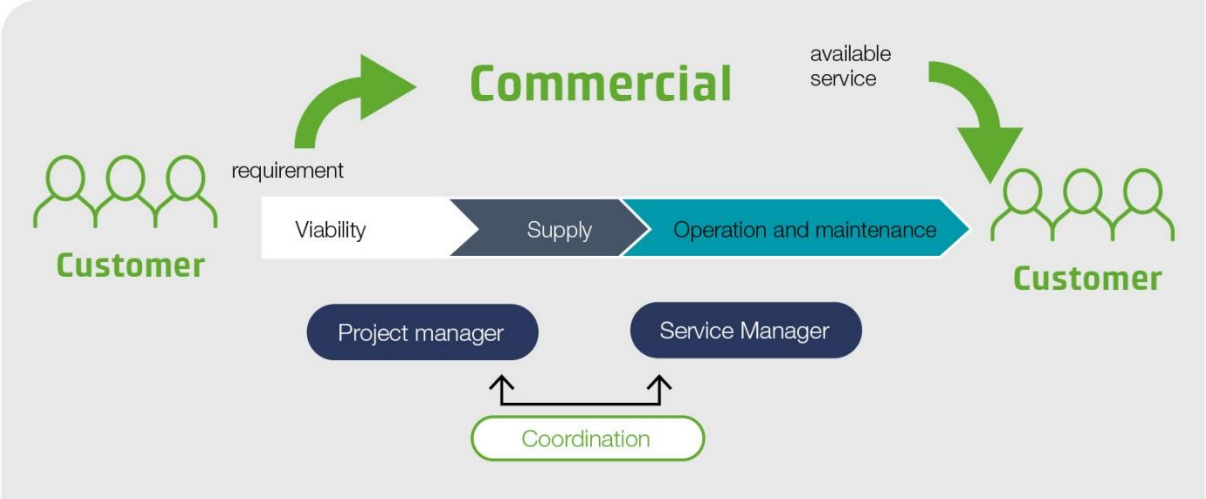
Cellnex delivers the optimal service to customers by understanding their current and future needs and expectations to plan, design and develop services to achieve maximum customer satisfaction.

For example, Cellnex Spain maximizes the satisfaction and quality of the services provided to its customers by providing the following interlocutors:

- Commercial: Each customer has an assigned Account Manager with end-to-end knowledge of all the relationships that Cellnex has with its customers to satisfy their needs and concerns from an overall perspective.

- Project Manager: These are the interlocutors with the customer, together with the Account Manager, in the feasibility phase and provision of a service. They play an important role in customer satisfaction, since this area, with its optimal performance in the design of the service to be provided, can influence customer satisfaction.

- Service Manager: These are the main interlocutors with the customer, together with the Account Manager, in the service provision phase. They are responsible for ensuring the availability of service levels, monitoring and optimising the service provided.



In this regard, In Spain, the continuity of the service is guaranteed through the Operation and Maintenance process, according to the contracted quality parameters.

The network operation and maintenance structure, which Cellnex Spain manages, is based on the support provided to the maintenance operations by the Service Operations Centre (SOC) and Cellnex's employees on the field.

In other geographies, such as United Kingdom, Portugal or Switzerland, the volume of clients allows a face-to-face relation with them, and therefore a more individualized service. In this regard, feedback is obtained in the day to day conversations with customers, as each customer is managed by an account manager or an account director, some customers also have a service manager responsible for the service relationship.

In the Netherlands, the relationship with the client is established by holding at least two meetings a year with them, in addition to holding one event once a year. Individualized account plans are also implemented for each client and satisfaction surveys are carried out.

Customer satisfaction survey

Cellnex carries out studies to gauge customer satisfaction, the outcome of which feeds into action and improvement plans. The analysis of customer perception consists of evaluating the customer's satisfaction with the company, its main activities and the services it provides. This evaluation is based on customer satisfaction surveys and on the information obtained through the company's management of the complaint.

These studies were established with the following specific objectives:

- To have a complete picture of customers' overall perception of the company.
- To learn about the level of customer satisfaction, breaking down and parametrising overall levels of satisfaction into the various values and attributes in the study.
- To produce a map of customer indicators with the services provided by the company for each activity and segmented by business area and type of customer.
- To determine company recommendation and loyalty rates relating to each service, activity, business area and customer type.
- To determine critical points and strengths and establish an action plan based on the external customer satisfaction study.

Cellnex carries out

customer satisfaction surveys

to obtain feedback on their services

A new model for measuring customer satisfaction in Cellnex Spain was developed in 2019. This model integrates various measurements of customer satisfaction to gauge customer satisfaction at all stages of the process. This new model makes it possible to obtain specific feedback on projects/services and to carry out more streamlined management of action plans, by receiving results directly from the customer/project managers and reducing the outsourced cost by increasing the time taken to carry out the global survey. 95% of customers were "satisfied" or "very satisfied" with the service provided by Cellnex Spain, according to the Satisfaction Study for the second half of 2020.

The following actions are carried out to gauge customer satisfaction:

- Registration and analysis of complaints according to the complaint's management procedure.
- Assessment of customer perception through different types of surveys, regarding the satisfaction and loyalty to Cellnex, the main activities of the company, and the services provided.

The evaluation of customer perception through surveys allows Cellnex Spain us to detect points in which the customers are unsatisfied with the services provided and / or the attention received. To this end, we perform various types of surveys depending on the aspect or phase of the service provided for which satisfaction is to be analysed:

- Project management. To measure the satisfaction of the project management process, from the offer, provision, monitoring and delivery of the project.
- Incident management. To gauge customer satisfaction in the management of an incident: proactivity, monitoring and communication that takes place throughout the process.
- Service Surveys to some groups of customers (CAC, Fixed Operators, ...). To monitor the evolution of the general satisfaction of customers who make various service requests on a recurring basis during the year.

- Biennial Global Surveys, where all services provided and all processes in which the customer interacts are analysed.

The information available from the management of complaints is analysed each year with the data from customer surveys, to analyse customer perception, to generate associated actions to customers and perform processes and services actions.

In Cellnex UK, customers satisfaction is measured in the surveys. This understood as site access speed and quality of responses, delivery speed and management of suppliers, as well as poor communications. Service Development Plans are then drawn up and worked through with the customers to improve the service provided.

The Customer Satisfaction Survey is carried out in all geographical areas where Cellnex operates.

Customer Satisfaction Survey in the Netherlands

On January 16, 2020, customers of Cellnex Netherlands received an invitation by email to participate in the customer satisfaction survey, where TIS customers of Shere and Towerlink were included for the first time. To keep continuity of the information, the questionnaire remained as much as possible as the questionnaire of previous years, but a number of questions were added for TIS customers. The results showed that 78% of all respondents are generally very satisfied with Cellnex NL.

Customer Satisfaction Survey in UK

The Net Promoter Score (NPS) system is used in Cellnex UK and for 2020, the annual Customer Satisfaction Survey showed improved engagement, highlighting significant improvements relating to transparency, commercial flexibility and operational delivery.

Customer Satisfaction Survey in Spain

In 2020 the Net Promoter Score (NPS)' results in Spain pointed out a 95% of satisfaction (44% in 2017).

Customer Satisfaction Survey in Italy

Cellnex Italia incorporated the annual customer satisfaction survey as a standard practice. The survey asks customers about their relationship with the company, the sales process, Cellnex project management, its after-sale service, administrative service, general satisfaction, and overall satisfaction with other competitors on the market. The results showed that 79% of all respondents are satisfied with Cellnex Italy.

Information security management

Security, whether physical or IT, is an important matter for Cellnex which is why the Company performs many activities to avoid and mitigate any possible threat that might affect its service.

In 2019, Cellnex devised a Strategic Global Security Plan for Cybersecurity and Physical Security that allows high-impact events to be anticipated in accordance with Reference Frameworks. The Plan applies to all geographical areas where Cellnex operates and covers all aspects of corporate security regardless of the type of threat, whether physical, IT, or hybrid. The following actions were rolled out under this plan:

- Integral Security Assessment.
- Definition of a risk map.
- Development of a global action plan.
- Three-year budget approval.

Cellnex continuously improves its

Information Security Management System

in accordance with ISO 27001

During 2020, Cellnex deployed the security model as defined in the Strategic Global Security Plan, which establishes the implementation of comprehensive security risk management, both physical and logical, with well-defined roles and functions at both corporate and country levels.

An important aspect of the Strategic Plan was to analyse company security based on standard frameworks (NIST cybersecurity and ISO 27001). An internal audit of the Information Security Management System (ISMS) was carried out in September 2020 to determine whether the management system meets the requirements defined in ISO 27001. Among the conclusions of audit on the Information Security Management System are:

- A consistent, coherent and well-structured Information Security Management System (ISMS).
- The Information Security Management System remains alert with the incorporation of new companies/countries.
- Good ISMS definition. Focus on implementation in Corporate &and Business Units.
- Focus on active responsibility in Data protection and awareness for all employees.

An external audit of the Information Security Management System was carried out in November 2020 to determine whether the management system meets the requirements defined in ISO 27001.

Cellnex

ISO 27001 certification renewal

for ISMS

The ISMS will include documented information determined by Cellnex as necessary for the effectiveness of the Management System. Documented information will be checked to ensure that it is available and suitable for use and is adequately protected (e.g. from loss of confidentiality, improper use, or loss of integrity).

Cellnex's ISO 27001 certification for the whole group was renewed in the wake of the internal and external audit of the Information Security Management System during 2020., Corporate, Spain, Netherlands and France, and Switzerland were audited in 2020, and following the audit rotation, Corporate, Spain, UK, Ireland and Portugal will be audited in 2021.

The Global Security Office was deployed to support in Information Security at a global level and provides the following services:

- Threat Intelligence and legal surveillance.
- Continuous monitoring of vulnerabilities.
- Continuous improvement of security incident monitoring (Red Team).
- Update of threat catalogue and security risk map.
- Technical consultancy and auditing in security matters.

Cellnex has been able to

protect

its products and services during the COVID-19 pandemic

The following actions were also rolled out in 2020 regarding Information Security Management:

- Analysis and deployment of a risk management tool enabling automated management of global security risks.
- Deployment of a security event monitoring model in all integrated countries.
- Implementation of Azure Information Protection (AIP) for sensitive information.
- Replacement Mobile Device Management (MDM) to ensure unified management of mobile devices.
- Regularisation of administrator users to ensure that users have access to the necessary privileges to perform their work.
- Implementation of Cloud Access Security Broker (CASB) to apply security controls on Cloud applications.
- Deployment of 2-Factor authentication to reinforce access to network resources.

As a result of the Security Awareness Campaign that the Global Security area started in July 2020, a series of mandatory online training activities will be assigned through The Hub until April 2021. These sessions aim to raise awareness of the dangers of cyberattacks among all Cellnex employees.

With regard to the personal data managed by the company, the entry into force of the new General Data Protection Regulation (GDPR) on 25 May 2018 led the Group to make several changes to ensure full compliance. One of the main changes under the GDPR was that it became compulsory to appoint a Data Protection Officer (DPO). At Cellnex, these duties are performed by the company's Director of Legal Affairs, who will periodically report to the Committee of Ethics and Compliance on the status of GDPR implementation and compliance in the companies of the Group. As the company was fully compliant with the previous European regulation and already had a mature and robust system, it was able to adapt quickly and effectively.

An audit of the Information Security Management System (ISO 27001) was carried out in Corporation, Spain, Holland and France in the last quarter of 2020 and was passed successfully. The results of the data protection part of the audit were positive, and no non-conformity or observation was pointed out.

The company has adapted to the new paradigm imposed by the COVID-19 pandemic situation. Solutions planned for 2020 and beyond have been adapted to the new context of high remote working regarding:

- Information protection.
- Endpoint protection.
- Cloud environments protection.

In this context, security awareness programmes including online trainings and phishing campaigns were prepared for all employees.

In 2020 there were no data leaks, theft or loss in Cellnex, nor were any complaints received in relation to information security and data protection.

Suppliers

Cellnex Supply Chain and Engagement with suppliers

Cellnex purchasing model is based on **decentralized purchasing**

The Global Resources Procurement area is tasked with providing strategic value to Cellnex group stakeholders by managing purchases in accordance with Cellnex's industrial model and promoting efficient, innovative, transparent, sustainable and quality purchasing as a lever to provide Cellnex's customer care services with the right balance between cost/performance while respecting corporate policies.

Cellnex has a purchasing model based on decentralised purchasing with point of control across the process. Some key purchases are managed in a centralised way by the purchasing team. The purchasing model is based on three axes:

- Plan Purchases: Cellnex has defined a purchasing strategy for key tenders, seeking purchasing efficiency by managing global tenders, anticipate purchasing processes and obtaining competitive agreements in the marketplace that will allow Cellnex to provide excellent services to its customers.

- Manage Purchasing: The company has stablished guidelines for the entire purchasing process, from the detection of the purchasing need and the Purchase Order release from receipt of the service/product by Cellnex to the signature of the contract.

- Manage Supplier's Relationship: The company has designed a relational model with countries and corporate areas, including procurement policy, group's plan purchase, supplier management framework agreements, cross-sectional purchases and non-transversal purchases and Opex and Capex Committee (OCC).

Within the purchasing model, the Functional Area sets the procurement plan for its Area and shares it with Procurement in Business Units. In addition, it defines the requirements (technical specifications and conditions) and participates in the selection of the supplier from a technical point of view when purchasing actions are performed.

Procurement in Business Units works as a team with the functional areas to identify purchasing needs. It creates an integrated procurement plan for the Business Unit. Procurement in Corporate Area works as a team with the functional areas in Corporate to identify purchasing needs. It creates an integrated procurement plan for the Corporate areas. Also, Procurement in Corporate Area consolidates all Business Units' procurement plans to have a Group Procurement Plan.

Four key components were identified for the Cellnex Purchasing Process:



- Purchasing Policy: Cellnex has created a policy that establishes guidelines in the purchasing process. Any stakeholder in the purchasing process must be aware of it and respect it and its principles.

- Suppliers performance evaluation: Suppliers are key within the purchasing chain. Selecting a criteria and evaluation performance for them is key for achieving excellence in operations, providing good services to final customers and continuous improvement.

- Purchasing Category: Category management is key for a unified vision of purchases across business units and corporation to analyse and classify purchases and define purchasing strategies for most strategic and relevant categories.

- Relational model: Relational model between purchasing teams, both corporate and business units helps to set responsibilities and work as a well-defined team. Relational model with suppliers is key for good governance and efficiencies (digitalisation).

Cellnex understands that its commitment to corporate social responsibility must extend to its value chain. Suppliers must be aware of Cellnex's corporate policies, such as those concerning purchasing, quality, environment, occupational risk prevention, information security, corporate responsibility and R&D + innovation as well as the Code of Ethics and must ensure compliance with all of them.

Cellnex implement

a new tool

to manage the procurement process

In this context, in 2020 Cellnex has implemented a new tool (Ariba) to manage the procurement process that will improve the suppliers' engagement. The different modules of the tool allow standardizing the purchasing processes in all countries, provide greater autonomy to the suppliers and improve the transparency of the process. In 2020 the tool was implemented in Corporate, Spain, and Netherlands; and is currently being implemented in France and Switzerland, where it is expected to be fully implemented in 2021.

The Ariba tool contains three modules:

- Ariba Buying: a user-friendly web portal where all employees in Cellnex can manage the purchasing process from end to end, from the creation of a Purchase Order to the final payment of an invoice.

- Ariba Network: a supplier portal that enhances the relationship with Suppliers by centralising all the communication in one portal, updated in real time with all the information regarding Purchase Orders, Goods Receipt Notifications, Invoices and Payments. No more paper invoices are needed. Furthermore, a supplier in Ariba Network can use Supply Chain Finance to be paid their invoices in advance, in exchange for a discount to Cellnex.

- Ariba Supplier Lifecycle and Performance (SLP): A module that enhances the exchange of information between Cellnex and the Supplier by adding the following functionalities:

- New Suppliers can request to be a Cellnex supplier through a Standard questionnaire

- New suppliers will be registered directly by the Supplier within a predefined questionnaire where the Supplier includes acknowledgement of Cellnex' Code of Ethics, Purchasing Policy and general contracting conditions.

- Increased autonomy: The Supplier must update their information details in SLP at least once per year, ensuring that the data is always up to date.

List of suppliers

While the roll-out to all countries is being performed, Cellnex Italia has established its own List of Suppliers to qualify and rationalise the Company's recurring purchases. All Suppliers wishing to register must submit a specific request for accreditation by connecting to their webpage. This request is introduced for all Suppliers, including those already registered, to ensure proper management of the Supplier's registry on both the administrative and fiscal sides. In this regard, companies are urged to keep their data up to date. The user manual is available on the home page with all the information necessary for the accreditation process to the Cellnex Italia Supplier Register. They have also enabled an email address for any type of support that may be needed.

Local suppliers

It is worth pointing out that Cellnex's suppliers perform important maintenance tasks and techniques that help Cellnex to provide high quality services to its customers. That is why Cellnex strives to generate local value by contracting local suppliers in all the countries in which it operates.

Whenever possible, Cellnex's priority is allocate provision of goods and services to local suppliers (local terms mean suppliers who are based in the same country where goods are delivered, and services provided).

90% (91% in 2019)

90% (98% in 2019)

94% (94% in 2019)

91% (95% in 2019)

94% (87% in 2019)

93% (N/A in 2019)

82% (73% in 2019)

97% (N/A in 2019)

For Occupational Risk Prevention, Cellnex Telecom establishes coordination requirements between the company and its suppliers of works and services to comply with the obligations established in the Law on Prevention of Occupational Risks and other complementary regulations. It has specific guidelines for suppliers accessing the company's facilities, mainly those involved in installations and maintenance projects, and customer colocation services.

Iloq project

ILOQ Project is a global initiative taking place in France, Portugal and the Netherlands. It is a new access system with NFC technology that allows remote access to subcontractors that need to enter the sites, facilitating access traceability.

Likewise, Cellnex informs its suppliers of the environmental requirements for works. Suppliers must respect these rules to avoid generating environmental impacts while performing their work. If an impact is caused, corrective measures must be implemented to remedy them.

Cellnex is extremely committed to ethics and human rights, including in its supply chain, which represents the greatest potential risk, yet is the biggest area to make a positive impact. To this end, Cellnex applies an audit process to find out their supplier's position and schedule any necessary actions to avoid problems in this regard.

Moreover, there are plans to develop a Supplier Code of Conduct under the ESG Master Plan and to include it as a contractual clause in agreements with them. The main topics in the Supplier Code of Conduct relate to labour conditions, human rights, anticorruption and bribery, etc.

Additionally, Cellnex will offer ESG training and awareness for suppliers to encourage them to make changes in their manufacturing processes and to adopt similar sustainability standards.

Cellnex relationship with suppliers during the COVID-19 situation

The situation caused by COVID-19, with lockdowns, mobility restrictions, remote working, etc. has directly or indirectly affected all economic sectors. Because of this, Cellnex has made a commitment to its suppliers by developing several initiatives:

In Cellnex France, invoices for April and May from subcontractors were paid early (more than two million €).

In Cellnex Spain, the company provided mechanisms to their local subcontractors to speed up receipt of payments for services and supplies, such as payment plans and confirming contracts.

In Cellnex Italy, the company gave financial support to their suppliers in special way during the first and tough period of lockdown. For this purpose, the company negotiated with the main Italian bank's mechanisms of confirming or reverse factoring totally guaranteed by Cellnex Italy with the most favourable commercial terms and conditions.

In Cellnex Portugal, as of March (when the state of emergency began in Portugal due to the COVID pandemic), Cellnex launched an offer deferring payment of new colocation fees for six months, enabling MNOs to address both capacity and coverage issues exacerbated by the increased data traffic post-lockdown.

Evaluation, selection and monitoring of suppliers

Cellnex has partnered with Ecovadis to evaluate its suppliers

in terms of ESG

In 2020 Cellnex partnered with EcoVadis to perform the evaluation of its suppliers. The EcoVadis Rating covers a broad range of non-financial management systems including Environmental, Labour & Human Rights, Ethics and Sustainable Procurement impacts. EcoVadis provides an outsourced sustainability management platform that helps Cellnex to invite its trading partners to be rated; manage trading partners' performance; and drive continuous improvement.

In this regard, during 2020, the first phase of data collection from suppliers took place in all countries except Portugal, Ireland and the UK. Around 400 suppliers were selected for evaluation. Once the analysis phase is finished, a supplier risk map will be defined, and action plans will be drawn up for the suppliers, expected for 2021.

Supplier performance is evaluated using quality and time criteria to obtain a grading by levels according to the results. For suppliers with unsatisfactory results, an action plan is established to correct and adjust their service level to that required by Cellnex. If a supplier does not improve its results and is unable to make the appropriate improvements, commercial relations may be terminated.

One of the companies (Shere Masten) in Cellnex Netherlands was audited by KPN in 2019, and an ESG survey was performed by Ecovadis. The rate obtained was good, so no additional improvements have been asked by Cellnex to continue working with KPN.

Cellnex as a supplier



In 2020 the Deutsche Telekom Group has renewed Cellnex Telecom's certification as a "Zero Outage Supplier" for the fourth year running.

This certification is part of the German group's worldwide programme for selecting and certifying their key connectivity service providers in each country, to act jointly as partners in improving the service to their end customer.

The programme sets the German group's quality standards for its customers based on the operational excellence, security and stability of the systems, monitoring of critical components and reduction/resolution of incidents with availability 24/7 by its key suppliers.

Cellnex has been working for Deutsche Telekom in Spain since 2015, providing connectivity services to T-Systems. This company of the German group has been responsible for performing the type-approval and certification process on Cellnex, based on the criteria and quality levels set by Deutsche Telekom.

This type-approval and certification process measures indicators linked to commercial service, compliance with the delivery dates of contracted services, continuity of service, and constant real-time information, scaling, response time and resolution of incidents, to name just a few. It should be underlined that, in accordance with Deutsche Telecom's requirements, the information, management and resolution of serious incidents affecting service are reported in real time directly to Germany.

T-Systems monitored these indicators throughout 2020 along with the quality of the connectivity service and the level of continuity offered by Cellnex.

Suppliers monitoring at Cellnex Netherlands

Cellnex Netherlands monitored its suppliers using the KVGM management system. Suppliers are assessed by criteria as:

- Quality employees
- Incident performance
- Corrective / Preventive Maintenance
- Escalation
- Invoicing
- Tariffs
- Guarantees
- Termination notice
- Accountability
- Usage of access protocol and equipment (keys, cards)
- Good housekeeping
- Awareness information security
- Performance information security
- Remarks

Besides suppliers need to keep the “10 tower-rules” they also need to agree with Cellnex Netherlands’s terms to work at a “high-tower-Cellnex-location” including working on height-certificate, VCA-safety-certificate, working at Cellnex infrastructure-contract, Rules and regulations high-masts (omroepmasten), keys and cards contract and Monet-Health-and-Safety-plan).

An evaluation of main suppliers is also performed regarding social responsibility issues. The scope of the suppliers involved in this evaluation was updated in 2019, to align it as much as possible with the criteria used to define the scope of suppliers to participate in the CDP Supply Chain. In 2020 the scope and criteria defined in 2019 was followed.

Furthermore, Cellnex carries out indicatives throughout its supply chain in order to reduce emissions of polluting gases was well as to manage climate risks. For the third consecutive year, the CDP Supply Chain questionnaire was launched to Cellnex suppliers, improving the response rate to 35% with 169 responses in 2020 (89 in 2019). In this questionnaire, company's suppliers report data on their emissions and environmental behaviour to evaluate their efforts to combat climate change. Cellnex received an A- in 2020, which is in the Leadership band. This is higher than the Europe regional average of B-.

For third consecutive year the

CDP Supply Chain questionnaire

was launched to Cellnex suppliers

Suppliers evaluated in terms of ESG

In 2020, Cellnex, together with EcoVadis, evaluated 190 suppliers in environmental terms in Spain, France, Switzerland, and Netherlands. And similarly, 245 in Italy. In terms of the evaluation of new main suppliers, 5% were evaluated in in Spain, France, Switzerland, and Netherlands, and 22% in Italy.

In relation to the 190 suppliers evaluated in Spain, France, Switzerland, and Netherlands, 11 suppliers have been identified with negative environmental impacts in the supply chain.

None of the impacts detected in the evaluations was considered serious and therefore it has not been necessary to implement corrective actions in this regard. If significant impacts were detected, joint improvement plans would have been implemented with suppliers.

Regarding the evaluation on social criteria, 88 were evaluated in Spain, France, Switzerland, and Netherlands with EcoVadis, and 245 were evaluated by Cellnex Italy. In terms of the evaluation of new main suppliers, 18% were evaluated in in Spain, France, Switzerland, and Netherlands, and 54% in Italy.

Regarding the evaluation of labour practices, together with EcoVadis Cellnex evaluated 88 suppliers in Spain, France, Switzerland, and Netherlands, and 245 suppliers were evaluated by Cellnex Italy.

100%
of critical suppliers homologated considering ESG criteria as of 2023

80%
of critical suppliers audited as for 2025

Under the ESG Master Plan, Cellnex will define a model for the analysis and evaluation of the risk associated with suppliers, including ESG-related factors to gain a deeper insight into the supplier's business and operations, and thus build stronger relationships with suppliers. This model will define and identify Cellnex's critical suppliers for both business and ESG perspective from 2023.

Quantitative objectives have been established for the company to ensure that this action is carried out. In this connection, 100% of critical suppliers must be type approved in 2023 considering ESG criteria and 80% critical suppliers must be audited in 2025.

Likewise, the company conducted an internal audit in 2019 as part of the process to obtain SA8000 certification for the whole Group. The SA8000 Standard is based on internationally recognised standards of decent work, including the Universal Declaration of Human Rights, ILO conventions, and national laws. SA8000 applies a management-systems approach to social performance and emphasises continual improvement. The elements of the Standard are:

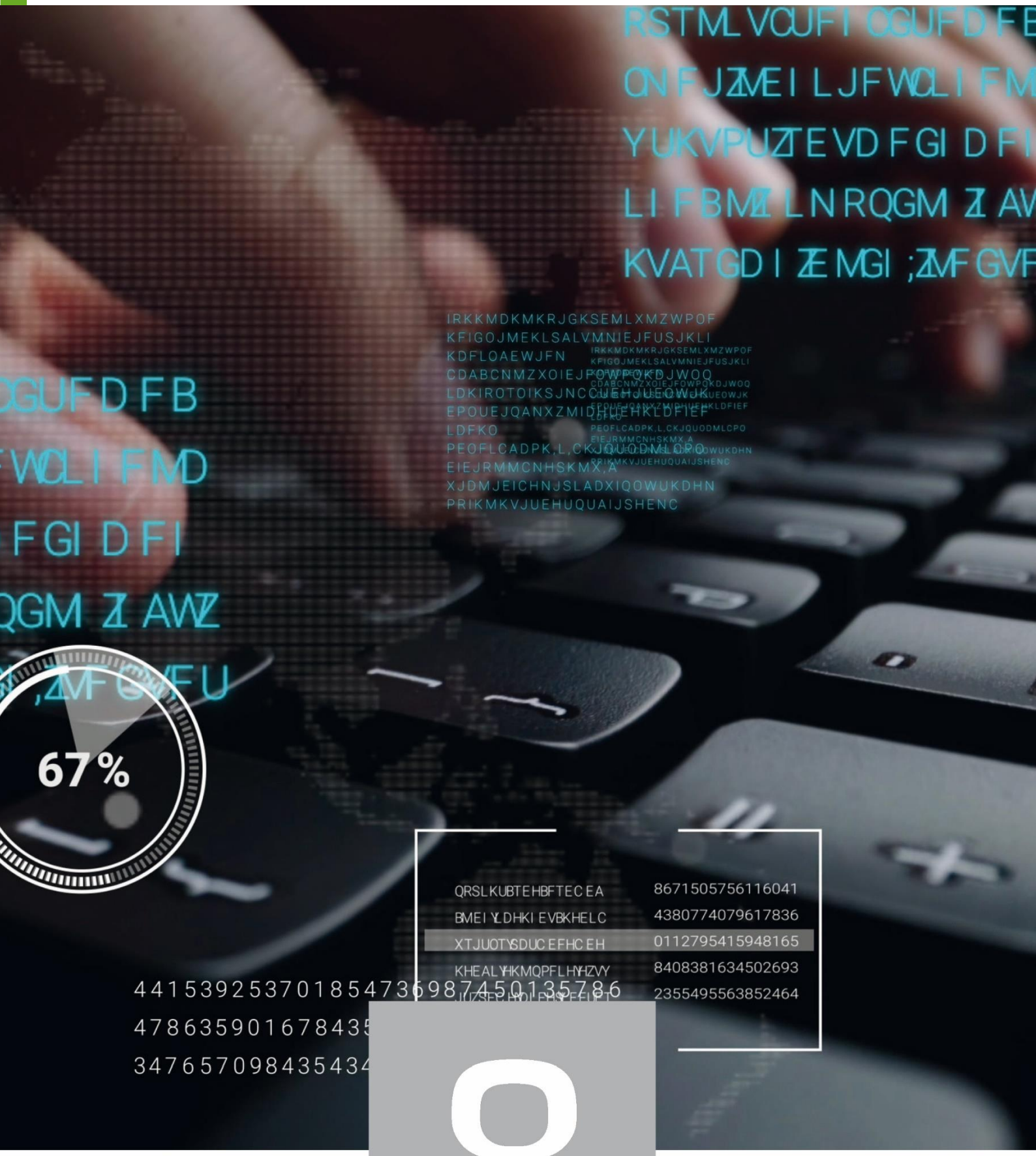
SA8000 Standard

- Child Labour
- Forced or Compulsory Labour
- Health and Safety
- Freedom of Association & Right to Collective Bargaining
- Discrimination
- Disciplinary Practices
- Working Hours
- Remuneration



As part of the SA8000 certification and to strengthen the relationship with its suppliers, Cellnex makes its suppliers aware of the company's commitment to further comply with corporate social responsibility.

To this end, in 2020 Cellnex Italia maintained the SA8000 certification and created a new "Social Performance Team" committee that holds meetings at least twice a year, or more if they receive grievances to discuss and to resolve.



8

Bases for the Preparation of the Report

This document represents the Consolidated Management Report for 2020 which includes the information that complies with the provisions of Article 262 of the Capital Companies Law, establishing the content of the management report drafted in tandem with the annual accounts of the company. Likewise, this report has incorporated best practices in corporate transparency during the 2020 period, applying the international framework of the Integrated Annual Report, presenting financial and non-financial, management, corporate governance and strategic information for the company.

As a sign of Cellnex's commitment to transparency and responding to the applicable regulations in this regard, this report has been prepared in accordance with the provisions of Royal Decree Law 18/2017, which transposes Directive 2014/95/EU into Spanish law with regard to the dissemination of non-financial information and diversity.

Likewise, to ensure the credibility of the information and generate trust with its stakeholders, this report has been verified by an independent third party, as presented in the Verification Report in Annex 7.

Structure and content of the report

The structure of the Report follows the guidelines of the International Integrated Reporting Council, Directive 2015/95/EU on non-financial information, the CMNV guide for the preparation of management reports of listed companies and was prepared in accordance with GRI Standards in their “core” option and the AA1000 AccountAbility Principles standard (the principle of inclusivity, the principle of materiality, and the principle of responsiveness).

Following the guidelines laid down by those standards, the content of this report was defined on the basis of a materiality study, which was used to identify the relevant internal issues for the company, expectations and concerns of Cellnex stakeholders and relevant Corporate Responsibility issues in the sector.

Reporting scope

Regarding Non-financial information scope, the report covers eight countries in which Cellnex operates, which account for more than 95% of revenues. Cellnex Spain (Cellnex Telecom, S.A., Retevisión, S.A.U, On Tower Telecom Infraestructuras, S.A.U, Tradia Telecom, S.A.U. and Zenon S.A.U.); Cellnex Italia (Cellnex Italia S.p.A. and TowerCo S.p.A); Cellnex France (Cellnex France and Ontower France), Cellnex Switzerland (Cellnex Switzerland, Swiss Towers y Swiss Infra Services), Cellnex UK (Cellnex UK and On Tower UK); Cellnex Netherlands (Shere Masten B.V., Alticom B.V. and On Tower Netherlands); Ireland (Cignal Infrastructure) and Portugal (Omtel). It is supplemented with the information presented in the Cellnex Consolidated Annual Accounts for the financial year ended 31 December 2020 and the 2020 Annual Corporate Governance Report, all publicly available on the company website. However, the information reported regarding total staff and taxes refers to the entire Cellnex group, unless otherwise stated.

The GRI contents that Cellnex has addressed in this report are detailed in the GRI table presented in the Annex, with the scope of information reported by each one as shown in the table, depending on whether it applies specifically to Cellnex Spain, Cellnex Italia, Cellnex France, Cellnex Switzerland, Cellnex Netherlands, Cellnex UK, Cellnex Ireland, Cellnex Portugal or to the Cellnex group.

Also appended to this document is the independent limited assurance report issued by Deloitte S.L. in relation to the review of ESG indicators in their adaptation to the GRI “core” option standards reported in this document.

This review process was conducted in accordance with ISAE 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) for limited assurance reports. We have also applied the AA100 Assurance Standard which provides moderate assurance in applying the principles set down in AA1000 APS and in drawing up sustainability performance indicators (type 2 moderate assurance).

Carbon Footprint: Scope & Calculation methodology for CO2 emissions

The GHG emissions inventory of Cellnex Telecom has been prepared according to the ISO 14064-1:2018 standard, and GHG statements related to GHG inventories and procedures have been independently (third-party) verified following the standard ISO 14064-3:2019 achieving a limited level of assurance.

The scope of Cellnex Telecom carbon footprint for the year 2020 includes the following business units:

Country	Society
United Kingdom	Cellnex UK Limited
	Cellnex UK Consulting Limited
	On Tower UK
Ireland	Cignal Infrastructure
Netherlands	Cellnex Netherlands, B.V.
	Shere Masten B.V.
	Alticom B.V.
	On Tower Netherlands, B.V.
France	Cellnex France, S.A.S.
	On Tower France
Switzerland	Cellnex Switzerland A.G.
	Swiss Towers A.G.
	Swiss Infra Services S.A.
Italy	Cellnex Italia S.p.A.
	Towerco, S.p.A.
Spain	Cellnex Telecom España, S.L.U.
	Retevision-I, S.A.U.
	Tradia Telecom, S.A.U.
	On Tower Telecom Infraestructuras, S.A.U.
	Zenon Digital Radio, S.L.
Corporate	Cellnex Telecom, S.A.
Portugal	Cellnex Portugal
	Omtel, Estruturas de Comunicaçoes, S.A.

Cellnex Telecom has been preparing its GHG emissions inventory in accordance with the International Standard ISO 14064-1:2006 from 2015. Due to the expansion of the countries where the company operates and the addition of indirect GHG emission categories as set out in the new International Standard ISO 14064-1: 2018, Cellnex Telecom has decided to modify its base year. In short, the organization has established 2020 as the base year for GHG emissions for comparative purposes and other GHG programs requirements and intended uses.

The results of the carbon footprint of Cellnex Telecom correspond to the period from January 1, 2020 to December 31, 2020. The GHG emissions inventory maintains the structure and content established by the reference standard ISO 14064-1: 2018. The GHG inventory includes the quantification of direct GHG emissions separately for CO2,

CH4, N2O, NF3, SF6 and other GHG groups (HFCs, PFCs, etc.) in tonnes of CO2e, as well as the indirect GHG emissions separated by categories in the same units.

To calculate the carbon footprint of Cellnex Telecom the approach of financial control has been considered. According to the ISO 14064-1:2018 methodology, GHG emissions have be aggregated into the following categories at the organizational level:

ISO 14064-1:2018 methodology	GHG Protocol methodology Corporate Value Chain (Scope 3) Accounting and Reporting Standard methodology
C1. Direct GHG emissions and removals	Scope 1: direct emissions
C2. Indirect GHG emissions from imported energy (market)	Scope 2: indirect emissions from electricity
C3. Indirect GHG emissions from transportation	Scope 3: other indirect emissions
C4. Indirect GHG emissions from products used by organization	
C5. Indirect GHG emissions associated with the use of products from the organizations	

Following the “Guiadance for the process of identifying significant indirect GHG emissions” included in ISO 14064-1:2018 Standard, Cellnex Telecom has defined its global criteria to evaluate the relevance of each indirect GHG emissions subcategory.

The principles that have been taken into account when applying the criteria are relevance, completeness, consistency, accuracy and transparency.

The criteria used to evaluate the significance of indirect emissions include the following:

- Magnitude: emissions that are assumed to be quantitatively substantial. Are considered not relevant all categories which its GHG emissions contributes less than a 5% to the global carbon footprint.
- Level of influence: the organization has the ability to monitor and reduce these emissions.
- Risk or opportunity: indirect emissions that contribute to the organization’s exposure to risk or its opportunity for business.
- Sector-specific guidance: GHG emissions deemed as significant by the business sector.
- Outsourcing: indirect emissions resulting from outsourced activities that are typically core business activities.
- Employee engagement: indirect emissions that could motivate employees to reduce energy use or fight climate change.

With this analysis, it has been concluded that the following subcategories of indirect GHG emissions are considered non-significant:

- Upstream transport and distribution
- Disposal of waste
- Use of assets leased by the organization
- Downstream leased assets owned by the organization

- Investments

These subcategories are then excluded from the GHG emissions inventories in all the countries where Cellnex Telecom develops its activity.

The quantification model obtains the amount of emissions by source by multiplying the activity data by its correspondent emission factor. The emission factors are obtained from reliable and oficial sources (IPCC and other relevant sources):

- IPCC Fourth Assessment Report. 100-year GWP values
- Base Carbone managed by the French Environment and Energy Management Agency (ADEME)
- CNMC
- Dutch Ministry of Economic Affairs and Climate's "CO2 Emissie Factoren" platform
- E.ON Energia Mix Medio Energetico
- Ecoinvent database
- Eneco Zakelijk B.V
- English Government's DEFRA
- Environmental Paper Network Paper Calculator
- Generalitat de Catalunya's "Guideline for the use of the CO2 emissions spreadsheet associated with a municipal urban planning plan"
- Generalitat de Catalunya's "Practical Guide for the calculation of emissions of greenhouse gases"
- Input-output database. DEFRA
- International Energy Agency
- Istituto Superiore per la Protezione e la Ricerca Ambientale (ISPRA). Rapportti 317
- MITECO's Registro de huella de carbono, compensación y proyectos de absorción de dióxido de carbono
- Oficina Catalana del Canvi Climàtic
- Red Electrica Española (REE)

Contact information

Av. Parc Logístic, 12-20. Edificio A. 08040 – Barcelona

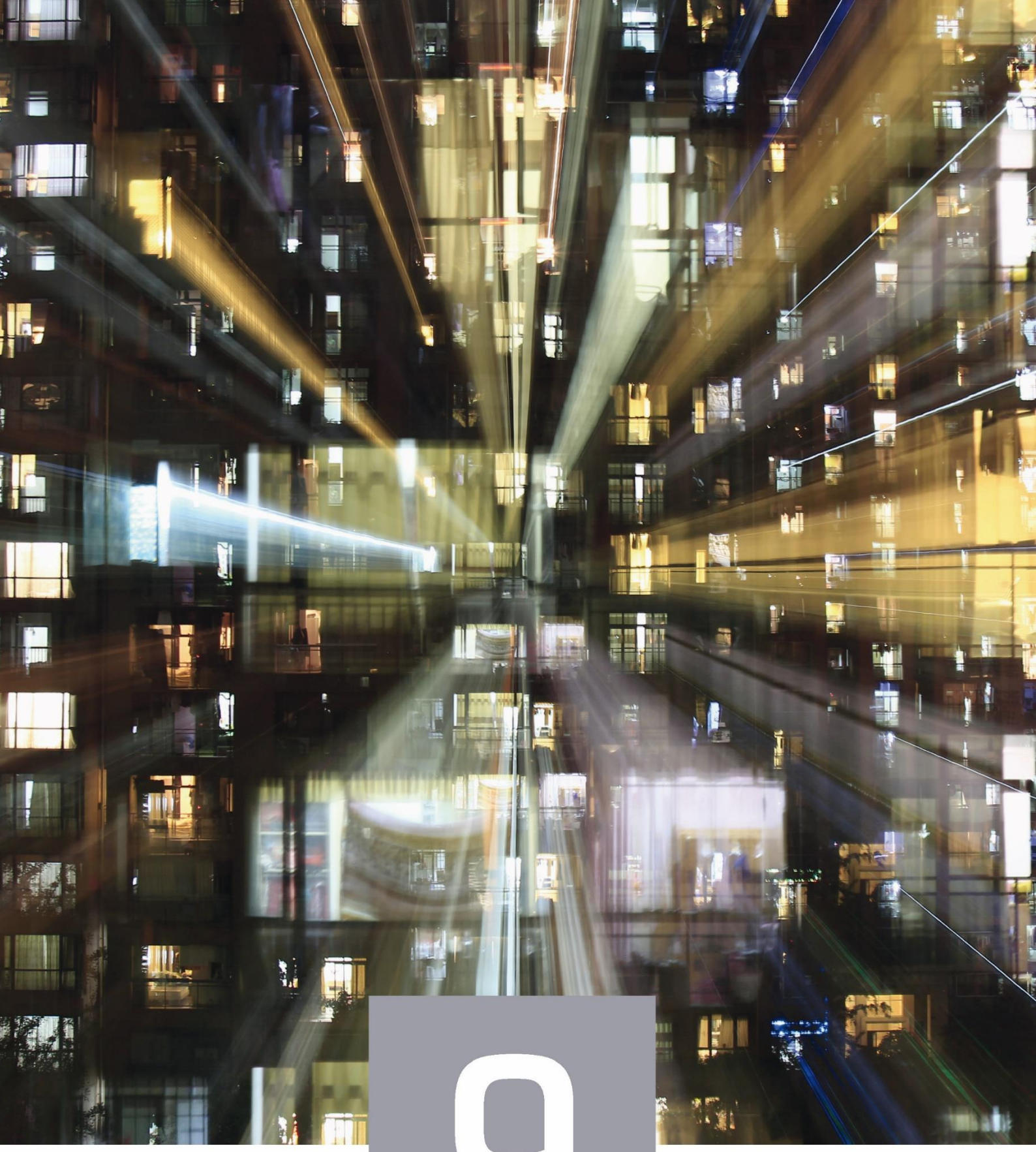
www.cellnextelecom.com

Phone: 935 678 910

cellnex@cellnextelecom.com

Produced and compiled by:

Cellnex's Corporate & Public Affairs



9

Annexes

Annex 1. Other public documents

At the date of issue of the accompanying Integrated Annual Report, information of a public nature is available, and should be read in conjunction with this Consolidated Management Report for the year ending 31 December 2020, as detailed below on a non-exhaustive illustrative basis. Such information is not incorporated by reference into this Consolidated Management Report.

- Prospectus Offer of Sale and Admission to Negotiate Shares of Cellnex Telecom, S.A.U (https://www.cellnextelecom.com/en/investor-relations/7838-2/).
- Supplement to the informative prospectus for the sale and admission to trading of shares of Cellnex Telecom, S.A.U. (https://www.cellnextelecom.com/en/investor-relations/7838-2/).
- Prospectus March 2019 Capital Increase (https://www.cellnextelecom.com/content/uploads/2019/05/Prospectus-Capital-Increase.pdf)
- Prospectus October 2019 Capital Increase https://www.cellnextelecom.com/content/uploads/2019/10/Prospectus-Capital-Increase.pdf
- Prospectus July 2020 Capital Increase https://www.cellnextelecom.com/en/capital-increase-july-2020-2/
- Universal Registration Document (https://www.cellnextelecom.com/en/investor-relations/emisiones-y-opas/).
- Euro Medium Term Note Program (EMTN) Base Prospectus (https://www.cellnextelecom.com/en/investor-relations/emisiones-y-opas/).
- Euro-Commercial Paper Programme (https://www.cellnextelecom.com/en/investor-relations/emisiones-y-opas/).
- Report of the Board of Directors on Convertible Bonds (https://www.cellnextelecom.com/en/investor-relations/emisiones-y-opas/).
- Auditor's Report on Convertible Bonds (https://www.cellnextelecom.com/en/investor-relations/emisiones-y-opas/).
- Ratings Rating Agencies (https://www.cellnextelecom.com/en/rating-eng/).
- Corporate Policies (https://www.cellnextelecom.com/).
- Press releases (https://www.cellnextelecom.com/en/press-room/news/).
- Relevant Facts (https://cellnextelecom.com/en/investor-relations/relevant-facts/).
- Results Presentations (https://www.cellnextelecom.com/en/investor-relations/quaterly-results/).

- Annual/half-yearly consolidated financial statements and Annual Governance Report (https://www.cellnextelecom.com/en/investor-relations/annual-report/).
- Corporate Bylaws of Cellnex Telecom S.A. which can be found in the Commercial Registry of Barcelona.
- Comisión Nacional del Mercado de Valores ("CNMV") website (https://www.cnmv.es/portal/home.aspx).
- Cellnex Telecom website (https://www.cellnextelecom.com/en/)
- Research released by the sell-side community covering the stock are highly recommended. Please find Analysts relation at: https://www.cellnextelecom.com/en/recomendaciones-analistas/
- The Hutchison shareholder Circular: https://www1.hkexnews.hk/listedco/listconews/sehk/2020/1201/2020120101741.pdf

Annex 2. Risks

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

Strategic risks	I)	Risks related to the environment in which the Group operates and risks stemming from the specific nature of its businesses.
	II)	Risks of increasing competition.
	III)	The Group's status as a "significant market power" ("SMP") operator in the digital terrestrial television ("DTT") market in Spain imposes certain detrimental obligations on it compared to its competitors.
	IV)	Industry trends and technological developments may require the Group to continue investing in asset class-businesses adjacent to telecommunication towers, such as fibre, edge computing and small cells.
	V)	Spectrum may not be secured in the future, which would prevent or impair the plans of the Group or limit the need for the Group's services and products.
	VI)	Risk related to a substantial portion of the revenue of the Group is derived from a small number of customers.
	VII)	Risk of infrastructure sharing.
	VIII)	Risk of non-execution the entire committed perimeter.
	IX)	The expansion or development of the Group's businesses, including through acquisitions or other growth opportunities, involve a number of risks and uncertainties that could adversely affect operating results or disrupt operations.
	X)	Risks inherent to the businesses acquired and the Group's international expansion.
	XI)	Risk related to the non-control of certain subsidiaries.
	XII)	Risks related to execution of Cellnex's acquisition strategy.
	XIII)	Regulatory and other similar risks.
	XIV)	Litigation.
	XV)	Risk related to the Company's significant shareholder's interests may differ from those of the Company.
Operational risks	XVI)	Risks related to the industry and the business in which the Group operates.
	XVII)	Risk of not developing the strategic sustainability plan.
	XVIII)	Risks related to maintaining the rights over land where the Group's infrastructures are located.
	XIX)	Failure to attract and retain high quality personnel could negatively affect the Group's ability to operate its business.
	XX)	The Group relies on third parties for key equipment and services, and their failure to properly maintain these assets could adversely affect the quality of its services.
Financial risks	XXI)	Financial information.
	XXII)	Expected contracted revenue (backlog).
	XXIII)	Foreign currency risks.
	XXIV)	Interest rate risk.
	XXV)	Credit risk.
	XXVI)	Liquidity risks.
	XXVII)	Inflation risk.
	XXVIII)	Risk related to the Group's indebtedness.
	XXIX)	The Company cannot assure that it will be able to implement its Dividend Policy or to pay dividends (and even if able, that the Company would do so).
Compliance risks	XXX)	Fraud and compliance risks.
	XXXI)	Risk associated with significant agreements signed by the Group that could be modified due to change of control clauses.

Strategic risks

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

The Group's business includes the provision of services through its three different segments: (i) Telecom Infrastructure Services, (ii) Broadcasting Infrastructure and (iii) Other Network Services. Any factor adversely affecting the demand for such services could potentially have a material adverse impact on its business, prospects, results of operations, financial condition and cash flows.

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

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

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

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

- increased use of network sharing, roaming or resale arrangements by MNOs;
- increased sharing initiatives among MNOs (both related to passive and active network sharing), roaming or resale arrangements by MNOs;
- mergers or consolidations among the Group's customers such as MNOs;
- the ability and willingness of MNOs to maintain or increase capital expenditures on network infrastructure;
- the financial condition of the Group's customers, including the availability or cost of capital;
- governmental licensing of spectrum or restrictions on or revocations of spectrum licenses;
- changes in electromagnetic emissions' regulations;
- changes in demand for TV and radio services and consumption habits (channels, etc.) by end consumers, including the level of multimedia content consumption;
- significant increases in the attrition rate of customers or decreases in overall demand for broadcast space and services, caused by, among others, the adoption of new digital patterns by customers and the obsolescence of the products and services rendered by the Group's companies;

- a decrease in consumer demand for wireless telecom and broadcasting services due to economic, political and market/regulatory conditions, disruptions of financial and credit markets or other factors, including inflation, zoning, environmental, health or other existing government regulations or changes in the application and enforcement thereof, as well as taxes/customs duties levied on the Group's services;

- the evolution of the advertising business' revenue in the media sector, and especially, TV, internet and radio;

- changes in connectivity to the internet;

- an increase in demand for private networks;

- the evolution of public internet;

- changes in the data traffic demand worldwide as well as changes in data transmission prices and speed;

- the availability or capacity of the Group's infrastructure or associated land interests where the infrastructure is located;

- the location of the Group's wireless infrastructure;

- changes in, or the success or failure of, the Group's customers' business models;

- delays or changes in the deployment of next generation wireless technologies or the failure by the Group to anticipate the development of new wireless technologies;

- technological advances and development of alternative technologies that the Groups does not currently use, such as the development of satellite-delivered and optical fibre-delivered radio and video services and internet TV;

- the existence of alternative providers of the Group's services or, alternatively, the self-provision of services by the Group's customers;

- the willingness of the Group's current or future customers to make contractual arrangements with the Group under the current terms and conditions; and

- the Group's customers' desire to renegotiate its agreements with them or to adversely amend current contractual arrangements (especially those relating to broadcasting services and other network services, where Cellnex faced last year a general cycle of renewal of contracts with customers).

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

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

II) Risk of increasing competition

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

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

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

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

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

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

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

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

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

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

V) Spectrum may not be secured in the future, which would prevent or impair the plans of the Group or limit the need for the Group's services and products

The Group and its customers are highly dependent on the availability of sufficient spectrum for the provision of certain services. The amount of spectrum available is limited and the process for obtaining it is highly complex and costly.

In the Broadcasting Infrastructure segment, the Group owns the infrastructures and equipment that TV and radio broadcasters use to compress and distribute their signals in Spain. In particular, the Group distributes and transmits signals for DTT, the leading TV platform in Spain. The evolution of technology standards, formats and coding technologies is likely to influence the future spectrum demand for broadcasting services. Even if the Group currently uses "multiplexing", a method by which multiple analogue signals or digital data streams are combined into one signal over a shared medium, with the aim of maximizing the limited capacity of the spectrum, the Group cannot guarantee

that its customers or DTT broadcasters will have sufficient access to spectrum in the long-term to maintain and develop its services.

The Spanish government is responsible for the allocation of spectrum in Spain. On 24 September 2014, Royal Decree 805/2014, of September 19, was published in the Official Gazette approving the National Technical Plan for DTT (the "National Technical Plan for DTT"). Under the so-called "Digital Dividend", in line with all EU countries, the Spanish government released the 800 megahertz ("MHz") band of frequencies previously used by DTT, to the benefit of the deployment of fourth generation mobile telecommunications technology ("LTE" or long-term evolution), a communication standard for high-speed data mobile devices used by MNOs. The release of the 800 MHz band as a result of the reallocation of spectrum to MNOs represented a loss of 72 MHz of spectrum originally allocated to broadcasting. The digital migration was completed on 31 March 2015. The National Technical Plan for DTT reduced the number of private multiplex ("MUX") from eight to seven at a national level, and on a general basis, from two to one at the regional level.

The Decision (EU) 2017/899 of the European Parliament and of the Council, of May 17, 2017, on the use of the 470-790 MHz frequency band in the Union sets up the spectrum usage until 2030 (the so-called "second Digital Dividend"). As a consequence, the Spanish government published on June 21, 2019 the Royal Decree 391/2019 approving the new National Technical Plan for DTT and the regulation of certain aspects of the liberalization of the "second Digital Dividend" was passed. This Royal Decree regulates how the 700 MHz band will be liberalized and how the radio-electric channels and the new digital MUXs will be distributed among the Spanish Public Radio and Television Corporation and other license holders, obligations of minimum range of reception and the technical specifications that the television services have to meet. The current number of MUXs (and their coverages) on the sub 700MHz band will be maintained, as well as the offer of DTT channels. This Royal Decree also states that the DTT service will be offered in the sub-700 MHz band and that the 700 MHz band shall not be used by audiovisual communication service providers by June 30, 2020, in order to make it available for the 5G mobile services from that date onwards. The Royal Decree further establishes that the sub-700 MHz will continue to be used for television broadcasting until, at least, 2030. On the same date and on October 11, 2019, respectively, the Spanish government approved the Royal Decree 392/2019 and the Royal Decree 579/2019, which regulate the granting of subsidies to compensate certain costs related to television audiovisual communication services, as a consequence of the implementation of the liberalization of the "second Digital Dividend". Also, on 28 July 2020, the Spanish government approved the Royal Decree 706/2020 and the Royal Decree 707/2020, which regulate the granting of additional direct subsidies for that same purpose of compensating the costs related to the liberalization of the "second Digital Dividend.

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

The Group believes that any delays in 5G rollouts in Member States due to the Coronavirus Pandemic are likely to be temporary rather than long lasting, considering the systemic importance of universal broadband access. However, 5G rollouts could also be adversely affected by growing concerns, fuelled in part by conspiracy theories propagated through social and other media, that 5G's radio waves could pose health risks, which in turn has led to a wave of arson attacks on telecom infrastructures across Europe and other parts of the world. If the rollout of 5G is delayed, whether due to the Coronavirus Pandemic, growing movements against the implementation of 5G technology in certain countries or otherwise, or if the Group's assets are affected by arson or other attacks, this could materially affect the Group's business, prospects, results of operations, financial condition and cash flows. In fact, Public perception of possible health risks associated with radio emissions and electromagnetic radiation could affect the growth of wireless companies, which could in turn slow down the growth of the Group and may affect the Group's results of operations, especially if these perceived risks are substantiated.

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

VI) Risk related to a substantial portion of the revenue of the Group is derived from a small number of customers

In the Telecom Infrastructure Services segment its main clients are telecom operators (mostly MNOs); in the Broadcasting Infrastructure segment its main clients are media broadcasters (TV channels and radio stations); and in the Other Network Services segment its main clients are (i) a small number of public administrations, at national, regional and/or local levels, (ii) safety and emergency response organizations, (iii) companies operating in the utility sector, and (iv) certain telecom operators. The ongoing consolidation process in the telecom and broadcasting sectors may result in a decrease in the number of MNOs or media broadcasting operators in the future, which could potentially have a negative impact on the main segments of the Group.

The Group's reliance on a small group of customers may adversely affect the development of the its business. As such, the loss of one or more of any of the Group's main customers, resulting from, amongst others, a merger, bankruptcy, insolvency, network sharing, loss of licenses, roaming, joint development, resale agreements or contract early termination may have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

The Group cannot guarantee that contracts with its major customers will not be terminated (including contractual agreements to transfer or build sites under the Group's acquisition agreements, purchase commitments and build-to-suit programs), or that these customers will renew their contracts with the Group on the same terms or at all. Further, the Group is exposed to constant renegotiation and renewal processes of its contracts with its customers (especially those related to the Other Network Services segment, where the Group faced last year a general cycle of renewal of contracts with customers), which may result in the current contractual arrangements being adversely amended, which could in turn affect the total value of its contracts. The Group completed last year a general cycle of renewal of contracts in the Broadcasting Infrastructures segment that has led to a downward revision of prices paid by the Group's customers. Contracts in the Other Network Services and the Broadcasting Infrastructure segments have generally shorter terms than contracts in the Telecom Infrastructures Services segment, and accordingly they need to be renewed more frequently.

In addition, the maturities of the lease contracts, sub-lease contracts and other types of contracts with third parties to operate and manage land and rooftops where the Group's telecommunications infrastructures are located, are generally shorter than the contracts that the Group has entered into with its customers for the provision of services in such infrastructures. As a result, there is a mis-match in the maturities of both contractual relationships which could prevent the Group from successfully providing agreed upon services to its customers, as the Group may not have access to primary resources essential to execute such contractual obligations. The real property interests of the Group relating to its infrastructures consist primarily of ownership interests, fee interests, easements, licenses and rights-of-way. A loss of these interests at a particular infrastructure may interfere with the Group's ability to operate infrastructures and generate revenues. Any damage or destruction to the Group's infrastructure due to unforeseen events, including natural disasters, may impact the Group's ability to conduct its business. Additionally, if the loss of service is not deemed to be due to an unforeseeable force majeure event, the Group could be held responsible for failing to satisfy its obligations under its transmission contracts, which could result in service credit penalties or suspension of normal fees and annual charges. If the Group is unable to provide services to its customers, it could lead to a loss of customers, resulting in a corresponding material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

In addition, some contracts entered into by the Group provide that certain expenses are passed through to the Group's customers, such as energy costs, and the Group cannot guarantee that the pass through mechanism will protect 100% of the energy cost borne by the Group during the full term of the contract, which may have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. In addition, Cellnex could potentially be exposed to fines if Cellnex were found to be engaged in the electricity resale business simply because energy costs are included in the charges for which it bills its customers. Electricity supply is a regulated activity in countries where Cellnex operates.

In the ordinary course of its business, the Group experiences disputes with its customers, generally regarding the interpretation of terms in the Group's commercial agreements. It is possible that such disputes could lead to a termination of the Group's contracts with customers or a material modification of the terms of those agreements, either of which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. If the Group is forced to resolve any of these disputes through litigation, its relationship with the relevant customer could be terminated or damaged, which could lead to decreased revenue or increased costs, resulting in a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Additionally, in relation to Telecom Infrastructure Services, the Group currently differentiates from its competitors through the neutrality of its position in the market. The loss or weakening of such neutral position as a result of one customer becoming a reference or controlling shareholder of the Company could lead to the termination of contracts or to a loss of customers; and hence, to a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

VII) Risk of infrastructure sharing

While the Group believes the neutral operator model presents certain advantages and there is a growing trend of externalization of the provision of wireless communications infrastructure, extensive sharing of site infrastructure, roaming or resale arrangements among wireless service providers as an alternative to using the Group's services may slow down entering into new service agreements. Moreover, if MNOs utilize shared equipment (either active or passive) rather than deploy new equipment, it may result in

the decommissioning of equipment on certain existing infrastructure because parts of the customers' networks may become redundant.

Any potential merger, integration or consolidation of the Group's customers would likely result in duplicate or overlapping networks, which may result in the termination or non-renewal of customer contracts (for example where they are co-customers on an infrastructure) and in the loss of commercial opportunities resulting in a lower number of potential customers for the Group. Likewise, the Judgment of the General Court (First Chamber, Extended Composition) issued on May 28, 2020 which annulled the Commission Decision C(2016) 2796 of May 11, 2016, declaring incompatible with the internal market the concentration resulting from the acquisition of Telefónica Europe Plc by Hutchison 3G UK Investments Ltd. may increase the interest of the Group's customers to merge, which could result also in the loss of commercial opportunities for the Group. These two scenarios could materially and adversely affect revenues from the Group's wireless infrastructure and its commercial prospects.

In addition, customer -consolidation may result in a reduction in their total future capital expenditures because their expansion plans may be similar. Both MNOs' and broadcasters' consolidation could decrease the demand for the Group wireless infrastructure, which in turn could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

VIII) Risk of non-execution the entire committed perimeter

The framework agreements with anchor customers may include agreements by which the parties agree further acquisitions or construction of infrastructures over a defined period or acquisition or construction of a maximum number of infrastructures. Such framework agreements may or may not be implemented, either in whole or in part, due to a potential integration or consolidation of the Group's customers. Moreover, customers could decide not to pursue such agreements due to a change in their business strategy.

In addition, framework agreements with anchor customers may include the unilateral right to dismiss a low-digit percentage of the total sites (respiration rate clause) per year.

If these circumstances occurred, there is no guarantee that the Group may have enough contractual protection in order to be compensated for such changes, which in turn could have a material adverse effect for the Group.

IX) The expansion or development of the Group's business, including through acquisitions or other growth opportunities, involve a number of risks and uncertainties that could adversely affect operating results or disrupt operations

It is an integral part of the Group´s strategy to continue driving growth through the acquisition of assets, entities or minority interests, joint ventures, mergers and other arrangements in the countries where the Group currently operates or elsewhere, which could require, among other matters, to obtain additional indebtedness, the issuance of shares to finance such acquisitions or other growth opportunities. The Group's growth strategy is linked, among other factors, to the capacity to successfully decommission and build new infrastructures. In the ordinary course of the business, the Group reviews, analyses and evaluates various potential transactions, assets, interests, activities or potential arrangements that the Group believes may add value to the business or the services it provides. Failure to timely identify growth opportunities may adversely affect the expansion or development of the Group business.

In certain occasions sellers of infrastructure assets may be reluctant to enter into joint venture, mergers, disposal or other arrangements with the Group due to, among other

reasons, the accounting impact of the transaction in their financial statements. Therefore, the Group is not only exposed to the accounting impact of a transaction on itself but also to that of its prospective clients.

Moreover, the Group's ability to grow its portfolio of assets in a particular market or jurisdiction could be limited by antitrust or similar legislation. Even if compliant with anti-trust legislation, the Group may not be able to consummate such transactions, undertake such activities or implement new services successfully due to disruptions in its activities or increased risk of operations, affecting negatively the Group's business and its prospects.

In addition, the loss of the Group's neutral position as a result of an MNO having obtained either (i) more than 50% of the voting rights or (ii) the right to appoint or dismiss the majority of the members of the board may cause the sellers of infrastructure assets to be reluctant to enter into new joint ventures, mergers, disposals or other arrangements with the Group. The loss of the Group's neutral position (i.e., by having one or more MNOs as a significant shareholder which is represented in the Board of Directors and other governance bodies) may cause sellers of infrastructure assets to be reluctant to enter into new joint ventures, mergers, disposals or other arrangements with the Group (also impacting the organic growth of the Company). As the Group increases its size, management expects that large MNOs may be open to collaborating with the Group in several ways, such as by selling their sites or other infrastructure assets to Cellnex, including in exchange for Shares, which could negatively impact the Group's business and its prospects as this type of transactions could affect the perception of the Group's neutrality.

The Group is subject to a series of risks and uncertainties, including failing to obtain the expected returns and financial objectives, increased costs, assumed liabilities, the diversion of managerial attention due to acquisitions and potential structural changes such as mergers or consolidations of its competitors.

Any international expansion initiative is subject to additional risks such as the laws, regulations and complex business practices. Furthermore, there are additional risks associated with doing business internationally, including changes in a specific country's or region's political or economic conditions, inflation or currency devaluation, expropriation or governmental regulation restricting foreign ownership or requiring reversion or divestiture, increases in the cost of labour (as a result of unionisation or otherwise), power and other goods and services required for the Group's operations and changes in consumer price indexes in foreign countries.

Achieving the benefits of new acquisitions depends in part on the timely and efficient integration of the acquired business' operations, communications, infrastructure portfolios and personnel. Integration may be difficult and unpredictable for many reasons, including, among other things, differing systems and processes, cultural differences, customary business practices and conflicting policies, procedures and operations. In addition, integrating businesses may significantly burden management and internal resources, including the potential loss or unavailability of key personnel. In this sense, while this is a clear challenge in terms of M&A bandwidth, the company has deployed its own methodology to ensure a smooth transition and business continuity. In this sense, local teams were reinforced in 2018 and 2019 in France, the UK, Italy and Switzerland, the integration project starts before a new deal is signed and transitional service agreement with the seller (up to 18 month duration) ensure a successful integration, among other measures.

The potential acquisition of minority interests in other companies that manage telecom infrastructure or similar companies or the entry by the Group into joint ventures or other arrangements where it does not have control over the investment vehicle, could result in not achieving the expected rate of return on the relevant investment. Such event may

occur because the interests of other shareholders are not the same as the Group's, because the underlying business does not perform as expected, because of an impairment in the value of such investment or for other reasons.

As a result, the Group's foreign operations and expansion initiatives may not succeed as expected and may materially and adversely affect its business, prospects, results of operations, financial condition and cash flows.

X) Risks inherent in the businesses acquired and the Group's international expansion

Notwithstanding the Group's diversification of its risk exposure through the internationalization of its operations, the Group cannot assure that the countries where it operates will not experience economic or political difficulties in the future.

The Group's customers in European markets such as Spain, Italy, France and the United Kingdom represent a significant portion of the operating income of the Group, therefore especially exposing it to risks affecting these countries. In addition, the Group will expand its operations to Poland, and will increase its presence in Italy, the United Kingdom, the Netherlands and France, following completion of the Iliad Poland Acquisition, the CK Hutchison Holdings Pending Transactions, the T-Mobile Infra Acquisition and the Hivory Acquisition, and therefore will also be especially exposed to risks affecting those countries.

Adverse economic conditions may have a negative impact on demand for the services the Group provides and on its customers' ability to meet their payment obligations. In periods of recession, the demand for services provided by the Group tends to decline, adversely affecting the Group's results of operations. A negative or low growth cycle could affect the Group in the European markets where the Group operates as of the date of the accompanying Consolidated Management Report and where the Group will operate following completion of the Iliad Poland Acquisition (in particular, in those countries where there are customers which represented a significant portion of the operating income of the Group as of 31 December 2020).

This may be further accentuated by a potential recession in the markets where the Group operates and in others as a result of the coronavirus COVID-19 pandemic (the "Coronavirus Pandemic") which began in China in late 2019 and has subsequently spread globally, significantly affecting the European markets where the Group operates as of the date of the accompanying Consolidated Management Report and where the Group will operate following completion of the Iliad Poland Acquisition (in particular, in those countries where there are customers which represented a significant portion of the operating income of the Group as of 31 December 2020). The uncertainty surrounding the Coronavirus Pandemic and its effects on the global economy, as of the accompanying Consolidated Management Report, are expected to significantly impact global growth in future periods, due to the restriction or suspension of production, operational and business activities, disruptions to travel and transportation and adverse impacts on labor supply affecting both supply and demand chains. In addition to affecting demand for the Group's services (or the Group's customers' services) and its customers' ability to meet their payment obligations, the Coronavirus Pandemic could, among other effects, also depress the value of the Group's assets and investments, limit the Group's ability to finance its future operations and capital needs, disrupt the Group's supply chain, generate or lead to deflation (reducing the revenue of the Group in the future, considering that most of the Group's contracts with customers are inflation-linked), disrupt the Group's growth plans and increase the likelihood and/or magnitude of other risks described in this Consolidated Management Report and otherwise affect the market value and trading of the Shares. While the Group's business activity has remained largely unaffected by the Coronavirus Pandemic, the extent to which the Coronavirus Pandemic impacts the Group's business and results of operations in the

future will depend on future developments, which are highly uncertain and cannot be predicted, including future economic conditions, and the actions to contain it or treat its impact, among others. For example, the Group could suffer delays in the execution of build-to-suit programs, changes in the expected organic growth or severe disruptions due to its suppliers being unable to meet their current commitments. The Group cannot assure that any estimates, forecasts, forward-looking statements or opinions contained herein or which may have been expressed in the past will remain accurate or will not abruptly change as a result of the spread and effects of the Coronavirus Pandemic. Moreover, the Group's inability to reduce the impact of the foregoing could have a material and adverse effect on its business, results of operations, financial condition and prospects.

Likewise, the Group is directly exposed to adverse political conditions of the European markets where the Group operates as of the date of the accompanying Consolidated Management Report and where the Group will operate following completion of the Iliad Poland Acquisition (in particular, those countries whose customers represented a significant portion of the operating income of the Group as of 31 December 2020). Also, changes in the international financial markets' conditions as a result of the Coronavirus Pandemic pose a challenge to the Group's ability to adapt to them as they may have an impact on its business. The Group cannot predict how the economic and political cycle in such markets will develop in the short-term or in the coming years, or whether there will be a deterioration in political stability in them.

Therefore, the Group may be adversely affected by the adverse economic conditions or potential instability in the European markets where the Group operates as of the accompanying Consolidated Management Report and where the Group will operate following completion of the Iliad Poland Acquisition, while at the same time a more geographically diversified revenue source allows a lower risk exposure to specific country-related issues. In addition, the Group may be adversely affected by economic, social and political conditions in the countries in which its customers, suppliers and other counterparties operate.

Because of the Group's significant presence in the United Kingdom, the Group may face the risk of political and economic uncertainty derived from the United Kingdom's decision to leave the European Union (the "EU") which became effective as of 31 January 2020 ("Brexit"). Prior to that, on 24 January 2020, the United Kingdom signed the Agreement on the withdrawal of the UK from the EU and the European Atomic Energy Community (the "Withdrawal Agreement"). Under the terms of the Withdrawal Agreement, a transition period ran until 31 December 2020, during which time the UK continued to benefit from, and was bound by, many EU laws. On 24 December 2020, the EU and the UK entered into three agreements setting out the terms of their future relationship. These are the Trade and Cooperation Agreement, the Agreement on Nuclear Cooperation, and the Agreement on Security Procedures for Exchanging and Protecting Classified Information, each of which applies provisionally until formally ratified by both parties. The Trade and Cooperation Agreement covers the general objectives and framework of the relationship between the UK and the EU, including in relation to trade, transport, visas, judicial, law enforcement and security matters, and mechanisms for dispute resolution. Under the terms of the Trade and Cooperation Agreement, United Kingdom firms no longer benefit from automatic access to the EU single market and there is no longer free movement of people between the United Kingdom and the EU. As of the date of the accompanying Consolidated Management Report, the application of the Trade and Cooperation Agreement is unclear and its effect on the United Kingdom economy and markets is unknown. In addition, while domestic law derived from EU law, EU law directly applicable in the UK, and EU rights, powers, liabilities and obligations recognized and available in the United Kingdom, in each case immediately before 31 December 2020, were, subject to certain exceptions, retained by the United Kingdom, the United Kingdom's law may diverge from EU law in the future. The legal, political and

economic uncertainty resulting from Brexit may adversely affect the Group's business, prospects, results of operations, financial condition and cash flows in the United Kingdom, in particular because of the Group's significant presence in the United Kingdom (which will be further increased upon completion of the CK Hutchison Holdings Pending Transactions with regards to Hutchison's tower business and assets in the United Kingdom). For more information on the CK Hutchison Holdings Transactions, see Note 21 of the accompanying consolidated financial statements.

Growing public debt, reduced growth rates and any measures of monetary policy that may be implemented in the future in the credit markets all could affect the Group's business. A change in any of these factors could affect the access of the Group to the capital markets and the terms and conditions under which it can access such capital, which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. Moreover, as a significant portion of the contracts of the Group with operators are inflation-linked and some do not have a minimum limit or floor, deflationary macroeconomic circumstances will have an adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. In addition, the Group cannot assure that any estimates, forecasts, forward-looking statements or opinions contained herein or which may have been expressed in the past will remain accurate or will not abruptly change as a result of the spread and effects of the Coronavirus Pandemic. Moreover, the Group's inability to reduce the impact of the foregoing could have a material and adverse effect on its business, results of operations, financial condition and prospects.

Risks related to the Hivory Acquisition

The Hivory Acquisition may fail to close if certain conditions precedent are not met or if both Altice's and Starlight HoldCo's do not exercise their put options

Completion of the Hivory Acquisition is subject to the exercise by Altice and Starlight HoldCo of their respective put options as described above and the satisfaction of certain conditions, some of which are not within the Group's control, and failure to satisfy such conditions may prevent, delay or otherwise materially adversely affect the completion of the Hivory Acquisition. Such conditions include the obtaining of an antitrust clearance decision by the relevant antitrust authority and the issuance of an investment control clearance decision by the French *Ministére de l'Economie* (for more information on the Hivory Acquisition see Note 26 of the accompanying consolidated financial statements).

In addition, Altice and Starlight HoldCo, beneficiaries of the Hivory Put Option Agreement, have the right and not the obligation to require the Company to purchase their respective shareholdings in Hivory (both direct and indirect, as applicable). In the event one or both beneficiaries do not exercise such options, the Hivory Put Option Agreement will be terminated with no costs, indemnities or penalty of any kind payable by or to any party, and the Hivory Acquisition will not be completed. There is no assurance that Altice and Starlight HoldCo will exercise their respective put options, and that the Hivory Acquisition will be completed.

As such, there is no assurance that the Hivory Acquisition will be completed or, if completed, that it will be completed on the terms described in the Hivory Transaction Agreements, including regarding the portfolio of wireless communications passive infrastructures owned by Hivory. The closing of the Offering is not conditioned on, and is expected to be consummated before, the closing of the Hivory Acquisition. Accordingly, investors who exercise Preferential Subscription Rights or subscribe for New Shares should be willing to do so whether or not the Hivory Acquisition is completed.

If the Group fails to complete the Hivory Acquisition on the same terms as are described in the Hivory Transaction Agreement, it may not be able to obtain the expected synergies of the business expansion, and failure to complete the Hivory Acquisition could result in significant costs to the Company, all of which could materially and adversely affect the

value of the Company's shares and the Group's expansion plans, business, prospects, results of operations, financial condition and cash flows. In the event of failure to complete the Hivory Acquisition, the Company will continue to actively evaluate suitable market opportunities to deploy the net proceeds from the Offering.

Liabilities and defects may emerge that were hidden or unknown at the time of the execution of the Hivory Put Option Agreement

Prior to entering into any agreements relating to the Hivory Acquisition, the Group performed due diligence on Hivory to identify any risks, including any potential liability arising out of the business and defects of the acquired tower business. However, the Group's capacity to physically inspect the acquired towers was limited and such towers may be subject to defects or risks that were unknown at the time of the execution of the Hivory Put Option Agreement or at the time of completion of the Hivory Acquisition.

In addition, the Group will assume all rights and liabilities attached to Hivory upon the closing of the Hivory Acquisition, including liabilities under "successor liability" doctrines in connection with employment, pension, tax, regulatory, environmental, accounting and other matters. The Group may be subject to unknown or non-disclosed liabilities or contingencies, including those resulting from tax, labor, regulatory or accounting matters, as well as new contingencies derived from past events which the Group is unaware of or could not anticipate.

To the extent that the Group failed to identify such risks, the Group may incur unexpected liabilities and further costs, relating to, among others, property, environmental, labor, tax or regulatory matters, as well as structural and operational defects.

The Group may be unable to adequately address any such risks and the realization of any such risks could expose the Group to unanticipated costs and liabilities and prevent or limit the Group from realizing the projected benefits of the Hivory Acquisition, which could adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

The Group could not independently verify the accuracy or completeness of the information on the Hivory Acquisition

The Group's analysis and risk evaluation prior to entering into any agreements relating to the Hivory Acquisition with Altice and Starlight Holdco was based on the accuracy and completeness of the information available to the Group. The Group could not independently verify the accuracy or completeness of all the information and as a result, investors are cautioned not to place undue reliance on all the information.

The Group may be unable to successfully integrate Hivory into the Group from an operational perspective

The operational integration of Hivory into the Group could prove to be difficult and complex, and the benefits and synergies from such integration may not be in line with the Group's expectations. This may imply difficulties and costs in integrating Hivory into the Group which are beyond the Group's control and exceed those foreseen at the time of the execution of the Hivory Acquisition.

Difficulties may arise as a result of conflicts between control structures, procedures, standards, business cultures and policies, or compensation structures of the Group and those of Hivory, or the need to implement, integrate and harmonize diverse business operating procedures and financial, accounting, reporting, information technology and other systems, which could adversely affect the Group's ability to maintain relationships with Hivory's customers, employees, suppliers and other business partners following the acquisition.

There is also an integration risk related to the commercialization of the space where the sites operated by Hivory are located, as well as in connection with the transition of the payments, the retention of existing customers on sites operated by Hivory, including

obtaining the necessary prior consents to assign the relevant service agreements and the maintenance of the Group's standards, controls, procedures and policies with regards to towers operated by Hivory.

The Group may also face the risk of failing to efficiently and effectively integrate the new assets into the Group's existing business or to use such assets to their full capacity. The Group expects to successfully combine both businesses; however, in the event it cannot reach its objectives within the anticipated timeframe, or at all, or if the underlying assumptions for its expectations prove to be incorrect, the anticipated benefits and cost savings of the Hivory Acquisition may not be fully realized, which could materially and adversely affect the Group's business and the value of the Company's shares, prospects, results of operations, financial condition and cash flows.

Additionally, the significant demands on the attention of the Group's management arising from the integration of Hivory could result in other areas of the Group's business not receiving the attention they require, which could have an adverse effect on its business. If the Group is unable to manage the expanded organization efficiently, this could result in a loss of market share and of key customers, in addition to any other difficulties that could arise if full integration of assets and resources of Hivory is not achieved, which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

XI) Risk related to the non-control of certain subsidiaries

Although Cellnex has full control and a 100% stake in the vast majority of its subsidiaries, Cellnex has made and may continue to make equity investments, which may include minority investments, in certain strategic assets managed by or together with third parties, including governmental entities and private entities. In addition, the Company has full control over certain subsidiaries in which shareholders are holders of a minority investment. The Group subsidiaries with the highest percentage of minority shareholders was Cellnex Switzerland, and after the completion of the Iliad and Salt Acquisitions (See Note 12.f of the accompanying consolidated financial statements), the Group subsidiaries with the highest percentage of minority shareholders would change.

Investments in assets over which Cellnex has partial, joint or no control are subject to the risk that the other holders of interest in the assets (making use their minority rights), who may have different business or investment strategies than Cellnex or with whom it may have a disagreement or dispute, may have the ability to independently make or block business, financial or management decisions, such as the decision to distribute dividends or the appointment of members of management, which may be crucial to the success of the project or Cellnex's investment in the project, or otherwise implement initiatives which may be contrary to its interests, creating impasses on decisions and affecting its ability to implement the foreseen strategy. Additionally, the approval of other shareholders or partners may be required to sell, pledge, transfer, assign or otherwise convey Cellnex's interest in such assets. Alternatively, other shareholders may have rights of first refusal or rights of first offer in the event of a proposed sale or transfer of Cellnex's interests in such assets. These restrictions may limit the price or interest level for Cellnex's interests in such assets, in the event it wants to dispose such interests. In addition, minority shareholders may target an exit through different mechanisms (i.e. put options, right of first offers, rights to acquire belonging to Cellnex, etc.) and the Company has the willingness to acquire such minority stakes. However, the price of this acquisition may be inflationary and strongly revaluated (as it has happened in Cellnex Switzerland) or because this mechanisms may have already a defined price in the SHA, which is higher than the current original price paid by Cellnex.

Other holders of interest in the Group´s assets may become insolvent or file for bankruptcy at any time, or fail to fund their share of any capital contribution that might be required. Finally, they may be unable, or unwilling, to fulfil their obligations under the relevant shareholder or joint investment agreements or may experience financial or other difficulties that may adversely affect Cellnex's investment in a particular joint

venture. This may result in litigation or arbitration procedures generating costs and diverting Cellnex's management team from their other managerial tasks. In certain of Cellnex's joint ventures, it may also be reliant on the particular expertise of other holders of interest and, as a result, any failure to perform Cellnex's obligations in a diligent manner could also adversely affect the joint venture. If any of the foregoing were to occur, Cellnex's business, prospects, results of operations, financial condition and cash flows could be materially and adversely affected.

XII) Risks related to execution of Cellnex's acquisition strategy

Cellnex' strategy includes the aim to strengthen and expand its operations, among others, through acquisitions. This strategy of growth exposes Cellnex to operational challenges and risks, such as the need to identify potential acquisition opportunities on favourable terms. It also may expose Cellnex to other risks such as the diversion of management's attention from existing business or the potential impairment of acquired intangible assets, including goodwill, as well as the acquisition of liabilities or other claims from acquired businesses.

Prior to entering into an acquisition agreement, Cellnex generally performs a due diligence exercise on the potential changes to existing or new tax laws or international tax treaties, methodologies impacting the Group's international operations, or fees directed specifically at the ownership and operation of communications infrastructures or its international acquisitions, which may be applied the acquisition. To the extent Cellnex or other third parties underestimated or failed to identify risks and liabilities associated with an acquisition, it may incur, directly or indirectly, in unexpected liabilities, such as defects in title, an inability to obtain permits enabling Cellnex to use the underlying infrastructure as intended, environmental, structural or operational defects or liabilities requiring remediation. Failure to identify any defects, liabilities or risks could result in Cellnex having acquired assets which are not consistent with its investment strategy which are difficult to integrate with the rest of the portfolio or which fail to perform in accordance with expectations, and/or adversely affect Cellnex's reputation, which, in turn, could have a material adverse effect on its business, prospects, results of operations, financial condition and cash flows.

Generally, if Cellnex cannot identify, implement or integrate attractive acquisition opportunities on favourable terms or at all, it could adversely impact its ability to execute its growth strategy.

XIII) Regulatory and other similar risks

Risks related to changes in tax and legal regulations and socio-political changes are significant, given that the Group carries out an activity subject to government regulations, as well as to the regulatory framework in the European Union (the "EU"). These changes in tax and legal regulations could be applied or enforced retroactively. The main rules applicable to the Group and its customers include the availability and granting of licences for the use of the spectrum, the rates for its use and the commercial framework for the sale of terrestrial radio broadcasting assets and the obligations imposed on the Group by the Spanish competition authorities in relation to its broadcasting infrastructure activities.

Moreover, environmental and health regulation imposes additional costs and may affect the Group's results of operations. In the countries in which the Group operates, it is subject to environmental laws and electromagnetic regulations, as well as to the EU laws and regulations, concerning issues such as damage caused by air emissions, noise emissions and electromagnetic radiation. These laws are increasingly stringent and may create in the future substantial environmental compliance liabilities and costs.

Public perception of possible health risks associated with cellular and other wireless communications technologies could affect the growth of wireless companies, which

could in turn slow down the Group's growth. In particular, negative public perception of these health risks could undermine the market acceptance of wireless communications services, increase opposition to the development and expansion of telecom infrastructures and lead to price increases of the infrastructure services where the infrastructures are located. The potential connection between radio frequency emissions and certain negative health or environmental effects has been the subject of substantial study by the scientific community in recent years and numerous health-related lawsuits have been filed against wireless carriers and wireless device manufacturers. If a scientific study or court decision in the jurisdictions in which the Group operates or elsewhere resulted in a finding that radio frequency emissions pose health risks to consumers, it could negatively impact the Group's customers and the market for wireless services, which could materially and adversely affect the Group's business, prospects, financial condition, results of operations and cash flows. The Group insurance coverage may not be sufficient to cover all or a substantial portion of any liability it may have.

The Group's services are affected by the current electromagnetic emission rules applicable in terms of limiting the emissions coming from equipment of the Group's customers hosted by the Group. Despite the fact that the ratio emitting equipment is held by Cellnex, the Group´s customers are liable for the emissions of their own equipment. In the event that such rules were amended against the Group´s interest, they could limit its growth capacity and may adversely affect its business, prospects, results of operations, financial condition and cash flows.

The Group mitigates the risks to which is exposed from possible regulatory changes through coordination in the relevant areas to ensure that it follows prevailing local legislation and that it is able to anticipate regulatory changes.

XIV) Litigation

The Group is subject to the risk of legal claims and proceedings and regulatory enforcement actions in the ordinary course of business and otherwise. The results of legal and regulatory proceedings cannot be predicted with certainty. The Group cannot guarantee that the results of current or future legal or regulatory proceedings or actions will not materially harm the Group's business, prospects, financial condition, results of operations or cash flows, nor can it guarantee that it will not incur losses in connection with current or future legal or regulatory proceedings or actions that exceed any provisions that it may have set aside in respect of such proceedings or actions or that exceed any available insurance coverage, which may have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

XV) The Company's significant shareholder's interests may differ from those of the Company

As of the date of the accompanying Consolidated Management Report, there are two significant shareholders of the Company represented in the Board of Directors with one director each: (i) Edizione S.R.L ("Edizione"), which holds approximately 13.03% of Cellnex's share capital; and (ii) GIC Private Limited ("GIC"), which holds approximately 6.989% of Cellnex's share capital. Pursuant to publicly available information, there are other significant shareholders with stakes above 5% of the share capital. For further information, see Note 14 of the Consolidated Financial Statements.

The Company's principal significant shareholders may have an influence over those matters requiring shareholders' approval, including the appointment and dismissal of the members of the Board of Directors, the payment of dividends, changes in the issued share capital of the Company and the adoption of certain amendments to the bylaws. There can be no assurance that any current or future significant shareholder will act in a manner that is in the best interest of the Company, which could, in turn, adversely

affect the Group's business, prospects results of operations, financial condition and cash flows.

Operational risks

XVI) Risks related to the industry and the business in which the Group operates

The sector where the Group develops its activities is characterized by rapid technological changes and it is essential to be able to offer the products and services demanded by the market and to select the appropriate investments.

The development and implementation of new technologies designed to enhance the efficiency of wireless networks or new technologies developing alternative network solutions (either broadcasting infrastructure or alternative technologies to the network services provided), or changes in the Group customers' business models, could reduce the need for infrastructure-based wireless services, reduce the need for broadcasting or network services, decrease demand for the Group's infrastructure space or reduce rates or other fees obtained in the past. In this regard, the Group faces the risk that its customers may not adopt the technologies the Group invests in. For example, as communication technologies continue to develop, competitors may be able to offer wireless telecom infrastructure products and services that are, or that are perceived to be, substantially similar to or better than those offered by the Group, or offer technologies that provide similar functionality with competitive prices and with comparable or superior quality.

The Group cannot be certain that existing, proposed or as yet undeveloped technologies of its complementary segments (such as, 5G, "Small Cells", DAS, data centres/edge computing and fibre will not become dominant in the future and render the technologies and infrastructure the Group currently uses obsolete. Should the Group's competitors develop and commercialize new technologies designed to improve and enhance the range and effectiveness of wireless telecom networks, it could significantly decrease demand for existing infrastructure. In fact, the Broadcasting Business is threaten due to substitute new technologies such as cable TV, satellite TV, or OTTs. The Group's business and growth prospects could be jeopardized if it was not able to promptly identify and adapt to shifting technological solutions and/or if it failed to acquire or develop the necessary capabilities and expertise to meet the clients' changing needs. The development and implementation of new services with a significant technological component is also subject to inherent risks that the Group may not be able to overcome.

In addition, customers of the Group's services may reduce the budgets they may have allocated to telecom infrastructure, broadcasting infrastructure or other services, as the industry constantly invests in the development and implementation of new technologies or because of changes in their business model. Examples of these technologies include spectrally efficient technologies, which could reduce the Group´s customers' network capacity needs and as a result could reduce the demand for infrastructure-based wireless services.

Moreover, certain Small Cell-based complementary network technologies, in which the Group is actively working, could shift a portion of its customers' investments away from the traditional infrastructure-based networks, which may reduce the need for MNOs to add more equipment at communication infrastructures. Moreover, the emergence of alternative technologies could reduce the need for infrastructure-based broadcast or network services. For example, the growth in the delivery of wireless communications, radio and video services by direct broadcast satellites could materially and adversely

affect demand for the Group's infrastructure services. Further, a customer may decide to no longer outsource infrastructures or otherwise change its business model, which would result in a decrease in the Group's revenue.

In the Broadcasting Infrastructure activity, digital terrestrial television ("DTT") is the method most widely used to transmit TV signals in Europe but an eventual unexpected increase in Spain of the use of alternative distribution platforms (such as satellite, cable or internet protocol television ["IPTV"]) or the growth and deployment of Wi-Fi network could reduce the Group's current business volume. In the Other Network Services activity the Group uses, among other technologies, terrestrial trunked radio ("TETRA") services technology or radio links to deliver its services, and the use of alternative technologies could reduce its revenues and limit potential future growth. The development and implementation of any of these and similar technologies, as well as of new products and technologies, may render some of the products and services offered by the Group obsolete which could have a material adverse effect on its business, prospects, results of operations, financial condition and cash flows

XVII) Risk of not developing the strategic sustainability plan

Cellnex's degree of involvement and commitment to the environment and the fight against climate change has led it to develop a Strategic Plan for sustainability based on 11 lines of action, all of which are aligned with the United Nations' ODS.

Failure to develop the plan would entail a reputational risk. A worse rating in the sustainability indices and in the analyses of proxy advisors would mean a worse valuation by investors. It would also represent a failure to comply with the commitments acquired in environmental matters with various international bodies and institutions (United Nations, Global Compact, Business for 1.5°C or Science Based Targets initiative according to IPPC (SBTi)), as well as with our stakeholders and society in general.

The company may not comply with the environmental requirements established in the Spanish and/or European Legislative Framework, or with the requirements of listed companies such as those established in the Non-Financial Information and Diversity Act.

Failure to implement the measures set out in the Strategic Sustainability Plan to reduce the impact of climate change would ultimately have direct consequences for the company's activity. Among these are the management of energy efficiency and the associated carbon footprint, due to the impact on, for example, cooling systems to compensate for the increase in temperatures at the various types of the Group's telecommunications sites; or supply chain management by incorporating suppliers into the sustainability and carbon footprint reduction criteria.

XVIII) Risks related to maintaining the rights over land where the Group's infrastructures are located

The Group's real property interests relating to its infrastructures consist primarily of ownership interests, fee interests, easements, licenses and rights-of-way. A loss of these interests at a particular infrastructure may interfere with the Group's ability to operate infrastructures and generate revenues. In the context of acquisitions, the Group may not always have the ability to access, analyse and verify all information regarding titles and other issues prior to completing an acquisition of infrastructures and the absence of title or other issues can affect the Group's rights to access and operate an infrastructure.

The Group owns the majority of its telecommunications infrastructures it operates; however, the vast majority of the land and rooftops where these infrastructures are located is operated and managed through lease contracts, sub-lease contracts or other types of contracts with third parties (with the exception of the UK, where the group owns a large amount of the land where its sites are located). Thus, for various reasons, land

owners could decide not to renew, or to adversely amend the terms of the ground lease contracts with the Group. In particular, the increasing presence of ground lease aggregators may negatively affect the Group´s ability to renew those contracts under commercially acceptable terms. For instance, the Group could lose its rights over the land, the land could be transferred to third parties or reversion of assets may be mandatory at the end of the relevant concession period. The Group also has long-term rights to use third party infrastructures and the non-compliance with its obligations would lead to the loss of the right to use these infrastructures. Lastly, in the future the Group must revert back to the corresponding government authorities certain assets under the terms of certain concession agreements.

In addition, the maturities of the lease contracts, sub-lease contracts or other types of contracts with third parties to operate and manage land and rooftops where the Group's telecommunications infrastructures are located, are generally shorter than the contracts that the Group has entered into with its customers to provide services. In that sense, there is a mis-match in the maturities of both contractual relationships which could prevent the Group from succesfully providing agreed upon services, as the Group may not have access to primary resources essential to execute those contractual obligations.

The Group's inability to use the land where its infrastructures are located may have a material adverse effect on the Group's ability to comply with its contractual obligations and to complete its current or future infrastructure or growth projects as expected on schedule or within budget, if at all. This may in turn have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Likewise, and in line with the Group's industry peers that operate telecom or broadcasting infrastructure, the Group may not always have all the necessary licenses and permits of its infrastructure assets. The lack of necessary licenses, property titles and permits could give rise to monetary fines and, as an interim measure, the authorities could order that the affected equipment or infrastructures be sealed-off or even decommissioned until the required authorization or license is obtained. Criminal liability could also arise in certain circumstances.

Similarly, the basic resources to provide service to the Group's customers may not be guaranteed. As such, some infrastructures linked to the broadcasting business are subject to the contract renewal conditions set at the time when the company CTTI was privatized and contributed assets to Cellnex's subsidiary Tradia. The duration of the contract is 35 years, distinguishing a mandatory period of 25 years until February 10, 2025 subject to be renewed for an additional period of 10 additional years if Cellnex has fulfilled its financial rent obligations to date, the maintenance of such infrastructure is adequate and there is reserved space in favor of CTTI.

To minimise these risks, the Group has specific control policies, procedures, plans and systems for each area, which are periodically reviewed and updated by specific external auditors for each area (financial reporting, quality, occupational risks, etc.). The Group also continually monitors and analyses its insurable risks and has implemented an insurance program to ensure a level of coverage and risk in keeping with the policies that have been introduced.

XIX) Failure to attract and retain high quality personnel could negatively affect the Group's ability to operate its business

The Group's ability to operate its business, grow and implement its strategies depends, in part, on the continued contributions of its senior executive officers and other key employees. The loss of any of its key senior executives, especially if lost to a competitor, could have an adverse effect on its business unless and until a replacement is found. The Group may not be able to locate or employ qualified executives on acceptable

economic terms. Moreover, if the relationship with one or more of the Group's key employees ends for any reason, there is no assurance that the Group will be able to replace them in the short term with people of comparable experience and qualifications. Any material delay in replacing such individuals may have an adverse effect on the public perception of the strength of the Group's business, prospects, results of operations, financial condition and cash flows. In addition, the Group believes that its future success, including the ability to internationally expand the Group's business, will depend on its continued ability to attract and retain highly skilled personnel with experience in its key business areas. Demand for these persons is intense and the Group may not be able to successfully recruit, train or retain qualified managerial personnel, especially in new markets where the Group may operate.

Any failure by the Group to attract and retain skilled and experienced employees or the loss of any of its key employees, could harm its business and growth prospects and have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

XX) The Group relies on third parties for key equipment and services, and their failure to properly maintain these assets could adversely affect the quality of its services

The Group relies on third-party suppliers to provide key equipment and services that are essential for the Group's operations. Some of these are only available from a limited number of third parties. For example, the Group relies on transmission capacity and other critical facilities that are owned by third parties. In addition, the build-to-suit programs are executed on the basis of agreements with third-party suppliers, and so the Group relies on third-parties to effectively execute its contractual obligations. The Group does not have operational or financial control over these partners, and it has no influence with respect to the manner in which these suppliers conduct their business. If these suppliers fail to provide equipment or services on a timely basis or in accordance with the agreed terms, the Group may be unable to provide services to its customers until an alternative supplier can be found. In addition, existing or new competitors in the markets where the Group operates may compete for services from the Company's existing suppliers and such competitors may obtain more favorable terms than those the Group currently benefits from. Additionally, it is possible that current suppliers of services could become competitors, therefore competing as consumers of services they provide. Either of these occurrences could result in upward pricing pressure on these contracts and the Group may not be able to renew its contracts at all or at the same rate as in the past, and could lose market share. If any of these contracts are terminated or the Group is unable to renew them on favorable terms or negotiate agreements for replacement services with other providers at comparable terms, this could have a material adverse effect on the Group's business and capacity to fulfil their contractual obligations, prospects, results of operations, financial condition and cash flows.

Likewise, any commercial dispute with a supplier, the termination of a relationship, as well as insolvency, bankruptcy, end of or curtailing business, so forth, of any supplier, including such situations in which the supplier is forced to cease the provision of services to the Group for any reason or fails to provide the services or goods deemed necessary for the Group to carry out its activities, the Group may be exposed to additional costs and may not be able to comply in full with all the contracts with its customers. If this circumstance occurred, it could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Financial risks

XXI) Financial information risk

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

However, there can be no assurance that any policies and procedures established by the Group will be followed at all times or effectively detect and prevent all violations of the applicable laws and regulations in every jurisdiction in which one or more of the Group employees, consultants, agents, commercial partners, contractors, sub-contractors or joint venture partners are located. As a result, the Group could be subject to penalties and reputational damage if its employees, agents, suppliers or business partners take actions in violation of the compliance systems as well as violate any anti-corruption or anti-bribery laws. Violations of such laws may also lead to other consequences such as the early termination of the financing contracts, which, together with the above, could materially and adversely affect the Group business, prospects, financial conditions, results of operations and/or cash flows.

XXII) Expected contracted revenue (backlog)

Expected contracted revenues from the service agreements (backlog) represents management's estimate of the amount of contracted revenues that the Group expects will result in future revenue from certain existing contracts. This amount is based on a number of assumptions and estimates, including assumptions related to the performance of a number of the existing contracts at a particular date but does not include adjustments for inflation. One of the main assumptions for calculating backlog is the automatic renewal of contracts for services with the Group's anchor customers. Such contracts have renewable terms including, in some cases, 'all or nothing' clauses that only allow the renewal of the entire portfolio of the relevant project (not the renewal of a portion thereof) on terms that are generally pre-agreed and may result an increase or a decrease in price, within certain parameters. In some instances, the contracts for services may be cancelled under certain circumstances by the customer at short notice without penalty.

It should be noted that the first renewals of the Telecom Infrastructure Services contracts will take place in 2022 and 2023, being Telefónica (as defined herein) the customer of the relevant contract. In addition, contracts with mayor customers in the Broadcasting Infrastructure segment will face a new cycle of renewals in the following years with most of its customers. The termination of the contracts ("churn") with mayor customers in both of the segments above may materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows. It should also be noted that contracts in place with Telefónica and Wind may be subject to change in terms of the fees being applied at a time of a renewal, within a predefined range applied to the last annual fee (that reflects the cumulative inflation of the full initial term). In addition, the Group´s definition of backlog may not necessarily be the same as that used by other companies engaged in similar activities. As a result, the amount of the Group backlog may not be comparable to the backlog reported by such other companies. The realization of the Group backlog estimates is further affected by the performance under its contracts. The ability to execute the Group's backlog is dependent on its ability to meet the clients' operational needs, and if the Group was unable to meet such needs, the ability to execute its backlog could be adversely affected, which could materially affect the Group's business, prospects, financial condition, results of operations and cash flows. There can be no assurance that the revenue projected in the Group's backlog will be realized or, if realized, will result in profit. Contracts for services are occasionally modified by mutual consent. Because of potential changes in the scope or

schedule of services the Group provides to its clients, the Group cannot predict with certainty when or if its backlog will be realized. In the case of “engineering services”, that are pre-agreed and associated to incremental fees may be phased over a longer than expected period of time, reduced or even cancelled, seriously affecting the management's estimate of contracted revenues over time. Even where a project proceeds as scheduled, it is possible that the client may default and fail to pay amounts owed to the Group. Delays, payment defaults or cancellations could reduce the amount of backlog currently estimated, and consequently, could inhibit the conversion of that backlog into revenues, which would in turn materially affect the Group business, prospects, financial condition, results of operations and cash flows.

XXIII) Foreign currency risk

As the Group reporting currency is the euro, fluctuations in the value of other currencies in which borrowings are instrumented and transactions are carried out with respect to the euro may have an effect in future commercial transactions, recognized assets and liabilities, and net investments in foreign operations.

Furthermore, the Group operates and holds assets in the United Kingdom, Switzerland and Denmark, all of which are outside the Eurozone. It is therefore exposed to foreign currency risks and in particular to the risk of currency fluctuation in connection with exchange rate between the euro, on the one hand, and the pound sterling, the Swiss franc and the Danish krone, respectively, on the other. The Group’s strategy for hedging foreign currency risk in investments in non-euro currencies does not necessarily attempt to fully hedge this risk and tends towards a balanced hedge of this risk. In fact, the Group is open to assessing different hedging strategies, including allowing the Group to have significant positions not covered. These different hedging strategies might be implemented over a reasonable period depending on the market and the prior assessment of the effect of the hedge. Hedging arrangements can be instrumented via derivatives or borrowings in local currency, which act as a natural hedge.

Although the majority of the Group transactions are denominated in euros, the volatility in converting into euro agreements denominated in pound sterling, Swiss francs and the Danish krone may have negative consequences to the Group, affecting its overall business, prospects, financial condition, results of operations and/or cash flow generation.

XXIV) Interest rate risk

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

Borrowings issued at floating rates expose the Group to cash flow interest rate risk, while fixed-rate borrowings expose the Group to fair value interest rate risk. Additionally any increase in interest rates would increase Group finance costs relating to variable-rate indebtedness and increase the costs of refinancing existing indebtedness and issuing new debt.

The aim of interest rate risk management is to strike a balance in the debt structure which makes it possible to minimise the volatility in the consolidated income statement in a multi-annual setting.

The Group can use derivative financial instruments to manage its financial risk, arising mainly from changes in interest rates. These derivative financial instruments are classified as cash flow hedges and recognised at fair value (both initially and subsequently). The required valuations were determined by analysing discounted cash flows using assumptions mainly based on the market conditions at the reporting date for

unlisted derivative instruments (see Note 9 of the accompanying consolidated financial statements).

As at 31 December 2020 and 2019 there are financing granted from third parties covered by interest rate hedging mechanisms (see Note 9 of the accompanying consolidated interim financial statements).

XXV) Credit risk

Each of the Group's main business activities (Telecom Infrastructure Services, Broadcasting Infrastructure and Other Network Services) obtain a significant portion of revenues from a limited number of customers, many of which are long-term customers and have high-value contracts with the Group.

The MNOs are the Group's main customers in the Telecom Infrastructure Services; television and radio broadcasting operators are the main clients in the broadcasting infrastructure; and certain central, regional and local government authorities, emergency and security forces, the public service sector and telecommunications operators are the main customers in its activities relating to Other Network Services.

The Group is sensitive to changes in the creditworthiness and financial strength of its main customers due to the importance of these key customers to the overall revenues. The long-term nature of certain Group contracts with customers and the historically high renewal ratio of these contracts helps to mitigate this risk.

The Group depends on the continued financial strength of its customers, some of which operate with substantial leverage and are not investment grade or do not have a credit rating.
Given the nature of the Group's business, it has significant concentrations of credit risk, since there are significant accounts receivable as a result of having a limited number of customers. To mitigate this credit risk, the Group has place contractual arrangements to transfer this risk to third parties via non-recourse factoring of trade receivables in which case the Group would not retain any credit risk.

Credit risk also arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, and other debt, including unsettled receivables and committed transactions.

The loss of significant customers, or the loss of all or a portion of the Group's expected services agreements revenues from certain customers and an increase in the Group's level of exposure to credit risk, or its failure to actively manage it, could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

XXVI) Liquidity risk

The Group carries out a prudent management of liquidity risk, which involves maintaining cash and having access to a sufficient amount of financing through established credit facilities as well as the ability to settle market positions. Given the dynamic nature of the Group's businesses, the policy of the Group is to maintain flexibility in funding sources through the availability of committed credit facilities. Due to this policy the Group has available liquidity c. EUR XXX million, considering cash and available credit lines, as at the date of approval for issue of these consolidated financial statements, and has no immediate debt maturities (the maturities of the Group's financial obligations are detailed in Note 13 of the accompanying consolidated financial statements).

As a consequence of the aforementioned the Group considers that it has liquidity and access to medium and long-term financing that allows the Group to ensure the necessary resources to meet the potential commitments for future investments.

However, the Group may not be able to draw down or access liquid funds in a sufficient amount and at a reasonable cost to meet its payment obligations at all times. Failure to maintain adequate liquidity levels may materially and adversely affect the Group business, prospects, results of operations, financial conditions and/or cash flows, and, in extreme cases, threaten the Group future as a going concern and lead to insolvency.

XXVII) Inflation risk

Despite a long period of historically low inflation, there is no assurance that inflation may not increase as a result of among others. A significant portion of the Group's operating costs could rise as a result of higher inflation and monetary policies of the European Central Bank. Further, most of the Group's infrastructure services contracts are indexed to inflation. As a consequence, its results of operations could be affected by inflation and/or deflation.

XXVIII) Risk related to Group indebtedness

The Group's indebtedness may increase, from time to time, due to potential new acquisitions, fundamental changes to corporate structure or joint ventures and issuances made in connection with any of the foregoing. The Group´s present or future leverage could have significant negative consequences, including:

- Placing the Group at a possible competitive disadvantage to less leveraged competitors and competitors that may have better access to capital resources, including with respect to acquisitions and forcing the Group to forego certain business opportunities;
- Requiring the dedication of a substantial portion of cash flow from operations to service the debt, thereby reducing the amount of cash flow available for other purposes, including, among others, capital expenditures and dividends;
- Requiring the Group to issue debt or equity securities or to sell some of its core assets, possibly not on the best terms, to meet payment obligations;
- Accepting financial covenants in the financing contracts such as: debt limitation, minimum cash restriction, or pledge of assets;
- A potential downgrade from a rating agency, which can make obtaining new financing more difficult and expensive; and
- Requiring the Group to early repay the outstanding debt in the event that the relevant change of control clause is triggered.

The Group is exposed to interest rate risk through its current and non-current borrowings. Borrowings issued at floating rates expose the Group to cash flow interest rate risk, while fixed-rate borrowings expose the Group to fair value interest rate risk.

Any increase in interest rates would increase the Group's finance costs relating to its variable-rate indebtedness and increase the costs of refinancing its existing indebtedness and issuing new debt, which could adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

As of 31 December 2020, most of the outstanding loans and credit facilities entered into by Cellnex and its subsidiaries are unsecured and unsubordinated and rank pari passu with the rest of the Group's unsecured and unsubordinated borrowings. However, from time to time, the Group may enter into senior and secured loans and credit facilities, such as the Nexloop Facilities, under which the Group granted a security package in favour of several creditors and hedge counterparties consistent with certain agreed security principles, including pledges over the Group's shares in Nexloop and certain receivables including any debt instruments held by the Group in Nexloop (such as the Group's credit rights under the Nexloop Shareholder Facility, as defined herein). In addition, while most of the Group's loans and credit facilities are subject to cross-default provisions and generally do not require Cellnex nor its subsidiaries to comply with any financial ratio, certain of them are subject to certain financial covenants and various restrictions, including but not limited to, (i) requiring Cellnex to maintain a minimum rating of Ba2 by Moody's Investors Service, Inc., or BB by Fitch Ratings Ltd. or Standard & Poor's Financial Services LLC, (ii) requiring shares to be pledged and provided as collateral if certain financial ratios are not satisfied, and (iii) imposing restrictions on additional indebtedness and on the Group's ability to create or permit to subsist certain security interests. The aforementioned financial conditions are mainly associated with EIB and ICO loans. Additionally, prepayment obligations under certain of the Group's loans and credit facilities, including the Nexloop Senior Facility, may be triggered as a result of the availability of certain proceeds and cash flows and breaches of certain covenants and undertakings. The financing contracts of the Group do not contain any limitations on the distribution and payment of dividends, other than the Nexloop Senior Facility and the syndicated facilities agreement entered into by Swiss Towers, which include covenants restricting the distribution of dividends by Nexloop and by Cellnex Switzerland and Swiss Towers, respectively, subject to certain conditions.

XXIX) The Company cannot assure that it will be able to implement its Dividend Policy or to pay dividends (and even if able, that the Company would do so)

If there are any distributable profits, declaration of a dividend requires a resolution of the General Shareholders' Meeting upon the recommendation of the Board of Directors In the implementation of the Company's Dividend Policy (as defined herein), Cellnex is focused on distributing an annual dividend in an amount increased by 10% with respect to the dividend distributed the year before. However, the Company's ability to distribute dividends in an amount increased by 10% with respect to the dividend distributed the year before, depends on a number of circumstances and factors including, but not limited to, the amount of net profit attributable to the Company in any financial year, any limitations to the distribution of dividends included in the Company's financing agreements and the Company's growth strategy. In the future, the Company may not have cash available to pay dividends in an amount increased by 10% with respect to the dividend distributed the year before or have the reserves legally required for the Company to be able to do so. Even if the Company does have adequate cash and reserves, the Company's shareholders and Board of Directors may choose not to distribute dividends in an amount increased by 10% with respect to the dividend distributed the year before. In addition, the Company's ability to distribute dividends at all, depends on the same circumstances and factors and even if the Company does have adequate cash and reserves, the Company's shareholders and Board of Directors may choose not to distribute dividends at all.

Consequently, the Company cannot assure that it will pay a dividend in the future in compliance with the Company's Dividend Policy, or that it will pay any dividend.

Compliance risks

XXX) Fraud and compliance risks

The Group's operations are also subject to anti-bribery and anti-corruption laws and regulations and affect where and how its business may be conducted. The Group has established certain systems to monitor compliance with applicable laws and regulations and provides training to its employees to facilitate compliance with such laws and regulations.

The Cellnex group has a code of conduct (the "Ethics' Code") approved by the Board of Directors. The corporation prepares an Ethics' Code Framework which is then adapted in each country . This Ethics' Code is communicated to all employees.

The Group has created a corporate compliance function to improve compliance with the Group's Ethics' Code, implemented through specific regulations for each country and the establishment of whistle-blowing channels and the supervision of oversight and control measures to prevent criminal acts. The main values and principles included in the Ethics' Code are: integrity, honesty, transparency, loyalty, commitment to and defence of Group interests, and responsibility in all actions. The Ethics' Code includes among its fundamental principles the commitment to strictly comply with the obligation of the Group to offer reliable financial information prepared in accordance with applicable regulations, and the responsibility of its employees and management to ensure this is so, by correctly carrying out of their functions and by notifying the governing bodies of any circumstance which might affect that undertaking.

XXXI) Risk associated with significant agreements signed by the Group that could be modified due to change of control clauses

Certain material contracts entered into by the Group, including the Group's material debt agreements and most of the Group's agreements with anchor customers, could be modified or terminated if a change of control clause is triggered. A change of control clause may be triggered if a third-party, either alone or in conjunction with others, obtains "significant influence" and/or "control" (which is generally defined as having (i) more than 50% of shares with voting rights (except in a few exceptional cases where this threshold is defined as having 29% or more of shares with voting rights) or (ii) the right to appoint or dismiss the majority of the members of the board of directors) of the relevant Group company. A change of control clause may be triggered at the level of Cellnex or only at the level of the relevant subsidiary that has entered into the relevant contract. In certain contracts, the definition of control, and therefore of a change of control, makes specific reference to the applicable law in the relevant jurisdiction. Moreover, in relation with the consideration for the CK Hutchison Holdings Transactions in respect of the United Kingdom that is expected to be partially settled through the issuance to CK Hutchison Networks Europe Investments S.à.r.L. ("Hutchison") of new shares in Cellnex, if as a result of a takeover bid prior to closing of such transaction, a third party (alone or in concert with another shareholder) acquires the majority of the votes in Cellnex, Cellnex shall procure that Hutchison receives at closing such equivalent consideration as Hutchison would have received had it been a shareholder of Cellnex at the time of the takeover bid (see Note 21 of the accompanying consolidated financial statements).

With regards to the material contracts entered into by Group companies with anchor customers, the triggering of a change of control provision is generally limited to events where the acquiring company is a competitor of the anchor customer. In such circumstances, the anchor customer may be granted an option to buy back assets (generally the infrastructures where they are being serviced). In addition, such buy back option may also be granted in the event that a competitor of the anchor customer acquires a significant portion of the shares or obtains voting or governance rights which can be exercised in a way that can negatively affect the anchor customer's interests.

Additionally, both the bonds issued under the EMTN Program and the Convertible Bonds and bank financing contracts of the Group include certain change of control clauses which could trigger an early repayment under the respective debt arrangement.

Asset buy back options can also be exercised in case of an explicit breach by a Group company of the contractual obligations under services level agreements with its customers ("SLAs"). These assets buy back options will be executed at a price below fair market valuation. Moreover, some contracts also imply the possibility of an asset buy back or the customer being able to early terminate the contract if at any time one or several of the following circumstances occur: (a) the Group undergoes an adverse financial event which materially affects, or is reasonably likely to have a material effect upon, the provision of the Services; or (b) the long-term, unsecured, unsubordinated debt rating of the Group issued by the Ratings Agencies is downgraded by two (2) or more of the Ratings Agencies to B (or equivalent level) or less; or (c) an Insolvency Event takes place for the Group. In this situation, the Group shall immediately notify its customer the eventuality and discuss its plans for rectifying such adverse change, permitting the customer to undertake Step-In Actions and ensuring that it satisfies its obligations through project-specific policies of insurance taken out with reputable third party insurance vendors or provide comparable protection by other means to the customer's satisfaction. In the event that the customer does not believe the actions taken by the Group are likely to prevent an adverse impact on the provision of the Services, it may terminate the agreement for convenience and no termination Fees shall be payable. In addition, there is only one contract related to joint future investment that has buy back clauses by which the client has the right to acquire the assets in defined windows. Cellnex's management believes there is low probability of buy back execution as it would bear an important economic payment to be satisfied to Cellnex by the client.

If a change of control clause included in any of the Group's material contracts is triggered, or if a Group company explicitly breaches its contractual obligations under an SLA, it may materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

Annex 3. GRI Content Index

Indicators		2020 Integrated Annual Report	Perimeter of contents
GENERAL INDICATORS			
COMPANY PROFILE			
102-1	Name of the organisation	Cellnex Telecom, S.A.	Cellnex group
102-2	Activities, brands, products and services	2. 2020: Staying on the path of transformation	Cellnex group
		• European leader in telecommunications infrastructures (Introduction)	Cellnex group
		• Cellnex's Industrial Model	Cellnex group
		• Business Model	Cellnex group
102-3	Location of headquarters	Juan Esplandiú, 28007 Madrid	Cellnex group
102-4	Location of operations	2. 2020: Staying on the path of transformation	Cellnex group
		• Cellne'x Industrial Model	
		• Consolidation in Europe	
102-5	Ownership and legal form	Cellnex Telecom, S.A.	Cellnex group
102-6	Markets served	2. 2020: Staying on the path of transformation	Cellnex group
		• Cellnex's Industrial Model	
		• Business Model	
		• Consolidation in Europe	
102-7	Size of the organisation	2. 2020: Staying on the path of transformation	Cellnex group
		• Cellnex's Industrial Model	
		• Consolidation in Europe	
		3. Showing what we are, acting with integrity/Economic performance	
		• Business performance and results	
		• Business indicators	
		3. Showing what we are, acting with integrity/Investors relationships	
		• Market figures	
		• Treasury shares	
102-8	Information about employees and other workers	4. Boosting our talent, being diverse and inclusive/Cellnex's people strategy/People management	Cellnex group
		Annex 6. KPI Tables.	
102-9	Organisational structure, value chain, supply chain	2. 2020: Staying on the path of transformation / Cellnex's industrial model	Cellnex group
		7. Extending our commitment to the value chain/Suppliers	
102-10	Significant changes in the organisation and its supply chain	2. 2020: Staying on the path of transformation/ Consolidation in Europe	Cellnex group
		7. Extending our commitment to the value chain/ Suppliers	
102-11	Precautionary principle or approach	Cellnex has environmental liability insurance in compliance with current legislation and has a provision of 20,000,000 euros in 2020 (60,000 euros in 2019).	Cellnex group
		Note 20 of the Consolidated Financial Statements.	

		3. Showing what we are, acting with integrity / Economic performance/ Milestones and main figures for the year 2020/ Cellnex's tax contribution 6. Growing with a long-term sustainable environmental approach	
102-12	External initiatives	2. 2020: Staying on the path of transformation/ Cellnex's ESG strategy/ Stakeholders engagement 5.Being a facilitator of social progress / Social contribution	Cellnex group
102-13	Membership of associations	2. 2020: Staying on the path of transformation/ Cellnex's ESG strategy/ Stakeholders engagement In 2020 Cellnex donated 3,051,000 euros (196,252 euros in 2019) to foundations and non-profit entities. In addition, the total contribution to activities or sponsorship events by Cellnex Telecom has been 324,382 euros, the total contribution to associations of which Cellnex is a member has been 355,283.18 euros. Also, Cellnex's contribution to Tallon Boury & Associés was 71,625.36 euros, to Mayer Borwn was 21,000 euros, to Kauffman was 128,000 euros, Brunswick was 98,659.79, to Utopia was 60,000 euros and to Hill+Knowlton Strategies was 54,439 euros.	Cellnex group
STRATEGY			
102-14	Declaration of senior executives responsible for decision-making	1.Interview with the President and the CEO.	Cellnex group
102-15	Main impacts, risks and opportunities	3. Showing what we are, acting with integrity/ Global Management System and Risk Management 6. Growing with a long-term sustainable environmental approach/ Monitoring and managing the main risks, opportunities and environmental impacts. Annex 2. Risks	Cellnex group
ETHICS AND INTEGRITY			
102-16	Values, principles, standards, and norms of behaviour	3. Showing what we are, acting with integrity/ Ethics and compliance	Cellnex group
102-17	Mechanisms for assessment and complaint of ethical conduct	3. Showing what we are, acting with integrity/ Ethics and compliance	Cellnex group
GOVERNANCE			
102-18	Governance structure	3. Showing what we are, acting with integrity/Ethics and compliance/ Corporate governance	Cellnex group
102-19	Delegation of authority	Section C of the 2020 Annual Corporate Governance Report (Annex 9).	Cellnex group
102-20	Executive responsibility for economic, environmental and social matters	2. 2020: Staying on the path of transformation/Cellnex's ESG strategy Section H of the 2020 Annual Corporate Governance Report (Annex 9)	Cellnex group
102-21	Consultation with stakeholders on economic, environmental and social matters	2. 2020: Staying on the path of transformation/Cellnex's ESG strategy/ Stakeholders engagement	Cellnex group
102-22	Composition of the highest governing body and its committees	3. Showing what we are, acting with integrity/Ethics and compliance/ Corporate governance/ The Cellnex Board of Directors Sections C1.2, C1.3 Y C2 of the 2020 Annual Corporate Governance Report (Annex 9)	Cellnex group
102-23	Chair of the highest governing body	3. Showing what we are, acting with integrity/Ethics and compliance/ Corporate governance/ The Cellnex Board of Directors	Cellnex group
102-24	Appointment and selection of the highest governing body	3. Showing what we are, acting with integrity/ Ethics and compliance/ Corporate governance/ Changes in 2020	Cellnex group
102-25	Conflicts of interest	Section D of the 2020 Annual Corporate Governance Report (Annex 9)	Cellnex group

102-26	Role of highest governance body in setting purpose, values, and strategy	Section C of the 2020 Annual Corporate Governance Report (Annex 9)	Cellnex group
102-27	Collective knowledge of the highest governing body	3. Showing what we are, acting with integrity/ Ethics and compliance/ Corporate governance	Cellnex group
102-28	Evaluation of the performance of the highest governance body	3. Showing what we are, acting with integrity/Ethics and compliance/ Corporate governance Section C.17 of the 2020 Annual Corporate Governance Report (Annex 9)	Cellnex group
102-29	Identification and management of economic, environmental and social impacts	2. 2020: Staying on the path of transformation/Cellnex's ESG strategy 3. Showing what we are, acting with integrity/Global Management System and Risk Management Annex 2. Risks	Cellnex group
102-30	Effectiveness of risk management processes	3. Showing what we are, acting with integrity/Global Management System and Risk Management Annex 2. Risks	Cellnex group
102-31	Review of economic, environmental, and social topics	2. 2020: Staying on the path of transformation/Cellnex's ESG strategy 3. Showing what we are, acting with integrity/Global Management System and Risk Management Annex 2. Risks	Cellnex group
102-32	Highest governance body's role in sustainability reporting	2. 2020: Staying on the path of transformation/Cellnex's ESG strategy Section H of the 2020 Annual Corporate Governance Report (Annex 9)	Cellnex group
102-33	Communicating critical concerns	3. Showing what we are, acting with integrity/ Ethics and compliance	Cellnex group
102-34	Nature and total number of critical concerns	3. Showing what we are, acting with integrity/ Ethics and compliance	Cellnex group
102-35	Remuneration policies	Section C of the 2020 Annual Corporate Governance Report (Annex 9)	Cellnex group
102-36	Process for determining remuneration	Section C of the 2020 Annual Corporate Governance Report (Annex 9)	Cellnex group
102-37	Stakeholders' involvement in remuneration	Section A of the 2020 Annual Report on Remuneration of Directors	Cellnex group
102-38	Annual total compensation ratio	The ratio obtained from the calculation between the remuneration of the person holding the position of CEO and the average remuneration of the Group is equal to 65.85 in 2020. In 2019 it was 88.74	Cellnex group
102-39	Ratio of the percentage increase in total annual compensation	The variation in the average remuneration of the Group in relation to the year of 2019 was -2.6%, and the variation in the remuneration of the CEO was -21.0%. The changes correspond to the total remuneration accrued, excluding contributions to pension funds and life insurance premiums.	Cellnex group
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	2. 2020: Staying on the path of transformation/ Cellnex's ESG strategy/ Stakeholders engagement	Cellnex group
102-41	Collective bargaining agreements	4. Boosting our talent, being diverse and inclusive/Cellnex's people strategy/Culture/Collective agreements Annex 6. KPI Tables.	Cellnex group
102-42	Identifying and selecting stakeholders	2. 2020: Staying on the path of transformation/ Cellnex's ESG strategy/ Stakeholders engagement	Cellnex group
102-43	Approach to stakeholder engagement	2. 2020: Staying on the path of transformation/ Cellnex's ESG strategy/ Stakeholders engagement	Cellnex group
102-44	Key topics and concerns raised	2. 2020: Staying on the path of transformation/ Cellnex's ESG strategy/ Stakeholders engagement	Cellnex group

REPORTING PRACTICES			
102-45	Entities included in the consolidated financial statements	Consolidated Annual Accounts (Annex 1)	Cellnex group
102-46	Defining report content and topic boundaries	2. 2020: Staying on the path of transformation/ Cellnex's ESG strategy 8.Bases for the Preparation of the Report • Structure and content of the report. • Reporting scope.	Cellnex group
102-47	List of material topics	2. 2020: Staying on the path of transformation/ Cellnex's ESG strategy	Cellnex group
102-48	Restatements of information	There have been no restatements of information from previous reports.	Cellnex group
102-49	Changes in reporting	8.Bases for the Preparation of the Report • Structure and content of the report. • Reporting scope.	Cellnex group
102-50	Period covered by the report	Financial Year 2020	Cellnex group
102-51	Date of the last report	2019	Cellnex group
102-52	Reporting cycle	Annual	Cellnex group
102-53	Contact person for queries regarding the report	8.Bases for the Preparation of the Report / Contact information (cellnex@cellnextelecom.com)	Cellnex group
102-54	Claims of reporting in accordance with the GRI Standards	8.Bases for the Preparation of the Report / Structure and content of the report.	Cellnex group
102-55	GRI content index	Annex 3. GRI Context Index	Cellnex group
102-56	External assurance	Annex 7. Independent Limited Verification Report	Cellnex group
MANAGEMENT APPROACH			
103-1[4]	Explanation of the material topic and its Boundary	2. 2020: Staying on the path of transformation/ Cellnex's ESG strategy	Cellnex group
103-2[5]	The management approach and its components	8.Bases for the Preparation of the Report/Reporting scope.	
103-3[6]	Evaluation of the management approach	2. 2020: Staying on the path of transformation/ Cellnex's ESG strategy	
ECONOMIC STANDARDS			
ECONOMIC DIMENSION			
201-1	Direct economic value generated and distributed	3. Showing what we are, acting with integrity/Economic performance/ Milestones and main figures for the year 2020/ Cellnex's tax contribution/ Value generated and distributed	Cellnex group
MARKET PRESENCE			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Annex 6. KPI Tables	Cellnex group
INDIRECT ECONOMIC IMPACTS			
203-1	Investments in infrastructure and supported services	3. Showing what we are, acting with integrity/Economic performance/ Milestones and main figures for the year 2020 • Business performance and results.	Cellnex group

[4] The management approach for each Standard is included in the section specified for its specific indicators.
[5] Whenever the management approach of a material aspect of Cellnex is described in this document, it is indicated in the footnote with reference to the indicators GRI 103-1, 103-2, 103-3.
[6] Whenever the management approach of a material aspect of Cellnex is described in this document, it is indicated in the footnote with reference to the indicators GRI 103-1, 103-2, 103-3.

		• Business indicators.	
PROCUREMENT PRACTICES			
204-1	Proportion of procurement from local suppliers	7. Extending our commitment to the value chain/Suppliers	Cellnex group[7]
ANTI-CORRUPTION			
205-2	Communication and training about anti-corruption policies and procedures	3. Showing what we are, acting with integrity/Ethics and compliance/ Ethics and compliance The money-laundering issue is addressed in the Cellnex Corruption Prevention Procedure.	Cellnex group
205-3	Confirmed incidents of corruption and actions taken	3. Showing what we are, acting with integrity/Ethics and compliance/ Ethics and compliance	Cellnex group
UNFAIR COMPETITION			
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	In FY 2020, Cellnex received no complaints for anti-competitive or monopolistic practices, nor have the market or competition supervisory authorities initiated procedures ex officio. Likewise, it received no final judgments or any other type of sanction for such practices.	Cellnex group
TAX			
207-1	Approach to tax	3. Showing what we are, acting with integrity/ Economic performance/ Milestones and main figures for the year 2020/ Cellnex's tax contribution.	Cellnex group
207-2	Tax governance, control, and risk management	3. Showing what we are, acting with integrity/ Economic performance/ Milestones and main figures for the year 2020/ Cellnex's tax contribution.	Cellnex group
207-3	Stakeholder engagement and management of concerns related to tax	3. Showing what we are, acting with integrity/ Economic performance/ Milestones and main figures for the year 2020/ Cellnex's tax contribution.	Cellnex group
207-4	Country-by-country reporting	3. Showing what we are, acting with integrity/ Economic performance/ Milestones and main figures for the year 2020/ Cellnex's tax contribution.	Cellnex group
ENERGY			
302-1	Energy consumption in the organisation	6. Growing with a long-term sustainable environmental approach/ Sustainable use of resources/ Energy Management Annex 6. KPI Tables	Cellnex group
302-2	Energy consumption outside the organisation	6. Growing with a long-term sustainable environmental approach/ Sustainable use of resources/ Energy Management Annex 6. KPI Tables Cellnex considers all the energy consumed in its operating facilities as internal consumption.	Cellnex group
302-4	Reduction of energy consumption	6. Growing with a long-term sustainable environmental approach/ Sustainable use of resources/ Energy Management	Cellnex group
WATER AND EFFLUENTS			
303-1	Interactions with water as a shared resource	Given Cellnex's activity and water consumption, there are no effluents.	Cellnex group
303-2	Management of water discharge-related impacts	Given Cellnex's activity, the water discharge-related impacts are not significant.	Cellnex group
303-5	Water consumption	6. Growing with a long-term sustainable environmental approach/ Sustainable use of resources/ Water consumption	Cellnex group
BIODIVERSITY			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high	6. Growing with a long-term sustainable environmental approach/Biodiversity	Cellnex group

[7] All the information related to suppliers in the UK refers to the Cellnex UK company, since due to the integration process in which the On Tower UK company is, it has not been possible to access the systems to collect the necessary information.

	biodiversity value outside protected areas		
304-2	Significant impacts of activities, products and services on biodiversity	6. Growing with a long-term sustainable environmental approach/Biodiversity	Cellnex group
EMISSIONS			
305-1	Direct GHG emissions (scope 1)	6. Growing with a long-term sustainable environmental approach / Carbon footprint and climate change. Annex 6. KPI Tables	Cellnex group
305-2	Indirect GHG emissions when generating energy (scope 2)	6. Growing with a long-term sustainable environmental approach / Carbon footprint and climate change. Annex 6. KPI Tables	Cellnex group
305-3	Other indirect GHG emissions (scope 3)	6. Growing with a long-term sustainable environmental approach / Carbon footprint and climate change. Annex 6. KPI Tables	Cellnex group
305-4	GHG emissions intensity	6. Growing with a long-term sustainable environmental approach / Carbon footprint and climate change. Annex 6. KPI Tables	Cellnex group
305-5	Reduction of GHG emissions	6. Growing with a long-term sustainable environmental approach • Sustainable use of resources/ Energy Management • Carbon footprint and climate change.	Cellnex group
EFFLUENTS AND WASTE			
306-2	Waste by type and disposal method	6. Growing with a long-term sustainable environmental approach/ Sustainable use of resources/ Waste management	Cellnex group
ENVIRONMENTAL COMPLIANCE			
307-1	Non-compliance with environmental laws and regulations	There was one environmental complaint in Cellnex Italy, 3 in Cellnex Netherlands and 3 in Cellnex UK in 2020. There was no enforcement action by environmental agencies and no fines or sanctions were incurred.	Cellnex group
SUPPLIER ENVIRONMENTAL ASSESSMENT			
308-1	New suppliers that were screened using environmental criteria	7. Extending our commitment to the value chain/Suppliers/ Evaluation, selection and monitoring of suppliers.	Spain / Italy / France/ Switzerland / Netherlands
308-2	Negative environmental impacts in the supply chain and actions taken	7. Extending our commitment to the value chain/Suppliers/ Evaluation, selection and monitoring of suppliers.	Spain / Italy / France/ Switzerland / Netherlands
EMPLOYMENT			
401-1	New employee hires and employee turnover	4. Boosting our talent, being diverse and inclusive/Cellnex's people strategy Annex 6. KPI Tables	Cellnex group
OCCUPATIONAL HEALTH AND SAFETY			
403-1	Occupational health and safety management system	4. Boosting our talent, being diverse and inclusive/Occupational health and safety	Cellnex group
403-2	Hazard identification, risk assessment, and incident investigation	4. Boosting our talent, being diverse and inclusive/Occupational health and safety	Cellnex group
403-3	Occupational health services	4. Boosting our talent, being diverse and inclusive/Occupational health and safety	Cellnex group
403-4	Worker participation, consultation, and communication on occupational health and safety	4. Boosting our talent, being diverse and inclusive/Occupational health and safety	Cellnex group
403-5	Worker training on occupational health and safety	4. Boosting our talent, being diverse and inclusive/Occupational health and safety	Cellnex group
403-6	Promotion of worker health	4. Boosting our talent, being diverse and inclusive/Occupational health and safety	Cellnex group

403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4. Boosting our talent, being diverse and inclusive/Occupational health and safety	Cellnex group
403-8	Workers covered by an occupational health and safety management system	4. Boosting our talent, being diverse and inclusive/Occupational health and safety	Cellnex group
403-9	Work-related injuries	4. Boosting our talent, being diverse and inclusive/Occupational health and safety Annex 6. KPI Tables	Cellnex group
403-10	Work-related ill health	4. Boosting our talent, being diverse and inclusive/Occupational health and safety	Cellnex group
TRAINING AND TEACHING			
404-1	Average hours of training per year per employee	4. Boosting our talent, being diverse and inclusive/Cellnex's people strategy/Talent and leadership/Training Annex 6. KPI Tables	Cellnex group
404-2	Programmes to improve employee skills and transition assistance programmes	4. Boosting our talent, being diverse and inclusive/Cellnex's people strategy/Talent and leadership/Training	Cellnex group
DIVERSITY AND EQUAL OPPORTUNITY			
405-1	Diversity of governing bodies and employees	During 2020, Cellnex has employed 15 employees with different abilities. 3. Showing what we are, acting with integrity/Ethics and compliance/Corporate governance Annex 6. KPI Tables	Cellnex group
405-2	Ratio of basic salary and remuneration of women to men	Annex 6. KPI Tables	Cellnex group
NON-DISCRIMINATION			
406-1	Incidents of discrimination and corrective actions taken	3. Showing what we are, acting with integrity/ Ethics and compliance/ Ethics and compliance/ Cellnex's Human Rights commitment	Cellnex group
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	3. Showing what we are, acting with integrity/ Ethics and compliance/ Cellnex's Human Rigths commitment	Cellnex group
CHILD LABOR			
408-1	Operations and suppliers at significant risk for incidents of child labor	No impacts have been detected in the supply chain related to suppliers susceptible to incidents of child labor or significant risk of incidents of forced labor	Cellnex group
FORCED OR COMPULSORY LABOR			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	No impacts have been detected in the supply chain related to suppliers susceptible to incidents of child labor or significant risk of incidents of forced labor	Cellnex group
HUMAN RIGHTS ASSESSMENT			
412-2	Employee training on human rights policies or procedures	Cellnex has dedicated 724 hours in human rights training.	Cellnex group
LOCAL COMMUNITIES			
413-1	Operations with local community engagement, impact assessments, and development programmes	5. Being a facilitator of social progress	Cellnex group
SUPPLIER SOCIAL ASSESSMENT[8]			
414-1	New suppliers that were screened using social criteria.	7. Extending our commitment to the value chain/Suppliers/ Evaluation, selection and monitoring of suppliers.	Spain / Italy / France/ Switzerland / Netherlands

[8] All the information related to suppliers in the UK refers to the Cellnex UK company, since due to the integration process in which the On Tower UK company is, it has not been possible to access the systems to collect the necessary information.

414-2	Negative social impacts in the supply chain and actions taken	7. Extending our commitment to the value chain/Suppliers/ Evaluation, selection and monitoring of suppliers.	Spain / Italy / France/ Switzerland / Netherlands
PUBLIC POLICY			
415-1	Political contributions	There were no political contributions in 2020.	Cellnex group
CUSTOMER HEALTH AND SAFETY			
416-1	Assessment of the health and safety impacts of product and service categories	7. Extending our commitment to the value chain/Customers	Cellnex group
CUSTOMER PRIVACY			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	7. Extending our commitment to the value chain/Customers/Information security management.	Cellnex group
SOCIOECONOMIC COMPLIANCE			
419-1	Non-compliance with laws and regulations in the social and economic area	There have been no sanctions during 2020.	Cellnex group

Annex 4. Non-financial Information Index

Legal content (Law 11/2018)	¿Is it material? YES/NO	Standard used (GRI or other)	2020 Integrated Annual Report	Scope
	Business Model			
Brief description of the group's business model, which will include:	Yes	GRI 102-1	2. 2020: Staying on the path of transformation/ European leader in telecommunications infrastructures (Introduction)	Cellnex group
1.) its business environment,		GRI 102-2	2. 2020: Staying on the path of transformation: • European leader in telecommunications infrastructures (Introduction) • Cellnex's Industrial Model • Business Model	
2.) its organisation and structure,		GRI 102-3	Juan Esplandiú, 28007 Madrid	
3.) the markets in which it operates,		GRI 102-4	2. 2020: Staying on the path of transformation: • Cellne'x Industrial Model • Consolidation in Europe	
4.) its goals and strategies,		GRI 102-6	2. 2020: Staying on the path of transformation: • Cellnex's Industrial Model • Business Model • Consolidation in Europe	
5.) The main factors and trends that may affect its future evolution.		GRI 102-7	2. 2020: Staying on the path of transformation: • Cellnex's Industrial Model • Consolidation in Europe 3. Showing what we are, acting with integrity/Economic performance • Business performance and results • Business indicators 3. Showing what we are, acting with integrity/Investors relationships • Market figures • Treasury shares	
		GRI 102-14	1.Interview with the President and the CEO.	
	Policies			
A description of the policies that the group applies regarding these issues, which will include: 1.) due diligence procedures applied to the identification, evaluation, prevention and mitigation of significant risks and impacts 2.) verification and control procedures, including what measures have been taken.	Yes	GRI 103 Management approach to each area within the Economic, Environmental and Social dimensions	2. 2020: Staying on the path of transformation 3. Showing what we are, acting with integrity/Ethics and compliance 4. Boosting our talent, being diverse and inclusive 5. Being a facilitator of social progress 6. Growing with a long-term sustainable environmental approach/Responsible environmental management. 7. Extending our commitment to the value chain	Cellnex group

	Risks			
The main risks related to these issues related to the activities of the group, including, where relevant and proportionate, their business relationships, products or services that may have negative effects in those areas, and how the group manages these risks, explaining the procedures used to detect and evaluate them according to national, European or international reference frameworks for each subject. Information on the impacts that have been detected must be included, offering a breakdown of them, in particular on the main risks in the short, medium and long term.	Yes	GRI 102-15	3. Showing what we are, acting with integrity/ Global Management System and Risk Management 6. Growing with a long-term sustainable environmental approach/ Monitoring and managing the main risks, opportunities and environmental impacts. Annex 2. Risks	Cellnex group
	KPIs			
Key indicators of non-financial results that are relevant to the specific business activity, and that meet the criteria of comparability, materiality, relevance and reliability. * In order to facilitate the comparison of information, both in time and between entities, standards of non-financial key indicators that can be generally applied and that comply with the European Commission guidelines on this subject and the standards will be used. of the Global Reporting Initiative, having to mention in the report the national, European or international framework used for each subject. * The key indicators of non-financial results should be applied to each of the sections of the non-financial information state. * These indicators should be useful, taking into account the specific circumstances and consistent with the parameters used in their internal risk assessment and management procedures. * In any case, the information presented must be accurate, comparable and verifiable.	Yes	General or specific GRI standards for the Economic, Environmental and Social dimensions that are reported in the following blocks.	Annex 6. KPI Tables	Cellnex group
	Environmental Issues			
	Global Environment			
Detailed information on the current and foreseeable effects of the company's activities on the environment and, where appropriate, health and safety, environmental assessment or certification procedures.	Yes	GRI 102-15	3. Showing what we are, acting with integrity/ Global Management System and Risk Management 6. Growing with a long-term sustainable environmental approach/ Monitoring and managing the main risks, opportunities and environmental impacts. Annex 2. Risks	Cellnex group
	Yes	GRI 103- 2	3. Showing what we are, acting with integrity/ Global Management System and Risk Management	Cellnex group

			6. Growing with a long-term sustainable environmental approach	
Resources dedicated to the prevention of environmental risks.	Yes	GRI 102-15	3. Showing what we are, acting with integrity/ Global Management System and Risk Management 6. Growing with a long-term sustainable environmental approach/ Monitoring and managing the main risks, opportunities and environmental impacts. Annex 2. Risks	Cellnex group
The application of the precautionary principle, the amount of provisions and guarantees for environmental risks.	Yes	GRI 102-11	Cellnex has environmental liability insurance in compliance with current legislation and has a provision of 60,000 euros. Note 20 of the Consolidated Financial Statements. 3. Showing what we are, acting with integrity / Economic performance/ Milestones and main figures for the year 2020/ Cellnex's tax contribution/ Value generated and distributed 6. Growing with a long-term sustainable environmental approach	Cellnex group
	Contamination			
Measures to prevent, reduce or repair carbon emissions that seriously affect the environment, taking into account any form of air pollution specific to an activity, including noise and light pollution.	Yes	GRI 103-2 GRI 103-3 Emissions	5. Bring a facilitator of social progress/ Manage the impact of our infrastructures 6. Growing with a long-term sustainable environmental approach/ Carbon footprint and climate change.	Cellnex group
	Yes	GRI 302-4	6. Growing with a long-term sustainable environmental approach/ Sustainable use of resources.	Cellnex group
	Yes	GRI 305-5	6. Growing with a long-term sustainable environmental approach • Sustainable use of resources. • Carbon footprint and climate change.	Cellnex group
	Circular economy and prevention and waste managements			
Circular economy.	No	GRI 306-2	6. Growing with a long-term sustainable environmental approach/ Sustainable use of resources/ Waste management.	Cellnex group
Waste: Prevention, recycling, reuse, other forms of recovery and waste disposal.	No			
Actions to fight food waste.	No			
	Sustainable use of resources			
Water consumption and water supply according to local constraints.	No	GRI 303-1 GRI 303-2 GRI 303-5	6. Growing with a long-term sustainable environmental approach/ Sustainable use of resources/ Water consumption. Annex 6. KPIs Tables	Cellnex group
Consumption of raw materials and the measures adopted to improve the efficiency of their use.	No			
Consumption, direct and indirect, of energy.	Yes	GRI 302-1	6. Growing with a long-term sustainable environmental approach/ Sustainable use of resources/ Energy Management. Annex 6. KPIs Tables	Cellnex group
	Yes	GRI 302-2	6. Growing with a long-term sustainable environmental approach/ Sustainable use of resources. Annex 6. KPIs Tables Cellnex considers all the energy consumed in its operating facilities as internal consumption.	Cellnex group
Measures taken to improve energy efficiency.	Yes	GRI 103-2 GRI 103-3 Energy	6. Growing with a long-term sustainable environmental approach/ Sustainable use of resources / Energy Management.	Cellnex group
	Yes	GRI 302-4		

Use of renewable energies.	Yes	GRI 302-1	6. Growing with a long-term sustainable environmental approach/ Sustainable use of resources./ Energy Management.	Cellnex group
	Climate change			
The important elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces.	Yes Yes Yes	GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4	6. Growing with a long-term sustainable environmental approach/ Carbon footprint and climate change. Annex 6. KPI Tables	Cellnex group
The measures adopted to adapt to the consequences of Climate Change.	Yes	GRI 103-2 GRI 103-3 Emissions	6. Growing with a long-term sustainable environmental approach/ Carbon footprint and climate change.	Cellnex group
	Yes	GRI 102-11 GRI 102-15	3. Showing what we are, acting with integrity/ Global Management System and Risk Management 6. Growing with a long-term sustainable environmental approach/ Monitoring and managing the main risks, opportunities and environmental impacts footprint and climate change. Annex 2. Risks	Cellnex group
The reduction goals established voluntarily in the medium and long term to reduce greenhouse gas emissions and the means implemented for that purpose.	Yes	GRI 305-5	6. Growing with a long-term sustainable environmental approach • Sustainable use of resources/ Energy Management • Carbon footprint and climate change.	Cellnex group
Biodiversity				
The measures taken to preserve or restore biodiversity.	No	GRI 103-2 GRI 103-3 Biodiversity	6. Growing with a long-term sustainable environmental approach/ Biodiversity.	Cellnex group
Impacts caused by activities or operations in protected areas.	No	GRI 304-1	6. Growing with a long-term sustainable environmental approach/ Biodiversity.	Cellnex group
	No	GRI 304-2		
Social issues and related to employees				
	Employment			
Total number and distribution of employees by sex, age, country and professional category.	Yes	GRI 102-8	4. Boosting our talent, being diverse and inclusive/ People management.	Cellnex group
	Yes	GRI 405-1. b)	Annex 6. KPI Tables	
Total number and distribution of work contract modalities.	Yes	GRI 102-8	4. Boosting our talent, being diverse and inclusive/ People management. Annex 6. KPI Tables	Cellnex group
Annual average of permanent, temporary and part-time contracts by sex, age and professional category.	Yes	GRI 102-8	4. Boosting our talent, being diverse and inclusive/ People management.	Cellnex group
	Yes	GRI 405-1. b)	Annex 6. KPI Tables	
Number of dismissals by sex, age and professional classification.	Yes	GRI 401-1. b)	Annex 6. KPI Tables	Cellnex group
The average remunerations and their evolution disaggregated by sex, age and professional classification or equal value.	Yes	GRI 103-2 GRI 103-3 Diversity and equal opportunity	4. Boosting our talent, being diverse and inclusive/ Talent and leadership	Cellnex group
	Yes	GRI 405-2	Annex 6. KPI Tables	Cellnex group
Salary gap, the remuneration of equal or average positions in the company.	Yes	GRI 405-2	Annex 6. KPI Tables	Cellnex group
The average remuneration of directors and executives, including variable remuneration, allowances, compensation, payment to long-term savings	Yes	GRI 103-2 GRI 103-3 Diversity and equal opportunity	Section C of the 2020 Annual Corporate Governance Report (Annex 9).	Cellnex group
	Yes	GRI 102-35		

forecast systems and any other perception disaggregated by sex.	Yes	GRI 102-36		
	Yes	GRI 102-37	Section A of the 2020 Annual Report on Remuneration of Directors	
	Yes	GRI 102-38	The ratio obtained from the calculation between the remuneration of the person holding the position of CEO and the average remuneration of the Group is equal to 65.85 in 2020. In 2019 it was 88.74	
	Yes	GRI 102-39	The variation in the average remuneration of the Group in relation to the year of 2019 was -2.6%, and the variation in the remuneration of the CEO was -21.0%. The changes correspond to the total remuneration accrued, excluding contributions to pension funds and life insurance premiums.	
Implementation of labour disconnection measures.	Yes	GRI 103-2 GRI 103-3 Employment	4. Boosting our talent, being diverse and inclusive/ Cellnex's people strategy / Work-life balance and labour flexibility	Cellnex group
Employees with disabilities.	Yes	GRI 405-1. b)	During 2020, Cellnex has employed 15 employees with different abilities. 4. Boosting our talent, being diverse and inclusive/ Cellnex's people strategy/ People Management	Cellnex group
	Work organisation			
Organisation of working time.	Yes	GRI 103-2 GRI 103-3 Employment	4. Boosting our talent, being diverse and inclusive/ Cellnex's people strategy/ Culture/ Equality, Diversity and Inclusion plan roll out across countries/ Work-life balance and labour flexibility	Cellnex group
	Yes	GRI 102-8. c)	Annex 6. KPI Tables	
Number of hours of absenteeism.	Yes	GRI 403-9	4. Boosting our talent, being diverse and inclusive/ Occupational health and safety / Accident rate and absenteeism Annex 6. KPI Tables	Cellnex group
Measures designed to facilitate the enjoyment of conciliation and encourage joint responsibility of these by both parents.	Yes	GRI 103-2 GRI 103-3 Employment	4. Boosting our talent, being diverse and inclusive/ Cellnex's people strategy/ Culture/ Equality, Diversity and Inclusion plan roll out across countries/ Work-life balance and labour flexibility	Cellnex group
	Health and safety			
Conditions of health and safety at work.	Yes	GRI 103-2 GRI 103-3 Occupational health and safety GRI 403-1 to GRI 403-8	4. Boosting our talent, being diverse and inclusive/ Occupational health and safety	Cellnex group
Work accidents, in particular their frequency and seriousness, occupational diseases, disaggregated by sex.	Yes	GRI 403-9 GRI 403-10	4. Boosting our talent, being diverse and inclusive/ Occupational health and safety/ Accident rate and absenteeism Annex 6. KPI Tables	Cellnex group
	Social relations			
Organisation of social dialogue, including procedures for informing and consulting staff and negotiating with them.	Yes	GRI 103-2 GRI 103-3 Labour/ Management relations	4. Boosting our talent, being diverse and inclusive/ Culture/ Social dialogue	Cellnex group
Percentage of employees covered by collective agreement by country.	Yes	GRI 102-41	4. Boosting our talent, being diverse and inclusive/ Culture/ Collectives agreements Annex 6. KPI Tables.	Cellnex group
Balance of collective agreements, particularly in the field of health and safety at work.	Yes	GRI 403-1 GRI 403-4	4. Boosting our talent, being diverse and inclusive/ Culture/ Collectives agreements	Cellnex group

	Training			
The policies implemented in the field of training.	Yes	GRI 103-2 GRI 103-3 Training and education	4. Boosting our talent, being diverse and inclusive/ Cellnex's people strategy	Cellnex group
	Yes	GRI 404-2	4. Boosting our talent, being diverse and inclusive/Cellnex's people strategy/Talent and leadership/Training	
The total amount of training hours by professional categories.	Yes	GRI 404-1	4. Boosting our talent, being diverse and inclusive/ Cellnex's people strategy Annex 6. KPI Tables	Cellnex group
	Accessibility			
Universal accessibility for people with disabilities	Yes	GRI 103-2 GRI 103-3 Diversity and equal opportunity Non-discrimination	4. Boosting our talent, being diverse and inclusive/ Cellnex's people strategy	Cellnex group
	Equality			
Measures taken to promote equal treatment and opportunities between men and women.	Yes	GRI 103-2 GRI 103-3 Employment	4. Boosting our talent, being diverse and inclusive/ Cellnex's people strategy/ Equity, Diversity and Inclusion plan roll out across countries	Cellnex group
Equality plans, measures adopted to promote employment, protocols against sexual and gender-based harassment, integration and the universal accessibility of people with disabilities.	Yes	Diversity and equal opportunity		
The policy against all types of discrimination and, where appropriate, management of diversity.	Yes	Non-discrimination		
	Human rights			
Application of due diligence procedures in human rights. Prevention of the risks of violation of human rights and, where appropriate, measures to mitigate, manage and repair possible abuse	Yes	GRI 103-2 GRI 103-3 Non-discrimination Human Rights Assessment	3. Showing what we are, acting with integrity/ Ethics and compliance/ Cellnex's Human Rigths commitment	Cellnex group
		GRI 102-16	3. Showing what we are, acting with integrity/ Ethics and compliance	
		GRI 102-17	3. Showing what we are, acting with integrity/ Ethics and compliance	
Complaints about cases of violation of human rights.	Yes	GRI 406-1	3. Showing what we are, acting with integrity/ Ethics and compliance/ Ethics and compliance/ Cellnex's Human Rights commitment	Cellnex group
Promotion and compliance with the provisions of the fundamental Conventions of the International Labor Organisation related to respect for freedom of association and the right to collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced or compulsory labor and the effective abolition of child labor.	Yes	GRI 103-2	3. Showing what we are, acting with integrity/ Ethics and compliance	Cellnex group
		GRI 103-3	3. Showing what we are, acting with integrity/ Ethics and compliance/ Cellnex's Human Rigths commitment	
		Non-discrimination		
		GRI 407-1		
		GRI 408-1		
		GRI 409-1		

	Anti-corruption and anti-brivery			
Measures taken to prevent corruption and bribery.	Yes	GRI 103-2 GRI 103-3 Anti-corruption GRI 102-16 GRI 102-17 GRI 205-2	3. Showing what we are, acting with integrity/ Ethics and compliance Prevention Procedure. The money laundering issue is addressed in the Cellnex Corruption 3. Showing what we are, acting with integrity/ Ethics and compliance	Cellnex group
Measures to combat money laundering.	Yes	GRI 205-3	3. Showing what we are, acting with integrity/Ethics and compliance/ Ethics and compliance	
Contributions to foundations and non-profit entities.	Yes	GRI 201-1	In 2020 Cellnex donated 3,051,000 euros (196,252 euros in 2019) have been to foundations and non-profit entities.	Cellnex group
	Yes	GRI 413-1		
	Society			
	Commitments of the company to sustainable development			
The impact of society's activity on employment and local development.	Yes	GRI 103-2 GRI 103-3 Indirect economic impacts GRI 203-1	3. Showing what we are, acting with integrity Investors relationships/ Treasury shares 3. Showing what we are, acting with integrity/ Milestones and main figures for the year 2020 • Business performance and results • Business indicators	Cellnex group
	Yes	GRI 103-3 Local Communities GRI 413-1	5. Being a facilitator of social progress/ Social contribution	Cellnex group
	Yes	GRI 204-1	7. Extending our commitment to the value chain/ Suppliers	Cellnex group
The impact of society's activity on local populations and in the territory.	Yes	GRI 103-2 GRI 103-3 Indirect economic impacts GRI 203-1	3. Showing what we are, acting with integrity Investors relationships/ Treasury shares 3. Showing what we are, acting with integrity/ Milestones and main figures for the year 2020 • Business performance and results • Business indicators	Cellnex group
	Yes	GRI 103-3 Local Communities GRI 413-1	5. Being a facilitator of social progress/ Social contribution 5. Being a facilitator of social progress/ Electromagnetic emissions 5. Being a facilitator of social progress	Cellnex group
The relationships maintained with the actors of the local communities and the modalities of dialogue with them.	Yes	GRI 102-43	2. 2020: Staying on the path of transformation/ Cellnex's ESG strategy/ Stakeholders engagement	Cellnex group
	Yes	GRI 413-1	5. Being a facilitator of social progress	Cellnex group
The association or sponsorship actions.	Yes	GRI 102-12 GRI 102-13	2. 2020: Staying on the path of transformation/ Cellnex's ESG strategy/ Stakeholders engagement The total contribution to activities or sponsorship events by Cellnex Telecom has been 324,382 euros and the total contribution to associations of which Cellnex is a member has been 355,283.18 euros.	Cellnex group
	Subcontracting and suppliers			
The inclusion in the purchasing policy of social issues, gender equality and environmental issues. Consideration in relations with suppliers and subcontractors of	No	GRI 102-9 GRI 103-2 GRI 103-3 Supplier environmental and social assessment	7. Extending our commitment to the value chain/ Suppliers.	Cellnex Group[9]

[9] All the information related to suppliers in the UK refers to the Cellnex UK company, since due to the integration process in which the On Tower UK company is, it has not been possible to access the systems to collect the necessary information.

their social and environmental responsibility.	No	GRI 308-1 GRI 308-2 GRI 414-1 GRI 414-2	7. Extending our commitment to the value chain/ Suppliers/ Evaluation, selection and monitoring of suppliers.	
Supervision systems and audits and their results.	No	GRI 103-2 GRI 103-3 Supplier environmental and social assessment	Note: Currently no audits of suppliers are currently performed. 7. Extending our commitment to the value chain/ Suppliers/ Evaluation, selection and monitoring of suppliers.	Cellnex group
	Consumers			
Measures for the health and safety of consumers.	No	GRI 103-2 GRI 103-3 Customer health and safety Marketing and labeling Customer privacy	7. Extending our commitment to the value chain/ Customers. 7. Extending our commitment to the value chain/ Customers/ Information security management.	Cellnex group
Claims systems, complaints received and resolution of them.	Yes	GRI 103-2 GRI 103-3 Customer health and safety Marketing and labeling Customer privacy	7. Extending our commitment to the value chain/ Customers	Cellnex group
	Yes	GRI 418-1	7. Extending our commitment to the value chain/ Customers/ Information security management.	Cellnex group
	Tax information			
Benefits obtained country by country.	Yes	GRI 103-2 GRI 103-3 Economic performance GRI 201-1	This information is provided in the Consolidated Annual Accounts. 3. Showing what we are, acting with integrity/ Milestones and main figures for the year 2020/Cellnex's tax contribution / Value generated and distributed.	Cellnex group
Taxes paid on benefits.	Yes	GRI 103-2 GRI 103-3 Economic performance GRI 207-1 GRI 207-4	3. Showing what we are, acting with integrity/ Milestones and main figures for the year 2020/Cellnex's tax contribution/ Income Tax Payment	Cellnex group
Public subsidies received.	Yes	GRI 201-4	There hasn't been significant financial assistance received from government.	Cellnex group

Annex 5. SASB Topics

Topic	Accounting metric	References
Environmental Footprint of Operations	1.1. Total Energy Consumed (GJ)	2,522,873.07
	1.2. Percentage of Grid Electricity (%)	99.11%
	1.3. Percentage renewable (%)	22.84%
Data Privacy	2.1. Description of policies and practices relating to behavioral advertising and customer privacy	Due to the nature of the activity (B2B), we do not handle personal information of customers understood as an individual person. Even so, Cellnex has a Private Data Policy. The Cellnex Group guarantees the security, secrecy and confidentiality of personal data under its responsibility, adopting the most stringent and robust security measures and technical resources to prevent the loss or misuse of the data or access to the data without your authorisation. Morevoer, Clients Personal Data Management Clause included in all the contracts signed by Cellnex with its clients, regarding Personal Data management.
	2.2. Number of customers whose information is used for secondary purposes	Due to the nature of the activity (B2B), we do not handle personal information of customers understood as an individual person.
	2.3. Total amount of monetary losses as a result of legal proceedings associated with customer privacy	IAR[10]: 7. Extending our commitment to the value chain/Customers/Information security management. (GRI 418-1).
	2.4. Number of law enforcement requests for customer information.	Due to the nature of the activity of the company, Cellnex does not receive any requests for personal data from the government or law enforcement authorities.
	2.5. Number of customers whose information was requested	IAR: 7. Extending our commitment to the value chain/Customers/Information security management.
	2.6. Percentage resulting in disclosure	IAR: 7. Extending our commitment to the value chain/Customers/Information security management.
Data Security	3.1. Number of data breaches	IAR: 3. Showing what we are, acting with integrity/ Global Management System and Rsik Management/ Quality and continuous improvement.
	3.2. Percentage involving personally identifiable information (PII)	It has not been necessary, as no breaches have been detected.
	3.3. Number of customers affected	It has not been necessary, as no breaches have been detected.
	3.4. Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards.	IAR: 7. Extending our commitment to the value chain/ Customers/ Information Security Management.
Product End-of-life Management	4.1. Materials recovered through take back programs	IAR:5. Growing with a long-term sustainable environmental approach/Sustainable of resources/Waste management.
	4.2. Percentage of recovered materials that were reused	IAR:5. Growing with a long-term sustainable environmental approach/Sustainable of resources/Waste management.
	4.3. Percentage of recovered materials that were recycled	IAR:5. Growing with a long-term sustainable environmental approach/Sustainable of resources/Waste management.
	4.4. Percentage of recovered materials that were landfilled	IAR:5. Growing with a long-term sustainable environmental approach/Sustainable of resources/Waste management.
Competitive Behavior & Open Internet	5.1. Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	In FY 2020, Cellnex received no complaints for anti-competitive or monopolistic practices, nor have the market or competition supervisory authorities initiated

[10] Integrated Annual Report 2020.

		procedures ex officio. Likewise, it received no final judgments or any other type of sanction for such practices (GRI 206-1).
	5.2 Average actual sustained download speed of owned and commercially-associated content and non-associated content	Due to the nature of our business, this indicator does not apply to us. Download speed is a service offered directly by network mobile operators to the end customer.
	5.3 Description of risks and opportunities associated with net neutrality, paid peering, zero rating, and related practices	Due to the nature of our business, this indicator does not apply to us.
Managing Systemic Risks from Technology Disruptions	6.1. System average interruption frequency	IAR: 3. Showing what we are, acting with integrity/ Global Management System and Rsik Management/ Quality and continuous improvement.
	6.2 Customer average interruption duration	IAR: 3. Showing what we are, acting with integrity/ Global Management System and Rsik Management/ Quality and continuous improvement.
	6.3 Discussion of systems to provide unimpeded service during service interruptions	IAR: 3. Showing what we are, acting with integrity/ Global Management System and Rsik Management/ Quality and continuous improvement.

Annex 6. KPI Tables

GRI 405-1 Diversity of governance bodies and employees

2019[11]

		Top management	Directors	Senior Management/Managers	Coordinators/The rest of the staff
Under 30 years old	Women	0	1	0	37
	Men	0	2	1	49
30-45 years old	Women	0	3	9	201
	Men	1	14	36	481
46-55 years old	Women	0	4	17	104
	Men	3	31	52	431
More than 55 years old	Women	0	2	1	15
	Men	3	9	5	69

* 2019 data has been recalculated

2020[12]

		Top management[13]	Directors[14]	Senior Management/Managers	Coordinators/The rest of the staff
Under 30 years old	Women	0	0	1	58
	Men	0	1	2	70
30-45 years old	Women	1	3	34	275
	Men	1	20	61	515
46-55 years old	Women	0	6	28	148
	Men	2	35	93	481
More than 55 years old	Women	0	2	0	30
	Men	4	9	16	87

[11] The Board of Directors is composed of 4 women and 8 men.
[12] The workforce data in this Annex does not include Austria, Denmark and six employees of Ireland as the companies have joined the Cellnex group at the end of December 2020 and are not included in the scope of reporting.
[13] Does not include the CEO.
[14] The professional category "Senior Management/Directors/Managers" was separated into "Directors" and " Senior Management/Managers" in 2019.

GRI 102-8 Information on employees and other workers (Total number of employees by employment contract and type (permanent or temporary, and full-time or part-time), by gender and professional classification):

2019									
		Top management[15]		Directors[16]		Senior Management/Managers		Coordinators/The rest of the staff	
		Women	Men	Women	Men	Women	Men	Women	Men
Fix	Full-time	0	7	10	53	25	90	333	1012
	Part-time	0	0	0	1	2	0	17	10
Temporary	Full-time	0	0	0	2	0	3	7	8
	Part-time	0	0	0	0	0	1	0	0

2020[17]									
		Top management		Directors		Senior Management/Managers		Coordinators/The rest of the staff	
		Women	Men	Women	Men	Women	Men	Women	Men
Fix	Full-time	1	7	11	64	61	169	445	1111
	Part-time	0	0	0	0	2	2	29	9
Temporary	Full-time	0	0	0	0	0	1	32	30
	Part-time	0	0	0	1	0	0	5	3

[15] The professional category "Senior Management/Directors/Managers" was separated into "Directors" and " Senior Management/Managers" in 2019.
[16] The professional category "Senior Management/Directors/Managers" was separated into "Directors" and " Senior Management/Managers" in 2019.
[17] The workforce data in this Annex does not include Austria, Denmark and six employees of Ireland as the companies have joined the Cellnex group at the end of December 2020 and are not included in the scope of reporting.

2019[18]					
		Top management	Directors	Senior Management/Managers	Coordinators/The rest of the staff
Men	Fix – Full time	100.00%	80.30%	74.38%	73.47%
	Temporary – Full time	0.00%	3.03%	2.48%	0.58%
	Part-time	0.00%	1.5%	0.8%	0.2%
Women	Fix – Full time	0.00%	15.15%	20.66%	24.66%
	Temporary – Full time	0.00%	0.00%	0.00%	0.50%
	Part-time	0.00%	0.00%	1.65%	0.58%

2020					
		Top management	Directors	Senior Management/Managers	Coordinators/The rest of the staff
Men	Fix – Full time	87.50%	84.21%	71.91%	66.77%
	Temporary – Full time	0.00%	0.00%	0.43%	1.80%
	Part-time	0.00%	1.32%	0.85%	0.72%
Women	Fix – Full time	12.50%	14.47%	25.96%	26.74%
	Temporary – Full time	0.00%	0.00%	0.00%	1.92%
	Part-time	0.00%	0.00%	0.85%	2.04%

2019[19]					
	<30	30-45	46-55	>55	Total
Fix – Full time	86.67%	97.99%	99.22%	97.12%	97.79%
Temporary – Full time	13.33%	0.67%	0.31%	0.96%	1.27%
Part-time	0.00%	1.34%	0.47%	1.92%	0.95%

2020					
	<30	30-45	46-55	>55	Total
Fix – Full time	79.55%	94.40%	97.48%	89.26%	94.25%
Temporary – Full time	18.18%	2.75%	1.01%	4.03%	3.18%
Part-time	2.27%	2.86%	1.51%	6.71%	2.57%

[18] These data have been recalculated.
[19] These data have been recalculated.

GRI 102-41 Collective bargaining agreements

	2019		2020	
	Number of employees under collective bargaining agreements	% of employees under collective bargaining agreements	Number of employees under collective bargaining agreements	% of employees under collective bargaining agreements
Spain	1,093	90%	1,193	99%
Italy	151	100%	171	100%
France	59	60%	131	100%
Switzerland	0	0%	0	0%
Netherlands	0	0%	0	0%
UK	0	0%	0	0%
Ireland	0	0%	0	0%
Portugal	0	0%	0	0%
Total	1,303	82%	1,495	74%

GRI 401-1 Total number and rate of employee turnover during the reporting period, by age group, gender and professional classification (only relative to layoffs):

		2019			
		Top management	Directors	Senior Management /Managers	Coordinators/The rest of the staff
Under 30 years old	Women	0	0	0	0
	Men	0	0	0	0
30-45 years old	Women	0	0	0	1
	Men	0	0	0	3
46-55 years old	Women	0	0	0	3
	Men	0	0	0	5
More than 55 years old	Women	0	0	0	4
	Men	0	1	1	24

		2020			
		Top management	Directors	Senior Management /Managers	Coordinators/The rest of the staff
Under 30 years old	Women	0	0	0	0
	Men	0	0	0	1
30-45 years old	Women	0	0	0	5
	Men	0	0	1	7
46-55 years old	Women	0	0	1	0
	Men	0	0	0	4
More than 55 years old	Women	0	0	0	6
	Men	1	1	0	43

405-2 Ratio of basic salary and remuneration of women to men Gender Gap

	2019[20]	2020
Spain	4%	2%
France	26%	22%
Italy	17%	16%
Switzerland	14%	17%
Netherlands	17%	26%
UK	53%	35%
Ireland	0%	35%
Portugal	0%	9%

[20] The wage gap reported corresponds to the median wage gap and not the average wage gap.

Average remunerations and their evolution disaggregated by sex, age and professional classification or equal value (Euros):

			2019			
			Top management	Directors	Senior Management /Managers	Coordinators/ The rest of the staff
Under 30 years old	Men	Base salary	0.00	60,000.00	50,000.00	35,993.61
		Base salary + Other kind of incentives	0.00	69,000.00	60,000.00	38,885.04
	Women	Base salary	0,00	24,000.00	0.00	37,696.66
		Base salary + Other kind of incentives	0.00	25,078.00	0.00	40,927.52
30-45 years old	Men	Base salary	370,000.08	109,098.69	69,533.47	41,697.17
		Base salary + Other kind of incentives	592,000.13	138,480.96	82,035.01	45,670.06
	Women	Base salary	0.00	108,333.33	66,278.14	41,282.27
		Base salary + Other kind of incentives	0.00	134,500.00	79,406.65	45,546.66
46-55 years old	Men	Base salary	310,000.04	135,165.66	74,545.74	48,817.35
		Base salary + Other kind of incentives	486,333.40	174,682.29	90,316.35	53,003.94
	Women	Base salary	0.00	111,973.32	78,583.83	46,733.97
		Base salary + Other kind of incentives	0.00	143,227.33	94,936.47	51,374.85
More than 55 years old	Men	Base salary	356,666.68	132,844.48	98,617.30	54,188.77
		Base salary + Other kind of incentives	575,166.69	173,827.00	114,535.12	59,012.76
	Women	Base salary	0.00	161,933.25	59,486.40	37,397.49
		Base salary + Other kind of incentives	0,00	205,012.39	68,409.36	39,650.00

* Due to confidentiality, the average remuneration data for Top management women in 2019 is not provided, since there is only one woman in that position and hence the average remuneration would be her full remuneration.

			2020			
			Top management	Directors	Senior Management /Managers	Coordinators/The rest of the staff
Under 30 years old	Men	Base salary	0.00	60,000.00	53,810.40	35,972.94
		Base salary + Other kind of incentives	0.00	75,000.00	56,500.92	38,826.80
	Women	Base salary	0.00	0.00	32,999.96	36,211.05
		Base salary + Other kind of incentives	0.00	0.00	37,949.95	39,023.46
30-45 years old	Men	Base salary	500,000.04	131,271.55	73,330.09	43,731.75
		Base salary + Other kind of incentives	800,000.06	172,964.78	87,374.52	47,992.70
	Women	Base salary	No incluido	139,439.74	73,031.63	43,625.71
		Base salary + Other kind of incentives	No incluido	173,273.07	84,855.96	47,838.10
46-55 years old	Men	Base salary	180,000.00	152,966.97	80,658.64	49,003.97
		Base salary + Other kind of incentives	252,000.00	204,177.08	96,828.17	53,443.39
	Women	Base salary	0.00	140,666.67	73,045.10	46,059.81
		Base salary + Other kind of incentives	0.00	182,850.01	86,223.03	50,650.85
More than 55 years old	Men	Base salary	427,500.03	158,162.54	79,286.60	59,670.17
		Base salary + Other kind of incentives	703,375.05	205,876.85	94,784.06	65,350.70
	Women	Base salary	0.00	155,150.00	0.00	44,779.82
		Base salary + Other kind of incentives	0.00	208,585.00	0.00	47,967.62

* Due to confidentiality, the average remuneration data for Top management women in 2020 is not provided, since there is only one woman in that position and hence the average remuneration would be her full remuneration.

	2019	2020
Salary evolution	3.80%	-2.6%

202-1 Ratios of standard entry level wage by gender compared to local

		Spain	France	Italy	Switzerland	Netherlands	UK	Ireland	Portugal
Ratio of the difference between the lowest salary and minimum inter-professional salary	**2019**	1.49	1.64	1.07	1.30	1.10	1.32	0	0
	2020	1.35	1.52	1.08	1.16	1.15	1	1.37	1.43

GRI 404-1 Hours of training per year disaggregated by sex and professional classification

	2019		**2020**	
	Women	**Men**	**Women**	**Men**
Top Management	-	43.82	-	282.25
Directors	313.25	949.23	290.60	3,248.92
Senior Management/Managers	1,147.50	4,031.68	434.71	7,550.85
Coordinators/The rest of the staff	9,741.61	38,090.42	4,052.65	43,244.20
Total	**11,202.36**	**43,115.15**	**4,777.96**	**54,326.22**

Total amount of training hours per country

	2019	**2020**
Spain	46,373.87	46,337.03
Italy	5,826	7,455.35
France	1,007.40	711.71
Switzerland	798.33	794.17
Netherlands	81	931.25
UK	230.91	1,375.34
Ireland	-	338.50
Portugal	-	1,160.83
Total	**54,317.51**	**59,104.18**

GRI 403-9 Work-related injuries and GRI 403-10 Work-related ill health[21][22][23]

Spain	2019		2020	
	Women	Men	Women	Men
Accident frequency rate (AFR)	2.17	1.26	0	4.41
Accident severity rate	0.067	0.011	0	0,14
Incidence of laboour accidents	1	2	0	7
Incidence of occupational diseases	0	0	0	0

Italy	2019		2020	
	Women	Men	Women	Men
Accident frequency rate (AFR)	-	-	9.44	10.74
Accident severity rate	-	-	2,24	0,07
Incidence of laboour accidents	-	-	1	2
Incidence of occupational diseases	-	-	0	0

Frequency rate FR = (Nº accidents with leave / Nº worked hours) x 10^6

Incident rate of occupational diseases IR = (Nº accidents with leave / Nº employees) x 10^3

Worked hours: Number of teorical hours

Lost days: Number of days lost due to clinical absenteeism (due to accident).

[21] The Accident frequency rate (AFR) in Cellnex France, Cellnex Switzerland, Cellnex Netherlands, Cellnex UK, Cellnex Portugal and Cellnex Ireland is zero.
[22] Accident severity rate in Cellnex France, Cellnex Switzerland, Cellnex Netherlands, Cellnex UK, Cellnex Portugal and Cellnex Ireland is zero.
[23] Incidence of occupational diseases in Cellnex France, Cellnex Switzerland, Cellnex Netherlands, Cellnex UK, Cellnex Portugal and Cellnex Ireland is zero.

Hours of absenteeism

	2019	2020
Spain	59,092.5	79,223
Italy	4,832	4,680
France	1,092	3,836
Switzerland	633.5	705
Netherlands	2,946	7,977
UK	-	5,377
Ireland	-	0
Portugal	-	432

GRI 302-1 Energy consumption within the organization

Gasoline consumption by country [KWh]

	2017	2018	2019	2020
Spain	9,576	7,966	34,770	26,392
Italy	-	-	-	-
France	-	-	-	-
Switzerland	-	-	-	-
Netherlands	-	-	-	-
UK	-	-	-	62,343
Ireland	-	-	-	-
Portugal	-	-	-	-
Total	**9,576**	**7,966**	**34,770**	**88,735**

Natural gas consumption by country [KWh]

	2017	2018	2019	2020
Spain	11	9	10	2.938
Italy	-	-	-	-
France	-	-	-	-
Switzerland	-	-	-	-
Netherlands	-	-	1,062,034	593,674
UK	-	-	53,204	-
Irealnd	-	-	-	-
Portugal	-	-	-	-
Total	**11**	**9**	**1,115,248**	**596,612**

Diesel consumption by country [KWh]

	2017	2018	2019	2020
Spain	1,783,846	2,022,536	2,187,968	2,452,948
Italy	1,908,753	2,568,292	3,637,404	3,060,211
France	-	-	-	-
Switzerland	-	-	-	-
Netherlands	-	-	497	-
UK	-	-	-	70,565
Ireland	-	-	-	-
Portugal	-	-	-	-
Total	**3,692,598**	**4,590,828**	**5,825,869**	**5,583,725**

GRI 302-2 Energy consumption outside of the organization

Electricity consumption by country [KWh]

Region	2019	2020
Spain + Corporate	290,333,795	301,551,604
Italy	247,699,455	300,112,878
France	2,550,274	-
Netherlands	22,372,368	34,989,500
United Kingdom	18,883	57,276,763
Switzerland	28,319	21,855
Ireland	-	576,404
Portugal	-	-
Total	**563,0003,094**	**694,529,004**

GRI 305-1, 305-2 y 305-3 GHG emissions Cellnex Spain, Italy, France, Netherlands, Switzerland, UK, Ireland and Portugal (tCO2 eq.)

Emissions Cellnex Spain & Corporate	2016	2017	2018	2019	2020
Scope 1	1,692	1,516	1,877	1,651	1,881
Scope 2	99,493	84,759	105,619	109,694	81,223
Scope 3	6,615	7,222	7,934	6,834	51,042

Emissions Cellnex France	2016	2017	2018	2019	2020
Scope 1	-	-	-	4	0
Scope 2	-	-	110	146	0
Scope 3	-	-	-	587	5,603

Emissions Cellnex Italy	2016	2017	2018	2019	2020
Scope 1	456	497	668	946	821
Scope 2	68,837	76,99	82,625	73,864	99,372
Scope 3	-	-	-	1,825	39,278

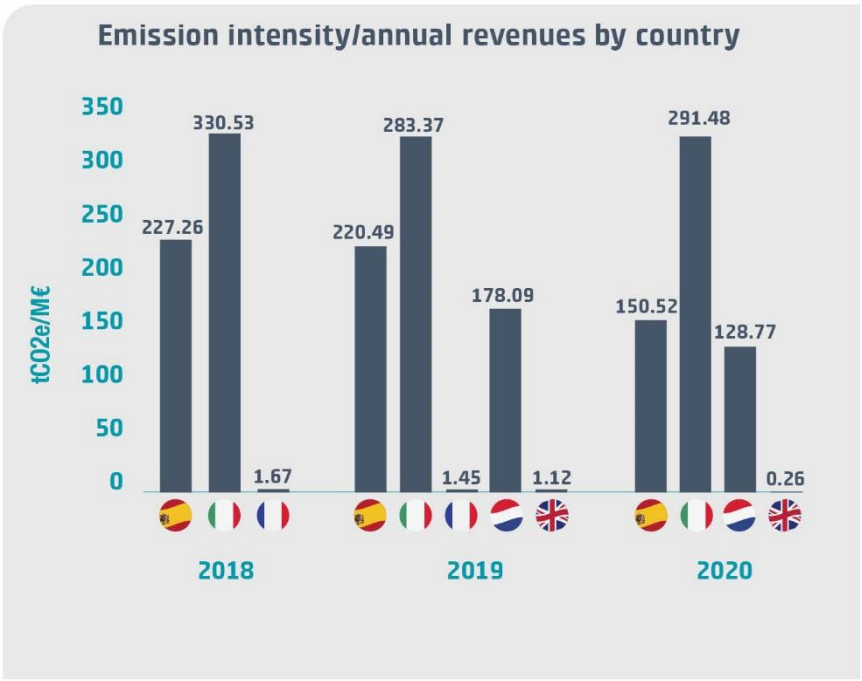
Emissions Cellnex Netherlands	2016	2017	2018	2019	2020
Scope 1	-	-	-	203	109
Scope 2	-	-	-	9,236	5,430
Scope 3	-	-	-	2	4,198

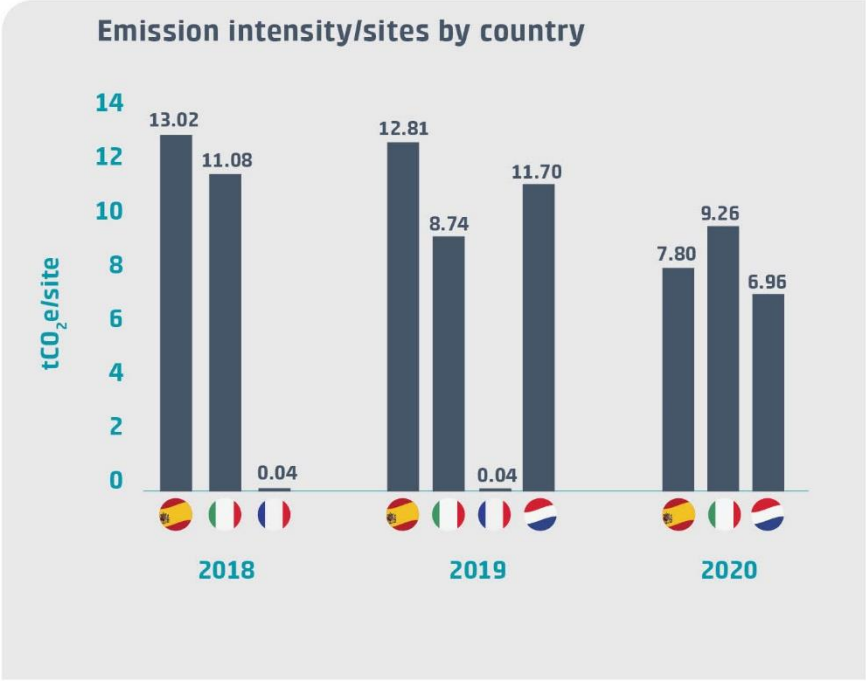
Emissions Cellnex UK	2016	2017	2018	2019	2020
Scope 1	-	-	-	11	37
Scope 2	-	-	-	5	0
Scope 3	-	-	-	0	9,378

Emissions Cellnex Switzerland	2016	2017	2018	2019	2020
Scope 1	-	-	-	0	0
Scope 2	-	-	-	0	0
Scope 3	-	-	-	44	2,670

Emissions Cellnex Ireland	2016	2017	2018	2019	2020
Scope 1	-	-	-	-	0
Scope 2	-	-	-	-	0
Scope 3	-	-	-	-	798

Emissions Cellnex Portugal	2016	2017	2018	2019	2020
Scope 1	-	-	-	-	0
Scope 2	-	-	-	-	0
Scope 3	-	-	-	-	1978


Emission intensity/annual revenues by country
tCO2e/M€
350
300
250
200
150
100
50
0
227.26
330.53
1.67
220.49
283.37
1.45
178.09
1.12
150.52
291.48
128.77
0.26
2018
2019
2020


Emission intensity/sites by country
tCO2e/site
14
12
10
8
6
4
2
0
13.02
11.08
0.04
12.81
8.74
0.04
11.70
7.80
9.26
6.96
2018
2019
2020

GRI 303-5 Water consumption

Water consumption by country [m^3][24]

	Water (supply network)	Water (rainwater)
Spain	9,216	926
Italy	-	-
France	-	-
Switzerland	-	-
Netherlands	3,024	-
UK	-	-
Ireland	-	-
Portugal	-	-
Total	**12,240**	**926**

[24] In the rest of the countries there is only water consumption in the offices, and it is included in the office rent.

Annex 7. Independent Limited Verification Report

Cellnex Telecom, S.A. and its subsidiaries

Independent Auditor's report on the Integrated Annual Report for the year ended 31 December 2020

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

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

INDEPENDENT LIMITED ASSURANCE REPORT

To the Shareholders of Cellnex Telecom, S.A.,

In accordance with Article 49 of the Spanish Commercial Code, we have performed the verification, with a scope of limited assurance, of the non-financial information included in the Consolidated Management Report (hereinafter, CMR) of Cellnex Telecom, S.A. and Subsidiaries ("Cellnex" or "the Group") included in the Integrated Annual Report (hereinafter, IAR) for the year ended December 31, 2020.

The CMR includes information, additional to that required by current Spanish corporate legislation relating to non-financial reporting and by the Global Reporting Initiative Standards for sustainability reporting in their core option ("GRI standards"), that was not the subject matter of our verification. In this regard, our work was limited solely to the verification of the information identified in the Annex 3 GRI Content Index and the Annex 4 Non-financial information index of the CMR (hereinafter, the Annexes of the CMR).

Responsibilities of the Directors

The preparation and content of Cellnex Telecom's Consolidated Management Report is the responsibility of the Board of Directors of Cellnex. The non-financial information included in the Annexes of the CMR was prepared in accordance with the content specified in current Spanish corporate legislation, in accordance with GRI standards in their core option and with the standards established in the AA1000AP (2008) Assurance Standard issued by AccountAbility.

This responsibility of the Board of Directors also include the design, implementation and maintenance of such internal control as is determined to be necessary to enable the Annexes of the CMR and the non-financial information to be free from material misstatement, whether due to fraud or error.

The Directors of Cellnex are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the Annexes of the CMR is obtained.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding

compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement team consisted of professionals who are experts in reviews of non-financial information and, specifically, in information about economic, social and environmental performance.

Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed.

We conducted our review in accordance with the requirements established in International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information, currently in force, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines published by the Spanish Institute of Certified Public Accountants on attestation engagements on regarding non-financial information statements. Also, we have applied AccountAbility's AA1000 Assurance Standard (2008) (AA1000AS) to provide moderate assurance on the application of the principles established in standard AA1000AP (2008) and on the sustainability performance indicators (type 2 moderate assurance).

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement and, consequently, the level of assurance provided is also substantially lower.

Our work consisted in requesting information from management and the various units of Cellnex that participated in the preparation of the Annexes of the CMR, which includes the non-financial information, reviewing the processes used to compile and validate the information presented on them and carrying out the following analytical procedures and sample-based review tests:

- Meetings held with Cellnex personnel to ascertain the business model, policies and management approaches applied, and the main risks relating to these matters, and to obtain the information required for the external verification.
- Analysis of the scope, relevance and completeness of the contents included in the Annexes of the CMR based on the materiality analysis performed by Cellnex and described in the "Bases for the preparation of the report" section of chapter 8 of the CMR, also taking into account the contents required under current Spanish corporate legislation.
- Analysis of the processes used to compile and validate the data presented in the Annexes of the CMR.
- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters described in the "Bases for the preparation of the report" section of chapter 8 of the CMR.
- Verification, by means of sample-based review tests, of the information relating to the contents identified in the "GRI Table" and the "Non-financial Information Table" in the Appendices to the CMR, and the appropriate compilation thereof based on the data furnished by Cellnex's information sources.
- Obtainment of a representation letter from the Directors and Management.

Conclusion

Based on the procedures performed and the evidence obtained no matter has come to our attention that causes us to believe that:

A) The non-financial information included in the Annex 3 GRI Content Index and Annex 4 Non-Financial Information Index of Cellnex's Consolidated Management Report included in the Integrated Annual Report for the year ended December 31, 2020 was not prepared, in all material respects, in accordance with to the contents set out in current corporate legislation and following the criteria of the GRI standards in their core version.

B) Cellnex did not apply in the preparation of the IAR the principles of inclusivity, materiality and responsiveness as described in section 8 Bases for the Preparation of the Report in accordance with AA1000AP (2008), namely:

- Inclusivity: Cellnex has developed a stakeholder participation process, enabling stakeholders to be considered in the development of a responsible approach.
- Materiality: the materiality determination process is geared towards identifying and understanding the issues that are material or significant for Cellnex and its stakeholders.
- Responsiveness: Cellnex responds, through specific actions and commitments, to the material issues identified.

Additional information

Pursuant to the provisions of the AA1000AS (2008) standard, we presented to management of Cellnex our recommendations relating to the areas for improvement in management and non-financial information and, specifically, to the application of the principles of inclusivity, materiality and responsiveness. Following is a summary of the most significant observations and recommendations, which do not modify the conclusions expressed in this report.

Inclusivity and materiality

In financial year 2020, Cellnex incorporated the Ireland, Finland and Portugal business units into the reporting and verification process, and strengthened the UK business unit following the acquisition of OnTower.

For the purposes of this report, the materiality analysis and the 2016-2020 Corporate Social Responsibility Master Plan have remained in force. However, Cellnex has made progress in updating both documents for the 2021-2025 period, taking into account the particularities, concerns and expectations of the new subsidiaries, as well as the needs and expectations of Stakeholders, aligning its perimeter to that of the Group.

Responsiveness

During 2020, Cellnex continued its international expansion. Thus, at the end of the year, the purchase of new business units in Poland, Austria, Denmark and Sweden was closed, which will be considered in the 2021 Consolidated Management Report.

In view of the rapid expansion of the Cellnex Group, we recommend that Cellnex continue to strengthen the internal non-financial information control mechanisms, and promote greater standardization and integration in the management of each of the areas that make up the reporting of non-financial information, in order to minimize any risk in this area.

Use and distribution

This report has been prepared in response to the requirement established in the commercial regulations in force in Spain, so it may not be suitable for other purposes and jurisdictions.

DELOITTE, S.L.

AA1000
Licensed Assurance Provider
000-14

Xavier Angrill Vallés

25 February 2021

Annex 8. Corporate Carbon Footprint Certification

TÜVRheinland®
Precisely Right.

Statement on verification

TÜV Rheinland Inspection, Certification&Testing, S.A.
DECLARES THAT:

The CELLNEX TELECOM SPAIN
Cellnex Telecom España S.L.U
Tradia Telecom, S.A.U.
Avda. Parc Logístic 12-20. 08040 Barcelona

Cellnex Telecom España S.L.U
Retevisión I, S.A.U
c/ Juan Esplandiú 11-13
28007 Madrid
Cellnex Telecom España S.L.U
On Tower Telecom Infraestructuras, S.A.U
c/ Juan Esplandiú 11-13
28007 Madrid
Cellnex Telecom España S.L.U
Zenon Digital Radio, S.L.
C/ Lincoln, 11, 1º3º
08006 Barcelona

CELLNEX TELECOM SPAIN (Tradia Telecom, Retevisión I, On Tower Telecom Infraestructuras, Zenon Digital Radio, Cellnex Telecom España)'s Carbon Footprint verification has been carried out.
As a result of this verification process according to procedure 6-PS2.670.00
TÜV Rheinland states that:

The emissions report (CELLNEX TELECOM ESPAÑA. Inventario de emisiones de GEI 2020) of February 2021, ratified by the Management of the organization, is considered to be in accordance with the requirements of ISO 14064-1:2018 for a limited level of assurance.

TÜVRheinland®
Precisely Right.

That verified tons in **Tradia Telecom** have been

Category 1: GHG Direct emissions	272,37
Category 2: Indirect GHF emissions from Imported Energy	9.137,89
Category 3: Indirect GHG emissions from transportation	207,29
Category 4: Indirect GHG emissions from products used by organization	8.113,74
Category 5: Indirect GHG emissions associated with the use of products from the organizations	0,00
Total tCO2 eq emissions based on market approach	17.731,29

That verified tons in **Retevisión I** have been

Category 1: GHG Direct emissions	569,02
Category 2: Indirect GHF emissions from Imported Energy	31.402,29
Category 3: Indirect GHG emissions from transportation	1.813,90
Category 4: Indirect GHG emissions from products used by organization	21.869,57
Category 5: Indirect GHG emissions associated with the use of products from the organizations	0,00
Total tCO2 eq emissions based on market approach	55.654,78

That the verified tons at **On Tower Telecom Infraestructuras** have been

Category 1: GHG Direct emissions	808,00
Category 2: Indirect GHF emissions from Imported Energy	39.805,38
Category 3: Indirect GHG emissions from transportation	8,75
Category 4: Indirect GHG emissions from products used by organization	8.721,25
Category 5: Indirect GHG emissions associated with the use of products from the organizations	0,00
Total tCO2 eq emissions based on market approach	49.343,38

TÜVRheinland®
Precisely Right.

That verified tons at **Zenon Digital Radio** have been

Category 1: GHG Direct emissions	0,00
Category 2: Indirect GHF emissions from Imported Energy	0,00
Category 3: Indirect GHG emissions from transportation	2,50
Category 4: Indirect GHG emissions from products used by organization	935,60
Category 5: Indirect GHG emissions associated with the use of products from the organizations	0,00
Total tCO2 eq emissions based on market approach	938,10

That verified tons at **Cellnex Telecom España** have been

Category 1: GHG Direct emissions	0,65
Category 2: Indirect GHF emissions from Imported Energy	0,00
Category 3: Indirect GHG emissions from transportation	12,75
Category 4: Indirect GHG emissions from products used by organization	77,85
Category 5: Indirect GHG emissions associated with the use of products from the organizations	0,00
Total tCO2 eq emissions based on market approach	91,25

Total emissions (Cellenex Telecom España) based on market approach	tCO2 e
Total tCO2 eq emissions based on market approach	123.758,80

Signed: Antoni Lascorz
Chief Verifier

ANTONIO LASCORZ FIERRO
Firmado digitalmente por ANTONIO LASCORZ FIERRO
Fecha: 2021.02.19 17:42:01 +01'00'

Signed: Almudena Bouza
Technical Reviewer

Almudena Bouza Martínez
Firmado digitalmente por Almudena Bouza Martínez
Fecha: 2021.02.19 18:59:17 +01'00'

TÜVRheinland®
Precisely Right.

TÜV Rheinland Inspection, Certification &Testing, S.A.

declares that:

CELLNEX TELECOM ITALY

Cellnex Italia S.p.A

Vía Cesare Giulio Viola, 43 CAP 00148 Roma

Cellnex Italia S.p.A/TowerCo, S.p.A.

Vía Cesare Giulio Viola, 43 CAP 00148 Roma

The CELLNEX TELECOM ITALY (Cellnex Italia S.p.A; TowerCo S.p.A)'s Carbon Footprint verification has been carried out.

As a result of this verification process TÜV Rheinland states that:

The Emissions Report (CELLNEX TELECOM ITALY GHG Inventory 2020) of February 2021 ratified by the Management of the organization, is considered to be in accordance with the requirements of ISO 14064-1:2018 for a limited level of assurance.

That the verified tons at **Cellnex Italia S.p.A**. have been

Category 1: GHG Direct emissions	373,70
Category 2: Indirect GHF emissions from Imported Energy	95.508,05
Category 3: Indirect GHG emissions from transportation	166,65
Category 4: Indirect GHG emissions from products used by organization	35.883,42
Category 5: Indirect GHG emissions associated with the use of products from the organizations	0,00
Total tCO2 eq emissions based on market approach	131.931,82

TÜVRheinland®
Precisely Right.

That the verified tons at TowerCO have been

Category 1: GHG Direct emissions	447,67
Category 2: Indirect GHF emissions from Imported Energy	3.864,00
Category 3: Indirect GHG emissions from transportation	5,96
Category 4: Indirect GHG emissions from products used by organization	3.223,31
Category 5: Indirect GHG emissions associated with the use of products from the organizations	0,00
Total tCO2 eq emissions based on market approach	7.539,94

Total tCO2 eq emissions CELLNEX TELECOM ITALYMarket based	tCO2 e
Total tCO2 eq emissions based on market approach	139.471,76

Signed: Antoni Lascorz
Chief Verifier

ANTONIO LASCORZ FIERRO
Firmado digitalmente por ANTONIO LASCORZ FIERRO
Fecha: 2021.02.19 17:42:25 +01'00'

Signed: Almudena Bouza
Technical Reviewer

Almudena Bouza Martínez
Firmado digitalmente por Almudena Bouza Martínez
Fecha: 2021.02.19 18:59:58 +01'00'

TÜVRheinland®
Precisely Right.

TÜV Rheinland Inspection, Certification & Testing, S.A.

declares that:

CELLNEX TELECOM FRANCE

Cellnex France SAS

Inmeuble ARDEKO. Bâtiment B 58, avenue Émile Zoa 92100 Boulogne-Billancourt

Cellnex France SAS/On Tower France, S.A.S..

Inmeuble ARDEKO. Bâtiment B 58, avenue Émile Zoa 92100 Boulogne-Billancourt

The CELLNEX TELECOM FRANCE (Cellnex France Group, Cellnex France S.A.S., On Tower France, S.A.S)'s Carbon Footprint verification has been carried out

As a result of this verification process TÜV Rheinland states that:

The Emissions Report (CELLNEX TELECOM FRANCE GHG Inventory 2020) of February 2021 ratified by the Management of the organization, is considered to be in accordance with the requirements of ISO 14064-1:2018 for a limited level of assurance.

That the verified tons at **Cellnex France Group**

Category 1: GHG Direct emissions	0,00
Category 2: Indirect GHF emissions from Imported Energy	0,00
Category 3: Indirect GHG emissions from transportation	20,99
Category 4: Indirect GHG emissions from products used by organization	137,05
Category 5: Indirect GHG emissions associated with the use of products from the organizations	0,00
Total tCO2 eq emissions based on market approach	158,04

TÜVRheinland®
Precisely Right.

That the verified tons at **Cellnex France S.A.S.** have been

Category 1: GHG Direct emissions	0,00
Category 2: Indirect GHF emissions from Imported Energy	0,00
Category 3: Indirect GHG emissions from transportation	30,86
Category 4: Indirect GHG emissions from products used by organization	2.320,09
Category 5: Indirect GHG emissions associated with the use of products from the organizations	0,00
Total tCO2 eq emissions based on market approach	2.350,95

That the verified tons at **On Tower France** S.A.S. have been

Category 1: GHG Direct emissions	0,00
Category 2: Indirect GHF emissions from Imported Energy	0,00
Category 3: Indirect GHG emissions from transportation	24,67
Category 4: Indirect GHG emissions from products used by organization	3.069,05
Category 5: Indirect GHG emissions associated with the use of products from the organizations	0,00
Total tCO2 eq emissions based on market approach	3.093,72

Total emissions Cellnex France Market based	tCO2 e
Total tCO2 eq emissions based on market approach	5.602,71

Signed: Antoni Lascorz
Chief Verifier

ANTONIO LASCORZ FIERRO
Firmado digitalmente por ANTONIO LASCORZ FIERRO
Fecha: 2021.02.19 17:42:55 +01'00'

Signed: Almudena Bouza
Technical Reviewer

Almudena Bouza Martínez
Firmado digitalmente por Almudena Bouza Martínez
Fecha: 2021.02.19 19:00:20 +01'00'

TÜVRheinland®
Precisely Right.

TÜV Rheinland Inspection, Certification&Testing, S.A.

declares that:

The CELLNEX TELECOM SWITZERLAND
Cellnex Switzerland
Swiss Towers, AG
Thurgauerstrasse, 136-8152 Opfikon
Cellnex Switzerland
Swiss Infra Services S.A
Thurgauerstrasse, 136-8152 Opfikon

The CELLNEX TELECOM SWITZERLAND (Cellnex Switzerland, Swiss Towers and Swiss Infra Services)'s Carbon Footprint verification has been carried out.

As a result of this verification process TÜV Rheinland states that:

The Emission Report (CELLNEX TELECOM SWITZERLAND Inventory 2020) of February 2021 ratified by the Management of the organization, is considered to be in accordance with the requirements of ISO 14064-1:2018 for a limited level of assurance.

That the verified tons at **Swiss Tower** have been

Category 1: GHG Direct emissions	0,00
Category 2: Indirect GHF emissions from Imported Energy	0,00
Category 3: Indirect GHG emissions from transportation	20,60
Category 4: Indirect GHG emissions from products used by organization	2.123,30
Category 5: Indirect GHG emissions associated with the use of products from the organizations	0,00
Total tCO2 eq emissions based on market approach	2.143,90

TÜVRheinland®
Precisely Right.

That the verified tons at **Swiss Infra Services** have been

Category 1: GHG Direct emissions	0,00
Category 2: Indirect GHF emissions from Imported Energy	0,00
Category 3: Indirect GHG emissions from transportation	24,02
Category 4: Indirect GHG emissions from products used by organization	501,58
Category 5: Indirect GHG emissions associated with the use of products from the organizations	0,00
Total tCO2 eq emissions based on market approach	525,60

Total tCO2 eq emissions CELLNEX TELECOM SWITZERLAND Market based	tCO2 e
Total tCO2 eq emissions based on market approach	2.669,50

Signed: Antoni Lascorz
Chief Verifier

ANTONIO LASCORZ FIERRO
Firmado digitalmente por ANTONIO LASCORZ FIERRO
Fecha: 2021.02.19 17:43:24 +01'00'

Signed: Almudena Bouza
Technical Reviewer

Almudena Bouza Martínez
Firmado digitalmente por Almudena Bouza Martínez
Fecha: 2021.02.19 19:00:42 +01'00'

TÜVRheinland®
Precisely Right.

TÜV Rheinland Inspection, Certification & Testing, S.A.

declares that:

CELLNEX TELECOM NETHERLANDS
Cellnex Netherlands
Shere Masten, B.V.
Papendorpseweg 75-79-3528 BJ Utrech
Alticom, B.V.
Papendorpseweg 75-79-3528 BJ Utrech
Cellnex Netherlands
On Tower Netherlands.
Papendorpseweg 75-79-3528 BJ Utrech

The CELLNEX TELECOM NETHERLANDS
(Shere Masten, B.V, Alticom, B.V and On Tower Netherlands)'s Carbon
Footprint verification has been carried out.
As a result of this verification process TÜV Rheinland states that:

The Emission Report (CELLNEX TELECOM NETHERLANDS Inventory 2020) of February 2021 ratified by the Management of the organization, is considered to be in accordance with the requirements of ISO 14064-1:2018 for a limited level of assurance.

That the verified tons at Cellnex Netherlands have been

Category 1: GHG Direct emissions	0,00
Category 2: Indirect GHF emissions from Imported Energy	0,00
Category 3: Indirect GHG emissions from transportation	0,53
Category 4: Indirect GHG emissions from products used by organization	344,03
Category 5: Indirect GHG emissions associated with the use of products from the organizations	0,00
Total tCO2 eq emissions based on market approach	344,56

TÜVRheinland®
Precisely Right.

That the verified tons at **On Tower Netherlands** have been

Category 1: GHG Direct emissions	0,00
Category 2: Indirect GHF emissions from Imported Energy	5.430,11
Category 3: Indirect GHG emissions from transportation	20,28
Category 4: Indirect GHG emissions from products used by organization	1.514,02
Category 5: Indirect GHG emissions associated with the use of products from the organizations	0,00
Total tCO2 eq emissions based on market approach	6.964,41
Emisiones On tower Market based	tCO_2e

That the verified tons at **Shere Masten** have been

Category 1: GHG Direct emissions	4,42
Category 2: Indirect GHF emissions from Imported Energy	0,00
Category 3: Indirect GHG emissions from transportation	7,21
Category 4: Indirect GHG emissions from products used by organization	762,03
Category 5: Indirect GHG emissions associated with the use of products from the organizations	0,00
Total tCO2 eq emissions based on market approach	773,66

That the verified tons at **Alticom** have been

Category 1: GHG Direct emissions	104,22
Category 2: Indirect GHF emissions from Imported Energy	0,00
Category 3: Indirect GHG emissions from transportation	15,54
Category 4: Indirect GHG emissions from products used by organization	1.534,88
Category 5: Indirect GHG emissions associated with the use of products from the organizations	0,00
Total tCO2 eq emissions based on market approach	1.654,64

Emisiones Total Cellnex Netherlands Market based	tCO_2e
Total emisiones tCO2 basado en el mercado	9.737,27

Signed: Antoni Lascorz
Chief Verifier

ANTONIO LASCORZ FIERRO
Firmado digitalmente por ANTONIO LASCORZ FIERRO
Fecha: 2021.02.19 17:43:53 +01'00'

Signed: Almudena Bouza
Technical Reviewer

Almudena Bouza Martínez
Firmado digitalmente por Almudena Bouza Martínez
Fecha: 2021.02.19 19:01:07 +01'00'

TÜVRheinland®
Precisely Right.

TÜV Rheinland Inspection, Certification&Testing, S.A.

declares that:

CELLNEX UK

Cellnex UK Limited

Cellnex UK Midco

Cellnex UK Consulting Limited

1-2 Broadgate Circle-London UK EC2M 2QS

Cellnex UK Limited
On Tower UK
1-2 Broadgate Circle
London UK EC2M 2QS

The CELLNEX UK (Cellnex UK Consulting Limited)'s Carbon Footprint

verification has been carried out.

As a result of this verification process TÜV Rheinland states that:

The Emissions Report (CELLNEX TELECOM UNITED KINGDOM Inventory 2020) of February 2021, ratified by the Management of the organization, is considered to be in accordance with the requirements of ISO 14064-1:2018 for a limited level of assurance.

That verified tons in Cellnex UK Limited have been

Category 1: GHG Direct emissions	0,00
Category 2: Indirect GHF emissions from Imported Energy	0,00
Category 3: Indirect GHG emissions from transportation	1,67
Category 4: Indirect GHG emissions from products used by organization	642,28
Category 5: Indirect GHG emissions associated with the use of products from the organizations	0,00
Total tCO2 eq emissions based on market approach	643,95

TÜVRheinland®
Precisely Right.

That verified tons in **Cellnex UK Limited Consulting** have been

Category 1: GHG Direct emissions	0,00
Category 2: Indirect GHF emissions from Imported Energy	0,00
Category 3: Indirect GHG emissions from transportation	4,90
Category 4: Indirect GHG emissions from products used by organization	460,08
Category 5: Indirect GHG emissions associated with the use of products from the organizations	0,00
Total tCO2 eq emissions based on market approach	464,98

That verified tons in **On Tower UK** have been

Category 1: GHG Direct emissions	36,93
Category 2: Indirect GHF emissions from Imported Energy	0,00
Category 3: Indirect GHG emissions from transportation	156,46
Category 4: Indirect GHG emissions from products used by organization	8.112,62
Category 5: Indirect GHG emissions associated with the use of products from the organizations	0,00
Total tCO2 eq emissions based on market approach	8.306,01

Total emission Cellnex UK Market based	tCO2 e
Total tCO2 eq emissions based on market approach	9414,94

Signed: Antoni Lascorz
Chief Verifier

ANTONIO LASCORZ FIERRO
Firmado digitalmente por ANTONIO LASCORZ FIERRO
Fecha: 2021.02.19 17:44:20 +01'00'

Signed: Almudena Bouza
Technical Reviewer

Almudena Bouza Martínez
Firmado digitalmente por Almudena Bouza Martínez
Fecha: 2021.02.19 19:01:29 +01'00'

TÜVRheinland®
Precisely Right.

TÜV Rheinland Inspection, Certification&Testing, S.A.

declares that:

CELLNEX TELECOM IRELAND

Cignal Infraestructure

Suite 311 Q House, 76 Furze Road, Sandyford Industrial State, Dublin 18, D19 YV50, Ireland

The CELLNEX TELECOM IRELAND (Cignal Infrastructure) verification has been carried out.

As a result of this verification process TÜV Rheinland states that:

The Emissions Report (CELLNEX TELECOM IRELAND GHG Inventory 20320) of February 2021, ratified by the Management of the organization, is considered to be in accordance with the requirements of ISO 14064-1:2018 for a limited level of assurance.

The verified tons in Cignal Infrastructure have been

Category 1: GHG Direct emissions	0,00
Category 2: Indirect GHF emissions from Imported Energy	0,00
Category 3: Indirect GHG emissions from transportation	63,33
Category 4: Indirect GHG emissions from products used by organization	734,71
Category 5: Indirect GHG emissions associated with the use of products from the organizations	0,00
Total tCO2 eq emissions based on market approach	798,04

Signed: Antoni Lascorz
Chief Verifier

ANTONIO LASCORZ FIERRO
Firmado digitalmente por ANTONIO LASCORZ FIERRO
Fecha: 2021.02.19 17:44:53 +01'00'

Signed: Almudena Bouza
Technical Reviewer

Almudena Bouza Martínez
Firmado digitalmente por Almudena Bouza Martínez
Fecha: 2021.02.19 19:01:52 +01'00'

TÜVRheinland®
Precisely Right.

TÜV Rheinland Inspection, Certification &Testing, S.A.

declares that:

CELLNEX TELECOM PORTUGAL

Cellnex Portugal
Omtel, Estructuras de Comunicaçoes, S.A.
Avenida Fortes Pereira de Melo, 6-7D 1050-121 Lisboa

The CELLNEX TELECOM PORTUGAL (Omtel Estructuras de Comunicaçoes S.A.) verification has been carried out.

As a result of this verification process TÜV Rheinland states that:

The Emissions Report (CELLNEX TELECOM PORTUGAL GHG Inventory 2020) of February 2021 ratified by the Management of the organization, is considered to be in accordance with the requirements of ISO 14064-1:2018 for a limited level of assurance.

That verified tons in Omtel Estructuras de Comunicaçoes have been

Category 1: GHG Direct emissions	0,00
Category 2: Indirect GHF emissions from Imported Energy	0,00
Category 3: Indirect GHG emissions from transportation	62,75
Category 4: Indirect GHG emissions from products used by organization	1.915,22
Category 5: Indirect GHG emissions associated with the use of products from the organizations	0,00
Total tCO2 eq emissions based on market approach	1.977,97

Signed: Antoni Lascorz
Chief Verifier

ANTONIO LASCORZ FIERRO
Firmado digitalmente por ANTONIO LASCORZ FIERRO
Fecha: 2021.02.19 17:45:20 +01'00'

Signed: Almudena Bouza
Technical Reviewer

Almudena Bouza Martínez
Firmado digitalmente por Almudena Bouza Martínez
Fecha: 2021.02.19 19:02:10 +01'00'

TÜVRheinland®
Precisely Right.

TÜV Rheinland Inspection, Certification &Testing, S.A.

declares that:

The CELLNEX TELECOM S.A. verification has been carried out.
As a result of this verification process TÜV Rheinland states that:

The emissions report (CELLNEX TELECOM-CORPORATE GHG Emissions Inventory 2020) of February 2021 ratified by the Management of the organization, is considered to be in accordance with the requirements of ISO 14064-1:2018 for a limited level of assurance.

That verified tons in Cellnex Telecom S.A. have been

Category 1: GHG Direct emissions	231,16
Category 2: Indirect GHF emissions from Imported Energy	877,80
Category 3: Indirect GHG emissions from transportation	103,14
Category 4: Indirect GHG emissions from products used by organization	9.175,74
Category 5: Indirect GHG emissions associated with the use of products from the organizations	0
Total tCO2 eq emissions based on market approach	10.387,84

Signed: Antoni Lascorz
Chief Verifier

ANTONIO LASCORZ FIERRO
Firmado digitalmente por ANTONIO LASCORZ FIERRO
Fecha: 2021.02.19 17:45:53 +01'00'

Signed: Almudena Bouza
Technical Reviewer

Almudena Bouza Martínez
Firmado digitalmente por Almudena Bouza Martínez
Fecha: 2021.02.19 19:02:32 +01'00'

Teléfono contacto:91 744 45 00-Area Competencias TUV Rheinland Iberica, ICT, S.A.

Annex 9. Annual Governance Report

Note: This document is a translation of a duly approved Spanish language document, and is provided for information purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish language document which this translation is intended to reflect, the text of the original Spanish language document shall prevail.

ANNEX I TEMPLATE

ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

ISSUER IDENTIFICATION DETAILS

YEAR ENDING 31/12/2020

CORPORATE TAX ID (CIF)
A-64907306

Company name:

CELLNEX TELECOM, S.A.

Registered office:

C/JUAN ESPLANDIÚ 11-13 - MADRID

ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

A OWNERSHIP STRUCTURE

A.1 Complete the following table with details of the company's share capital:

Date of latest modification	Share capital (euros)	Number of shares	Number of voting rights
14-08-2020	121,677,167.25	486,708,669	486,708,669

Remarks

Indicate whether there are different classes of shares with different associated rights:

Yes ☐ No ☐X

Class	Number of shares	Par value	Number of voting rights	Rights and obligations conferred

Remarks

A.2 Give details on the direct and indirect holders of significant interests at the year-end, excluding directors:

Name of shareholder	% of voting rights attributed to the shares		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
ABU DHABI INVESTMENT AUTHORITY	0.24	6.73	0.00	0.00	6.97
ATLANTIA S.P.A.	0.00	0.00	0.00	4.73	4.73
BLACKROCK INC	0.00	3.40	0.00	0.39	3.80
CANADA PENSION PLAN INVESTMENT BOARD	3.15	0.00	0.00	0.00	3.15
CAPITAL RESEARCH AND MANAGEMENT COMPANY	0.00	3.02	0.00	0.00	3.02
CRITERIA CAIXA, S.A.U	4.77	0.00	0.00	0.00	4.77
EDIZIONE, S.R.L	0.00	13.02	0.00	0.00	13.02
FMR LLC	0.00	3.04	0.00	0.00	3.04

FUNDACIÓN BANCARIA CAIXA D´ESTALVIS I PENSIONS DE BARCELONA	0.00	4.77	0.00	0.00	4.77
GIC PRIVATE LIMITED	0.25	6.73	0.04	0.00	7.03
GQG PARTNERS LLC	3.21	0.00	0.00	0.00	3.21
LISSON GROVE INVESTMENT PRIVATE LIMITED	6.73	0.00	0.00	0.00	6.73
NORGES BANK	3.01	0.00	0.02	0.00	3.03
WELLINGTON MANAGEMENT GROUP LLP	0.00	4.27	0.00	0.00	4.27

Remarks

Breakdown of the indirect holding:

Indirect shareholder	Direct shareholder	% of voting rights attributed to the shares	% of voting rights through financial instruments	% of total voting rights
ABU DHABI INVESTMENTS AUTHORITY	AZURE VISTA C 2020, S.R.L.	6.73	0.00	6.73
BLACKROCK INC	VARIOUS FUNDS NOT REQUIRED TO REPORT INDIVIDUALLY	3.40	0.39	3.80
CAPITAL RESEARCH AND MANAGEMENT COMPANY	VARIOUS FUNDS NOT REQUIRED TO REPORT INDIVIDUALLY	3.02	0.00	3.02
EDIZIONE, S.R.L	CONNECT DUE S.R.L.	13.02	0.00	13.02
FUNDACIÓN BANCARIA CAIXA D´ESTALVIS I PENSIONS DE BARCELONA	CRITERIA CAIXA S.A.U	4.77	0.00	4.77
FMR LLC	VARIOUS FUNDS NOT REQUIRED TO REPORT INDIVIDUALLY	3.04	0.00	3.04
GIC PRIVATE LIMITED	LISSON GROVE INVESTMENT PRIVATE LIMITED	6.73	0.00	6.73

WELLINGTON MANAGEMENT GROUP LLP	WELLINGTON GROUP HOLDINGS LLP	4.27	0.00	4.27

Remarks
On 10 June the total non-proportional split of Connect S.p.A was completed with its dissolution and liquidation in favour of Connect Due S.r.l., Azure Vista C2020 S.r.l. and Prisma Holdings S.r.l., companies wholly owned by Sintonia S.p.A (Edizione group), Infinity Investments, S.A. (ADIA group) and Raffles Infra Holding Limited (GIC group), respectively. Consequently, Connect Due S.r.l. on that date had a 16.45% of the stake and Azure Vista C2020 S.r.l. and Prisma Holdings S.r.l. on that date, each of them had a 6.73% of the stake. Subsequently, on 6 July 2020, GIC restructured its stake in Cellnex, holding it through Lisson Grove Investment Private Limited (see the movements for that date in the table).

Indicate the most significant changes in the shareholder structure during the year:

Most significant movements
CAPITAL RESEARCH AND MANAGEMENT COMPANY 10-01-2020 has exceeded 3% of aggregate share capital (shares and financial instruments)
FIDELITY INTERNATIONAL LIMITED 16-01-2020 has exceeded 1% of aggregate share capital (shares and financial instruments) Tax havens only)
FIDELITY INTERNATIONAL LIMITED 24-01-2020 has decreased below 1% of aggregate share capital (shares and financial instruments). Tax havens only.
40 NORTH LATITUDE MASTER FUND LTD. 03-03-2020 has decreased below 1% of aggregate share capital (shares and financial instruments). Tax havens only.
ABU DHABI INVESTMENT AUTHORITY 10-06-2020 has exceeded 5% of aggregate share capital (shares and financial instruments)
EDIZIONE S.R.L. 10-06-2020 has decreased below 20% of aggregate share capital (shares and financial instruments)
GIC PRIVATE LIMITED 10-06-2020 has exceeded 5% of aggregate share capital (shares and financial instruments)
PRISMA HOLDINGS S.R.L. 10-06-2020 has exceeded 5% of aggregate share capital (shares and financial instruments)
LISSON GROVE INVESTMENT PRIVATE LIMITED 06-07-2020 has exceeded 5% of aggregate share share capital (shares and financial instruments)
PRISMA HOLDINGS S.R.L. 06-07-2020 All share capital has been sold
NORGES BANK 24-07-2020 has exceeded 3% of aggregate share capital (shares and financial instruments)
FMR LL 06-08-2020 has exceeded 3% of aggregate share capital (shares and financial instruments)
ATLANTIA S.P.A. 17-08-2020 has decreased below 5% of share capital in financial instruments
FMR LLC 17-08-2020 has decreased below 3% of aggregate share capital (shares and financial instruments)
BLACKROCK 18-08-2020 has decreased below 5% of the share capital of the percentage of voting rights attributed to the shares

EDIZIONE S.R.L. 18-08-2020 has decreased below 15% of the aggregate share capital (shares and financial instruments)
FUNDACION BANCARIA CAIXA D ESTALVIS I PENSIONS DE BARCELONA 19-08-2020 has decreased below 5% of aggregate share capital (shares and financial instruments)
FMR LL 25-09-2020 has exceeded 3% of aggregate share capital (shares and financial instruments)
GQG PARTNERS LLC 08-10-2020 has exceeded 3% of aggregate share capital (shares and financial instruments)

A.3 Complete the following tables on company directors holding voting shares in the Company:

Name of director	% of voting rights attributed to the shares		% of voting rights through financial instruments		% of total voting rights	% voting rights that can be transferred through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MR. TOBIAS MARTINEZ GIMENO	0.02	0.00	0.00	0.00	0.02	0.02	0.00
MR. PIERRE BLAYAU	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. BERTRAND KAN	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MS. ANNE BOUVEROT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. GIAMPAOLO ZAMBELETTI	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Total percentage of voting rights held by the Board of Directors	0.02

Remarks

Breakdown of the indirect holding:

Name of director	Direct shareholder	% of voting rights attributed to the shares	% of voting rights through financial instruments	% of total voting rights	% voting rights that can be transferred through financial instruments
MR. PIERRE BLAYAU	HARBOUR CONSEILS	0.00	0.00	0.00	0.00
MR. GIAMPAOLO ZAMBELETTI	AREPO FIDUCIARIA	0.00	0.00	0.00	0.00

Remarks

A.4 If applicable, indicate any family, commercial, contractual or corporate relationships that exist among significant shareholders that they are known to the company, unless they are insignificant or arise in the ordinary course of business, with the exception of those reported in section A.6:

Name or company name of related party	Nature of relationship	Brief description
N.A.		

A.5 If applicable, indicate any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or its group, unless they are insignificant or arise in the ordinary course of business:

Name or company name of related party	Nature of relationship	Brief description
N.A.		

A.6 Describe the relationships, unless insignificant for both parties, that exist between significant shareholders or shareholders represented on the Board and directors, or their representatives in the case of directors that are legal persons.

Explain, if applicable, how the significant shareholders are represented. Specifically, indicate those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders, or who are linked to significant shareholders and/or companies in their group, specifying the nature of such relationships. In particular, mention the existence, identity and post of any directors of the listed company, or their representatives, who are in turn members or representatives of members of the Board of Directors of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders.

Name of the related director or representative	Name of the related significant shareholder	Name of the company pertaining to the significant shareholder's group	Description of relationship / position
MR. FRANCO BERNABÈ	CONNECT DUE S.r.l.	EDIZIONE S.R.L.	Member of the Board of Directors
MR. CHRISTIAN COCO	CONNECT DUE S.r.l.	EDIZIONE S.R.L.	CEO
MS. ALEXANDRA REICH	Lisson Grove Investment Private Limited	GIC	N.A.

Remarks

A.7. Indicate any shareholders' agreements of which the company has been notified in accordance with the provisions of articles 530 and 531 of the Spanish Companies Law. If so, describe them briefly and list the shareholders bound by the agreement:

Yes □X **No □**

Parties to the shareholders' agreement	% of share capital affected	Brief description of the agreement	Expiry date of the agreement, if any
ATLANTIA S.P.A. EDIZIONE S.R.L. SINTONIA S.P.A. CONNECT DUE S.R.L.	5.98%	Co-Investment Agreement dated 24 July 2018, novated by virtue of a non-extinctive modification novation agreement dated 9 July 2020, by virtue of which, among others, Sintonía (i) grants Atlantia the right to co-invest a stake representing 5.98% of the share capital until 12 July 2021, (ii) grants Atlantia a right to match on the options (not exercised) resulting from any issuance of future rights approved by Cellnex until 12 July 2025, and (iii) grants Atlantia the option to exercise the ROFO and the Right to Match for a maximum of 10% of Cellnex's issued capital until 12 July 2025, instead of for the entire indirect stake of Edizione in Cellnex. The specific terms of the aforementioned	12 July 2025

		agreement are available on the CNMV website and on the Cellnex website.	
CONNECT DUE S.R.L. AZURE VISTA C 2020 S.R.L. PRISMA HOLDINGS S.R.L.	29.91%	Framework agreement that regulates certain obligations in relation to the appointment of their respective proprietary directors. The specific terms of the aforementioned agreement are available on the CNMV website and on the Cellnex website.	Date of the General Shareholders' Meeting 2021 of Cellnex Telecom

Remarks
The first agreement was published as Relevant Fact on the CNMV website on 25 July 2018 and registration number 268281.
The second agreement was published as Other Relevant Information on the CNMV website on 17 July 2020 and registration number 3441.

Indicate whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

Yes □ **No □X**

Parties to the concerted action	% of share capital affected	Brief description of the concerted action	Expiry date of the concert, if any

Remarks

If any of the aforementioned agreements or concerted actions have been amended or terminated during the year, indicate this expressly:

A.8 Indicate any individuals or company that exercises or may exercise control over the company in accordance with article 5 of the Securities Market Law. If so, identify them:

Yes ☐ No ☒X

Name or company name

Remarks

A.9 Complete the following table with details of the company's treasury shares:

At the close of the year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
200,320		0.04

Remarks

(*) Through:

Name of direct shareholder	Number of direct shares
N.A.	
Total:	

Remarks

Explain any significant changes during the year:

Explain significant changes

A.10 Provide a detailed description of the conditions and the period of authorization granted by the general shareholders' meeting to the Board of Directors to issue, buy-back, or transfer treasury shares.

The current mandate to the Board of Directors was granted by the Ordinary General Shareholders' Meeting held on 31 May 2018 for a period of 5 years. In its ninth resolution, the General Shareholders' Meeting authorized the Board to acquire shares of the Company up to the legal limit of 10% of the share capital by way of sale, exchange, donation, award or lieu of payment or by any other onerous title. The price or counter value will oscillate between a minimum equivalent to their nominal value and a maximum equivalent to the one that is higher than (i) 110% of the listed price of the Company's shares on the Continuous Market at the time of acquisition or closing price of the last trading session prior to the acquisition, if this is done outside the hours of operation of the Continuous Market;

and (ii) the result of increasing the maximum price of the three months prior to the moment in which the acquisition takes place by 10%.

A.11 Estimated floating capital:

	%
Estimated floating capital	44.65

Remarks

A.12 Indicate whether there are any restrictions (as per the bylaws, legislation or any other type) on the transfer of securities and/or any restrictions on voting rights. In particular, indicate the existence of any type of restriction that make it difficult to take control of the company by acquiring shares on the market, or any prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

Yes ☐ **No** ☐X

Description of restrictions

A.13 Indicate whether the general shareholders' meeting has resolved to adopt measures to neutralise a takeover bid by virtue of the provisions of Law 6/2007.

Yes ☐ **No** ☐X

If so, explain the measures approved and the terms under which such limitations would become ineffective:

Explain the measures approved and the terms under which the constraints would become ineffective:

A.14 Indicate whether the company has issued securities that are not traded on a regulated EU market.

Yes ☐ **No** ☐X

If so, indicate the different types of shares and for each type, the rights and obligations they confer.

Indicate the different classes of shares

B GENERAL SHAREHOLDERS' MEETING

B.1 Indicate whether there are any differences between the minimum quorum regime established by the Spanish Companies Law for General Shareholders' Meetings and the quorum set by the company, and if so give details.

Yes ☐ No ☒X

	% quorum different to that established in article 193 of the Spanish Companies Law for general matters	% quorum different to that established in article 194 of the Spanish Companies Law for special matters
Quorum required on 1st call		
Quorum required on 2nd call		

Description of differences

B.2 Indicate whether there are any differences between the company's manner of adopting corporate resolutions and the regime provided in the Spanish Companies Law and, if so, give details:

Yes ☐ No ☒X

Describe how it is different from the regime provided in the Spanish Companies Law.

	Qualified majority different to that established in article 201.2 of the Spanish Companies Law for matters governed by article 194.1 of Spanish Companies Law	Other matters requiring a qualified majority
% established by the company to adopt resolutions		

Describe the differences

B.3 Indicate the rules for amending the company's Bylaws. In particular, indicate the majorities required to amend the Bylaws and any provisions in place to protect shareholders' rights in the event of amendments to the Bylaws.

The rules contained in the Spanish Companies Law for the amendment of the Company's Bylaws will apply.

B.4 Provide details of attendance at the General Shareholders' Meetings held during the year to which this report refers, as well as the two previous years:

	Attendance				
Date General Shareholders' Meeting	**% physically present**	**% present by proxy**	**% remote voting**		**Total**
			Electronic voting	**Other**	
31/05/2018	34.15	49.39	0.00	0.00	

					83.54
Of which floating capital:	0.16	35.15	0.00	0.00	35.31
09/05/2019	30.36	51.49	0.00	0.00	81.85
Of which floating capital:	0.37	25.79	0.00	0.00	26.16
21/07/2020	24.28	50.05	0.00	0.00	74.33
Of which floating capital:	24.23	49.85	0.00	0.00	74.08

Remarks
From the list of attendees, the ultimate identification of shareholders cannot be guaranteed due to the existence of institutional investors.

B.5 Indicate whether any item on the agenda of the General Shareholders' Meetings during the year was not approved by the shareholders for any reason.

Yes □ No □X

Items on the agenda not approved	**% vote against (*)**

(*) If the non-approval of the point was for a reason other than the votes against, this will be explained in the text part and "N/A" will be placed in the "% votes against" column.

B.6 Indicate whether the Bylaws contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or to vote remotely:

Yes □X No □

Number of shares required to attend General Meetings	100
Number of shares required to vote remotely	100

Remarks

B.7 Indicate whether it has been established that certain decisions other than those established by law exist that entail an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions must be submitted for approval to the General Shareholders' Meeting.

Yes □ No □X

Explain the decisions that must be submitted to the General Shareholders' Meeting, other than those established by law

B.8 Indicate the address and manner of access on the company's website to information on corporate governance and other information regarding General Shareholders' Meetings that must be available to shareholders through the company website.

The "Shareholders and Investors" section of the website www.cellnextelecom.com provides the information required by article 539.2 of the Spanish Companies Law and Circular 3/2015 of the National Securities Market Commission.

C STRUCTURE OF THE COMPANY'S ADMINISTRATION

C.1 Board of Directors

C.1.1 Maximum and minimum number of directors provided for in the Bylaws and the number set by the general meeting:

Maximum number of directors	13
Minimum number of directors	4
Number of directors set by the general meeting	12

Remarks

C.1.2 Complete the following table on Board members:

Name or company name of director	Representative	Category of director	Position on the board	Date first appointed	Date of last appointment	Election procedure	Date of birth
MR. FRANCO BERNABÈ		Proprietary	CHAIRMAN	25/07/2019	21/07/2020	RESOLUTION OF GENERAL SHAREHOLDERS MEETING	18/09/1948
MR. TOBIAS MARTINEZ GIMENO		Executive	CEO	17/11/2014	09/05/2019	RESOLUTION OF GENERAL SHAREHOLDERS MEETING	27/04/1959
MR. BERTRAND KAN		Independent	VICE CHAIRMAN	16/04/2015	31/05/2018	RESOLUTION OF GENERAL SHAREHOLDERS MEETING	23/08/1966
MR. GIAMPAOLO ZAMBELETTI		Independent	COORDINATING INDEPENDENT DIRECTOR	16/04/2015	31/05/2018	RESOLUTION OF GENERAL SHAREHOLDERS MEETING	04/05/1940
MR. PIERRE BLAYAU		Independent	DIRECTOR	16/04/2015	31/05/2018	RESOLUTION OF GENERAL	14/12/1950

						SHAREHOLDERS MEETING	
MS. ANNE BOUVEROT		Independent	DIRECTOR	31/05/2018	31/05/2018	RESOLUTION OF GENERAL SHAREHOLDERS MEETING	21/03/1966
MS. MARIETA DEL RIVERO BERMEJO		Independent	DIRECTOR	27/04/2017	21/07/2020	RESOLUTION OF GENERAL SHAREHOLDERS MEETING	15/06/1965
MS. MARÍA LUISA GUIJARRO PIÑAL		Independent	DIRECTOR	31/05/2018	31/05/2018	RESOLUTION OF GENERAL SHAREHOLDERS MEETING	13/02/1963
MR. LEONARD PETER SHORE		Independent	DIRECTOR	16/04/2015	31/05/2018	RESOLUTION OF GENERAL SHAREHOLDERS MEETING	08/09/1950
MR. CHRISTIAN COCO		Proprietary	DIRECTOR	02/04/2020	21/07/2020	RESOLUTION OF GENERAL SHAREHOLDERS MEETING	26/11/1974
MS. ALEXANDRA REICH		Proprietary	DIRECTOR	16/12/2020	16/12/2020	CO-OPTION	27/11/1963

Total number of directors	11

Indicate any cessations, whether through resignation or by resolution of the general meeting, that have taken place in the Board of Directors during the reporting period:

Name of director	Category of the director at the time of cessation	Date of last appointment	Date of cessation	Specialised committees of which he/she was a member	Indicate whether the director left before the end of his/ her term of office
MR. CARLO BERTAZZO	Proprietary	09/05/2019	28/02/2020	N.A.	YES
MS. ELISABETTA DE BERNARDI DI VALSERRA	Proprietary	09/05/2019	10/06/2020	Audit and Control Committee	YES
MR. MAMOUN JAMAI	Proprietary	21/07/2020	24/08/2020	Nominations and Remunerations Committee	YES

Reason for cessation when this occurs before the end of the term of office and other observations; information on whether the director has sent a letter to the remaining members of the board and, in the case of cessation of non-executive directors, explanation or opinion of the director dismissed by the general meeting
Mr. Carlo Bertazzo, proprietary director of ConnecT S.p.A., tendered his resignation on 28 February 2020, due to lack of availability due to his recent appointment as CEO of Atlantia, being replaced on 2 April 2020 by the proprietary director of Connect Due S.p.A. Mr. Christian Coco (who, after the total spin-off of Connect S.p.A., became proprietary director of Connect Due S.r.l., belonging to the Edizione group). Mr. Carlo Bertazzo informed all the Board members sending the corresponding email. Ms. Elisabetta Di Bernardi Di Valserra, proprietary director of ConnecT S.p.A., resigned on 10 June 2020, as a result of the spin-off of Connect S.p.A. on the same date, and she was replaced on 16 December 2020 by the proprietary director of Lisson Grove Investment Private Limited (belonging to the GIC group) Ms. Alexandra Reich. Ms. Elisabetta Di Bernardi sent a letter to the Chairman and the Secretary; subsequently, the Chairman informed the rest of the Board members. Mr. Mamoun Jamai, proprietary director of Raffles Infra Holdings Limited, resigned as director effective as of 24 August 2020, as a result of an internal review of appointments on the boards of directors of certain assets of the infrastructure division of ADIA . Mr. Jamai sent the letter to the Secretary and notified his resignation to the rest of the Board members by email. Mr. Franco Bernabè, proprietary director of ConnecT Due S.p.A., tendered his resignation as director and Chairman of the Board of Directors, for personal reasons, on 4 January 2021. Mr. Franco Bernabè sent his letter of resignation to the Secretary, who transmitted it to the rest of the directors. Currently the new Chairman of the Board of Directors is the independent director Mr. Bertrand Kan.

C.1.3 Complete the following tables on the members of the Board and their categories:

EXECUTIVE DIRECTORS

Name of the director	Position in company's organizational structure	Profile
MR. TOBIAS MARTINEZ GIMENO	CEO	Tobías Martínez is the Chief Executive Officer of the Company. He joined Acesa Telecom (Abertis Group) in the year 2000, first as Board Member and Director General of Tradia, and subsequently of Retevisión. Before joining the Abertis Group, he headed his own business project in Information and Telecommunication Systems for more than 10 years. He studied Telecommunications Engineering and holds a Diploma in Top Management from the IESE Business School (PADE) and a Diploma in Marketing

		Management from the Instituto Superior de Marketing de Barcelona (Higher Institute of Marketing of Barcelona).

Total number of executive directors	1
Percentage of Board	9.09

Remarks

EXTERNAL PROPRIETARY DIRECTORS

Name or company name of director	**Name or company name of the significant shareholder represented by the director or that nominated the director**	**Profile**
MR. FRANCO BERNABÈ	CONNECT DUE S.R.L.	Franco Bernabè combines an extraordinary experience in business leadership at an international level with his active participation of an altruistic nature in social and cultural organizations. He has led, as CEO, the restructuring and listing on the New York Stock Exchange of Eni, one of the leading international oil companies. After leaving Eni in 1998, he spent most of the next 20 years in the telecommunications sector as CEO and Chairman of Telecom Italia. In recent years he has contributed to the creation of Nexi, the leading Italian company in payment systems. He has been Vice-Chairman of Rothschild Europe, director and Chairman of the PetroChina Audit Committee for 14 years, a member of the Supervisory Board of TPG Post Group in the Netherlands, as well as a member of the JP Morgan International Board. He has also been a member of the Confindustria Executive Committee and a

		member of the European Round Table. He has worked altruistically in the main Italian cultural institutions, as Chairman of La Biennale di Venezia, the MART, Quadriennale di Roma and the Italian National Commission for UNESCO. He has been named an honorary doctorate in Environmental Sciences by the University of Parma for the activities of environmental recovery of contaminated sites. He is a senior advisor to Barclays Bank. In 2011 he was knighted by the President of the Italian Republic.
MR. CHRISTIAN COCO	CONNECT DUE S.R.L.	Christian Coco is Investment Director at Edizione Srl. He is also a director of the companies of Edizione Group, Benetton Srl and CEO of ConnecT Due, as well as non-executive Chairman of Benetton Group Srl. He began his professional career in strategic planning in the energy sector and in 2002 he joined Mediobanca in the acquisition finance department. From 2007 to 2011 he worked in private equity firms, focusing especially on investments in the infrastructure sector in Europe. Subsequently, and until joining the Edizione Group in 2015, he was head of Planning, Control and M&A of the CIR Group of the De Benedetti family. Christian Coco has an engineering degree from Milan Polytechnic, and a post graduate degree in Utility Companies from MIP Milan (Politecnico's Business School).
MS. ALEXANDRA REICH	LISSON GROVE INVESTMENT PRIVATE LIMITED	Alexandra Reich has 20 years' experience in the

		telecommunications industry, after starting her career in investment banking. She is currently member of the Board of Directors of the Dutch company Delta Fiber. She has been senior advisor at Telenor, as well as CEO of Telenor in Thailand – DTAC (from 2018 to 2020) and CEO of Telenor Hungary (from 2016 to 2018) as well as Chairperson of the Boards of Telenor Serbia and Telenor Bulgaria. She also held various management positions at Swisscom (between 2009 and 2016) and Sunrise (between 2007 and 2009) in Switzerland, and at Hutchison (between 2005 and 2007) and United Telecommunications (between 2004 and 2005) in her native Austria. Alexandra Reich has a degree in Business Administration and a Master degree from the Vienna University of Economics and Business Administration.

Total number of proprietary directors	3
Percentage of Board	27.27

Remarks

EXTERNAL INDEPENDENT DIRECTORS

Name of the director	**Profile**
MR. BERTRAND KAN	He has extensive professional experience in investment banking and focused on the telecoms, media and technology sector in particular. He spent most of his career at Morgan Stanley where he became a Managing Director and Head of the European Telecoms Group. Subsequently in 2006 he moved to Lehman Brothers, where he was Co-Head of the Global Telecoms

	Team and was a member of the European Operating Committee. In 2008, he became Head of the Global Telecoms, Media and Technology Group at Nomura and was a member of Nomura and served on the Investment Banking Global Executive Committee. He left investment banking in 2012. Among other responsibilities, in addition to the Cellnex Board, he is currently a member of the Advisory Council of Wadhwani Asset Management, Chairman of Sentient Blue and Chairman of the Board of UWC Netherlands. Bertrand Kan graduated with B.Sc. and an M.Sc. degrees in Economics from the London School of Economics.
MR. GIAMPAOLO ZAMBELETTI	He has spent much of his professional career in the chemicals/pharmaceuticals and telecoms sectors. Currently holds the position Vice-President of Unidad Editorial, S.A. He was previously Founder and Managing Director of Zambeletti España, President and CEO of Zambeletti Group, President of Italgas SpA, President and Managing Director of Ellem Industria Farmaceutica SpA . He served as Vice President of the pharma labs association, Farmindustria. In 2001 he has been appointed Group Senior Vice President International Affairs of Telecom Italia. He has furthermore been a member of the Board of Directors of Telecom Italia International (Netherlands), Auna, S.A. (Spain), Avea (Turkey), Oger Telecom (Dubai), Ojer Telekomunikasyon (Turkey) and Telekom Austria. Giampaolo Zambeletti holds a degree in Chemistry from the Università degli Studi di Pavia, is an international trustee of the Friends of the Prado Museum Foundation in Madrid, and received the Isabel la Católica Award from King Felipe VI in 2015.

MR. PIERRE BLAYAU	He is currently holding the position of president of CCR (Caisse Centrale de Reassurance), member of the strategic committee of SECP (Canal+ Group), Censor of FIMALAC, Senior Advisor of Bain & Company and Chairman of Harbour Conseils. He was previously Chief Executive Officer of Pont à Mousson, PPR, Moulinex, Geodis, and Executive Director of SNCF. He has also served as Executive Director of La Redoute, as a member of the Board of Directors of FNAC, and Independent Director of Crédit Lyonnais and President of the Board of Directors of Areva. Pierre Blayau is a Public Finance Inspector of the French Ministry of Finance, and graduated from the École Nationale d'Administration de Paris and the École Normale Supérieure de Saint-Cloud.
MS. ANNE BOUVEROT	Anne Bouverot is currently Chairperson of the Board of Technicolor, as well as Senior Advisor of TowerBrook Capital Partners and Board Director at Capgemini and Edenred. She is also Chairperson of Foundation Abeona, whose motto is "Data Science for Fairness and Equality", working on social impact of AI and digital technology. Previously she was CEO of Morpho, a biometrics and cybersecurity company (between 2015 and 2017) and general director of the GSMA (between 2011 and 2015). She also held several international management positions in companies in the telecommunications sector such as France Telecom / Orange (Executive Vice President of Mobile Services from 2009 to 2011), Global One Communications, Equant and Telmex. Anne Bouverot has a degree in Mathematics and a PhD in Artificial Intelligence from the École Normale Supérieure in Paris, and a degree in Engineering from Telecom Paris.
MS. MARIETA DEL RIVERO BERMEJO	Independent director of Cellnex Telecom and Gestamp Automoción.

	Non-executive Chairperson of Onivia. She is a member of the Advisory Board of the Mutual Society of Lawyers and of the Made in Möbile. She has been global marketing director of Telefonica, deputy managing director to the digital commercial managing director of Telefónica, CEO of Nokia Iberia, senior advisor of Ericsson, partner of Seeliger & Conde and Chairperson of International Women´s Forum Spain. She was one of 'The 500 Most Influential Women in Spain' in 2018, 2019 and 2020 according to 'El Mundo'; she was one of 'The Top 100 Women Leaders 2018' by Mujeres & Cía, and she was recognized as the 'Best Executive 2017' by the Spanish Association of Business Women. She is the author of the book 'Smart Cities: a vision for the citizen'. Marieta del Rivero is a member of the management board of the Spanish Directors Association (AED), AMP by IESE, EP by Singularity University and executive coach certified by ECC. In 2019, she attended the 'Workshop in Global Leadership' provided by the Harvard Kennedy School. Marieta del Rivero is BA in Business Administration by University Autónoma of Madrid (UAM).
MS. MARÍA LUISA GUIJARRO PIÑAL	María Luisa Guijarro has worked most of her career in the Telefónica group, from 1996 until 2016, where she held positions including Global Marketing and Sponsorship Manager, CEO of Terra España, Director of Marketing and Business Development in Spain and, in her later years at the company, member of the Executive Committee in Spain as head of Strategy and Quality. She is proprietary director on behalf of EQT in Adamo Telecom Iberia, S.A. and Adamo Telecom, S.L. She has a degree in Economics from the Universidad Autónoma de Madrid.
MR. LEONARD PETER SHORE	Leonard Peter Shore has extensive experience in the telecommunications and tech sector. He held the position of

	Chairman of Arqiva in the UK from 2007-2014. He has also been Chairman of Uecomm, Lonely Planet Publications, the Hostworks Group and Airwave. Shore was Group Managing Director at Telstra in Australia, CEO of MyPrice (Aust/NZ) and Managing Director of Media/Communications/Partners. He has served as a Director of Objectif Telecomunications Limited, Foxtel, SMS Management and Technology and OnAustralia. He was furthermore a member of the Advisory Board of Siemens Australia. He also served as member of the Corporate Board of the National Society for the Prevention of Cruelty to Children and Board of the Australia-United Kingdom Chamber of Commerce. He is also currently Chairman of Gigacomm Pty Ltd, a private Australian broadband service provider. Leonard Peter Shore holds a degree in Applied Mathematics and Computing Science from the University of Adelaide.

Total number of independent directors	7
Percentage of Board	63.64

Remarks

Indicate whether any director classified as independent receives from the company or any company in its group any amount or benefit other than remuneration as a director, or has or has had a business relationship with the company or any company in its group during the past year, whether in his/her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

If so, include a reasoned statement from the Board explaining why it believes that the director in question can perform his/her duties as an independent director.

Name the of director	**Description of the relationship**	**Reasoned statement**
No data		

OTHER EXTERNAL DIRECTORS

Identify the other external directors, indicate the reasons why they cannot be considered either proprietary or independent, and detail their links with the company, its management or its shareholders:

Name of the director	Reasons	Company, manager or shareholder to which or to whom the director is related	Profile
No data			

Total number of other external directors	N.A.
Percentage of Board	N.A.

Remarks

Indicate any changes that have occurred during the period in each director's category:

Name or company name of director	Date of change	Previous category	Current category
No data			

Remarks

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past four years, as well as the category of each:

	Number of female directors				% of total directors for each category			
	Year n	Year n-1	Year n-2	Year n-3	Year n 2020	Year n-1 2019	Year n-2 2018	Year n-3 2017
Executive					0.00	0.00	0.00	0.00
Proprietary	1	1	1		33.33	25.00	25.00	0.00
Independent	3	3	3	1	42.86	42.80	42.80	20.00
Other External					0.00	0.00	0.00	0.00
Total:	4	4	4	1	36.36	33.33	33.33	20.00

Remarks

C.1.5 Indicate whether the company has diversity policies in relation to its Board of Directors on such questions as age, gender, disability, education and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Spanish Account Auditing Law, will have to

report at least the policy that they have implemented in relation to gender diversity.

Yes X **No** **Partial policies**

If so, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results over the year. Also indicate the specific measures adopted by the Board of Directors and the Nominations and Remunerations Committee to achieve a balanced and diverse presence of directors.

If the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been applied, and results achieved
On 18 February 2016 the Board of Directors of Cellnex Telecom, S.A. approved the Policy for the Selection and Appointment of Directors, which aims, among other things, to achieve an appropriate composition for the Board of Directors. In the selection of its members, aspects such as the Company's shareholder structure, the diversity of knowledge, professional experience, origins, nationalities and gender of its members, their ability to devote the time necessary to perform their duties, their possible specialisation in specific matters of special relevance (financial, legal, telecommunications, etc.), the absence of conflicts of interest (real or potential) and their personal commitment to defend the corporate interest must be taken into account. 1.- Scope of Application. This policy is applicable to the selection of candidates for directors who are natural persons. In the case of directors who are legal persons, the provisions of this Policy will extend to the natural persons who will represent them. 2.- Selection Process. In accordance with the provisions of the Spanish Companies Law, the proposal for appointment or re-election of the members of the Board of Directors corresponds to the Nominations and Remunerations Committee, in the case of independent directors, and to the Board of Directors itself, in other cases. Such appointment or re-election will be accompanied by a supporting report from the Board evaluating the skills, experience and merits of the nominee. Also, the proposal for appointment or re-election of a non-independent director must furthermore be preceded by a report from the Nominations and Remunerations Committee. In the selection of board members candidates, a prior analysis of the company's needs will be carried out by the Board of Directors with the advice and report of the Nominations and Remunerations Committee, with the objective of integrating different professional and management experiences and skills, and promoting diversity of knowledge, experience and gender, considering the weight of the different activities carried out by Cellnex and taking into account those areas or sectors that should be specifically promoted. Any Director may request that the Nominations and Remunerations Committee consider potential candidates to fill vacancies on the Board.

3.- Conditions to be met by the candidates.

Candidates for the position of director of the Company must be honourable, suitable persons of recognised solvency, competence, experience, qualifications, training, availability and commitment to their role.

They must be professionals of integrity, whose conduct and professional career is aligned with the principles set out in the Cellnex Code of Ethics and with the mission, vision and values of the Cellnex Group.

In the analysis of candidates, the Nominations and Remuneration Committee, in accordance with the needs of the Board, will evaluate the following aspects:

1. The technical-professional competencies of the candidates.
2. The management experiences of the candidates, also taking into account the context in which Cellnex operates.
3. The commitment required to perform the position, also evaluating the positions already held by the candidates in other companies.
4. The possible existence of conflicts of interest.
5. The significance of any existing or recently maintained commercial, financial or professional relationships, direct or indirect, by the candidates with the Company or other Group companies.
6. And proceedings that may undermine the responsibility or reputation of the candidates.

4.- Impediments to being a candidate for director.

Those who are affected by any of the causes of incompatibility, incapacity or prohibition to hold the position of Board member provided for in the law or in the internal rules of the Company may not be considered as candidates for the board of directors.

5.- Assistance from external consultants.

For the selection of candidates for the Board of Directors, the Nominations and Remunerations Committee may hire the services of external consultants specialised in the search and selection of candidates in order to strengthen the efficiency and effectiveness of the procedures for their identification.

In the analysis of the candidates, the consultant must evaluate the requirements set forth in section 3 of this Policy.

6.- Special reference to gender diversity.

In any case, the candidate selection process must avoid any type of implicit bias that could imply any discrimination.

This Policy for the Selection and Appointment of Directors will promote a balanced presence of women and men on the Board of Directors.

This Policy must aim to ensure that in the shortest possible time and at the latest by the end of 2020 the least represented gender is at least thirty percent of the total number of members of the Board of Directors.

On 19 February 2021 the Board of Directors of Cellnex, following the proposal of the Nominations, Remunerations and Sustainability Committee (formerly named Nominations and Remunerations Committee), approved the new Policy on the composition of the Board of Directors, which aims, among other things, to achieve an appropriate composition for the Board in line with the recommendations of the Good Governance Code for Listed Companies of the National Securities Market Commission, revised in June 2020. In essence, the reference to directors legal persons has been eliminated, the diversity of knowledge, experience, age and gender is favoured, in the context in which Cellnex operates and regulates that it must be ensured that in the shortest possible time and before the end of the year 2022, the least-represented gender is at least forty percent of the total members of the Board of Directors.

C.1.6 Describe the measures, if any, agreed upon by the Nominations Committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes female candidates who meet the required professional profile among potential candidates, in order to achieve a balance between men and women. Also indicate whether these measures include encouraging the company to have a significant number of female senior executives:

Explanation of measures
During 2020 the only changes in the composition of the Board were of proprietary directors, so the Company did not carry out any selection process in which the Nominations and Remunerations Committee could take any action. Notwithstanding the foregoing, the Company did communicate to GIC (who began a selection process for the position of proprietary director of Cellnex) the criteria it considered relevant in order to reinforce diversity within the Board of Directors. In any case, the current composition of the Board already has a higher number of female directors than is established in the Recommendations of the CNMV's of the Good Governance Code for listed companies for this year. On 19 February 2021 the Board of Directors approved a modification of the Policy on the composition of the Board of Directors in order to include the objective that the least represented gender represents at least 40% of the total members of the Board before the end of 2022. Likewise, on the same date it has also been approved a modification on the Equity, Diversity and Inclusion Policy, in order to highlight the commitment to the presence of female senior managers.

When, despite the measures that, where appropriate, have been adopted, there is little or no number of female directors or female senior managers, explain the reasons that justify it:

Explanation of reasons
N.A.

C.1.7 Explain the conclusions of the Nominations Committee regarding verification of compliance with the policy aimed at promoting an appropriate composition of the Board of Directors.

The appointments made in recent years have always been in accordance with the criteria established in the Policy on the composition of the Board of Directors. Likewise, the Company complies with the recommendations of the Good Governance Code for listed companies regarding diversity within the Board. However, on the occasion of the upcoming renewal of positions, the Nominations, Remunerations and Sustainability Committee has set up a review of the Board's competencies matrix in order to analyse and, where appropriate, reinforce its composition.

Likewise, on 19 February 2021 the Board of Directors of Cellnex approved the amendment of its Regulations, in which it has incorporated the provision that at the end of the 2022 financial year there should be a representation of at least 40% of female directors. This same mention has been included in the Policy on the composition of the Board of Directors of the same date.

C.1.8 If applicable, explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than 3% of share capital:

Name or company name of shareholder	Reason
No data	

Indicate whether the Board has declined any formal requests for presence on the Board from shareholders whose interest is equal to or greater than that of others at whose request proprietary directors have been appointed. If so, explain why the requests were not granted:

Yes ☐ **No** ☐X

Name of shareholder	Explanation

C.1.9 Indicate the powers, if any, delegated by the Board of Directors to directors or Board committees:

Name of the director	Brief description
TOBIAS MARTINEZ GIMENO	CEO, who has all the powers of representation, management and disposition, except those

	that cannot be delegated by Law or by the Bylaws.

C.1.10 Identify any members of the Board who are also directors, representatives of directors or managers in other companies forming part of the listed company's group:

Name of director	Name of the group company	Position	Does the director have executive powers?
TOBÍAS MARTINEZ GIMENO	CELLNEX FINANCE COMPANY, S.A.U.	SOLE ADMINISTRATOR	YES

Remarks

C.1.11 List any directors or representatives of directors legal persons of your company who are members of the Board of Directors or representatives of directors legal persons of other listed companies on regulated markets other than group companies, of which the company has been informed:

Name of the director	Name of the listed company	Position
MS. ANNE BOUVEROT	CAPGEMINI	DIRECTOR
MS. ANNE BOUVEROT	EDENRED	DIRECTOR
MS. ANNE BOUVEROT	TECHNICOLOR	CHAIRMAN
MS. MARIETA DEL RIVERO BERMEJO	GESTAMP AUTOMOCION	DIRECTOR

Remarks

C.1.12 Indicate whether the company has established rules on the maximum number of company boards on which its directors may sit, explaining if necessary and identifying where this is regulated, if applicable:

Yes X **No**

Explanation of the rules and identification of the document where this is regulated
In accordance with the provisions of the Board of Directors Regulations, "The directors will have the appropriate dedication and will adopt the necessary measures for the proper management and control of the Company in the performance of their duties. For such purposes, the directors of the Company may not sit on more than four boards of directors of listed companies other than the Company. For the purposes of this rule, all the boards of companies that form part of the same group will be treated as a single board and the following will not be counted: (i) the boards of holding companies or companies that constitute vehicles or complements for the professional practice of the director, the director's spouse or a person with

an analogous relationship of affectivity or the director's closest relatives, (ii) the boards to which the director belongs as a proprietary director proposed by the Company or any company of its group and (iii) the boards of companies whose purpose is complementary or accessory to another activity that for the director of the Company constitutes a leisure activity, assistance or aid to third parties or any other type of activity that does not involve dedication to a commercial business".

C.1.13 Indicate the remuneration received by the Board of Directors as a whole for the following items:

Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)	5,893
Amount of pension rights accumulated by directors currently in office (thousands of euros)	1,150
Amount of pension rights accumulated by former directors (thousands of euros)	

Remarks

C.1.14 Identify members of senior management who are not executive directors and indicate their total remuneration accrued during the year:

Name or company name	**Position(s)**
MR. LUIS DEULOFEU FUGUET	Deputy CEO
MR. ALEXANDRE MESTRE MOLINS	Business Deputy CEO
JOSE MANUEL AISA MANCHO	Corporate Finance & M&A Director
MR. ALBERTO LOPEZ PRIOR	Global Resources Director
MR. ANTONI BRUNET MAURI	Corporate and Public Affairs Director
MR. SERGIO TÓRTOLA PÉREZ	Global Operations Director
MS. VIRGINIA NAVARRO VIRGÓS	Legal M&A & Financing Director
MR. JOSÉ MARÍA MIRALLES PRIETO	General Counsel – Legal & Regulatory Affairs
MR. DANIEL FERNÁNDEZ CAPO	Director of Management and Services and Cellnex Ventures.

Number of women in senior management	1
Percentage of total senior management	12.5

Total remuneration of senior management (thousands of euros)	7,594

Remarks
The difference from the amount shown in the annual accounts is due to the fact that in the ACGR we also add the remuneration of the internal auditor.

C.1.15 Indicate whether the Board regulations were amended during the year:

Yes □ **No □X**

Description of amendment(s)

C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors. List the competent bodies, steps to follow and criteria applied in each procedure.

The procedures for the appointment, re-election, evaluation and removal of directors for 2020, are regulated in articles 18 to 21 of the Board Regulations.

C.1.17 Explain to what extent the annual evaluation of the Board has given rise to significant changes in its internal organisation and in the procedures applicable to its activities:

Description of amendment(s)
As a result of the self-assessment carried out by the Board of Directors for 2019, in 2020 various actions were carried out in the following areas: • Promotion of a dynamic that promotes an open and constructive debate within the Board; • More attention to operational and strategic issues, financial and non-financial risk management; • Reinforcement of the succession plan, taking special consideration to the growth of the Company; and • Coordination of the work of the Committees and the Board to avoid duplication.

Describe the evaluation process and the areas evaluated by the Board of Directors with or without the help of an external advisor, regarding the functioning and composition of the Board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and areas evaluated
Likewise, at the end of 2020 the Board has commissioned an external evaluation of the Board and its Committees upon completion of the third year of the previous review by an expert, this time entrusted to EY, who has reviewed the requested documentation and interviewed the members of the Board of Directors. The aforementioned evaluation has covered the

following topics regarding the Board and the Committees: (i) composition, (ii) welcome and update programs, (iii) culture and dynamics, (iv) information, planning and meetings, (v) the role of the CEO, Chairman, Coordinating Director and Secretary, (vi) functions and duties, and (vii) interaction with the management team and between the Board and the Committees.
Its report has been evaluated by the Board of Directors in its session held on 19 February 2021, and the corresponding action plan has been adopted.

C.1.18 Provide details, for years in which the evaluation was carried out with the help of an external advisor, of the business relationships that the external advisor or company in its group maintains with the company or any company in its group.

EY has been hired by Cellnex Telecom, S.A. and by other group companies for the provision of 5 accounting advisory services, 7 consulting services for projects, 1 financial consultation, 2 tax advisory services and 3 labour consulting services, the overall amount being of little relevance with respect to the services contracted in total, as well as not very significant for the supplier.

C.1.19 Indicate the cases in which directors are obliged to submit his/her resignation.

1. Directors will leave office at the end of the term for which they were appointed, and when so decided by the General Shareholders' Meeting in use of the authority granted to it by Law or by the Bylaws.
2. Directors must tender their resignation to the Board of Directors and, if the Board deems it to be appropriate, resign in the following cases:
a) When they leave executive positions with which their appointment as director was associated. Independent directors when they complete twelve (12) years in office.
b) When they are subject to any of the grounds of incompatibility or prohibition provided for by law.
c) When there are situations that affect them, related or not to their performance in the Company itself, that may harm its credit and reputation, and when they are investigated in any criminal case, the Board of Directors must be informed of their procedural vicissitudes, or are subject to disciplinary proceedings for serious or very serious misconduct instructed by the supervisory authorities.
d) When their remaining on the Board may place the Company's interest at risk, and when the reasons for which they were appointed cease to exist. The latter circumstance will be deemed to occur with respect to a proprietary director when the total shareholding of which he/she is the holder or whose interests he/she represents is disposed of and also when the reduction of the shareholding requires the reduction of the number of proprietary directors.
3. Executive directors must tender their resignation to the Board upon reaching the age of seventy and the Board must decide whether they will continue in the exercise of their executive or delegated functions or simply as a director.

4. In the event that, by resignation or by resolution of the General Shareholders' Meeting, a director ceases from his/her position before the end of his mandate, he/she should state the reasons for his resignation or, in the case of non-executive directors, his/her opinion of the reasons for

the General Shareholders' Meeting resolution in a letter to be sent to all the members of the Board of Directors. Notwithstanding it being reported in the Annual Corporate Governance Report, the Company will publish the cessation as soon as possible, including sufficient reference to the reasons or circumstances provided by the director. 5. The Board of Directors may only propose the removal of an independent director before the expiration of the statutory term when there is just cause, as determined by the Board following a report from the Nominations, Remunerations and Sustainability Committee. In particular, it will be understood there is just cause when the director comes to occupy new positions or assumes new obligations that prevent him/her from dedicating the time necessary for performance of the functions inherent to the position of director, fails to comply with the duties inherent to the position or is in any of the circumstances resulting in loss of independent status, in accordance with the provisions of applicable legislation. Such dismissal may also be proposed as a result of a takeover bid, merger, or other similar corporate operations implying a change in the share capital structure of the Company, provided that such changes in the structure of the board are required by virtue of the proportionate representation criterion.

C.1.20 Are qualified majorities other than those established by law required for any particular kind of decision?

Yes ☐ No ☒X

If so, describe the differences.

Description of differences

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, for being appointed as chairman of the Board of Directors.

Yes ☐ No ☒X

Description of requirements

C.1.22 Indicate whether the Bylaws or Board of Directors Regulations state an age limit for directors:

Yes ☒X No ☐

	Age limit
Chairperson	N.A.
CEO	70
Director	N.A.

Remarks

It is stated that this is not an absolute limit but rather the age from which the Chief Executive Officer must place his position at the disposal of the Board for the latter to decide whether to continue in the exercise of his duties.

C.1.23 Indicate whether the Bylaws or the Board of Directors Regulations state any term limits for independent directors other than those required by law or any other than that stated in the regulations:

Yes □ No □X

Additional requirements and/or maximum number of years of office	

C.1.24 Indicate whether the Bylaws or the Board of Directors Regulations state specific rules for delegating votes within the Board of Directors to other directors, if so the procedure for doing so and, in particular, the maximum number of delegations that a director may hold, as well as whether any limit has been established regarding the categories of director to whom votes may be delegated beyond the limits imposed by law. If so, briefly describe these rules.

Article 23 a) of the Bylaws (currently article 19) states that any director may confer representation to another director in writing, by fax, e-mail or any other similar means. Non-executive directors may do so only to another non-executive director.

C.1.25 Indicate the number of meetings held by the Board of Directors during the year. Also indicate, if applicable, the number of times the Board met without the chairman being present. Meetings where the chairman gave specific proxy instructions are to be counted as attended.

Number of board meetings	12
Number of board meetings held without the chairman's presence	0

Remarks

Indicate the number of meetings held by the coordinating director with the other directors that were not attended by any executive directors in person or by proxy:

Number of meetings	0

Remarks

Indicate the number of meetings held by each Board committee during the year:

Number of meetings held by the executive committee	

Number of meetings held by the audit and control committee	8
Number of meetings held by the nominations and remunerations committee	12

Remarks

C.1.26 Indicate the number of meetings held by the Board of Directors during the year and information regarding the attendance of its members:

Number of meetings in which at least 80% of directors were present in person	12
Attendance in person as a % of total votes during the year	100
Number of meetings with attendance in person or proxies given with specific instructions, by all directors	12
Votes cast in person and by proxies with specific instructions, as a % of total votes during the year	100

Remarks

C.1.27 Indicate whether the individual and consolidated financial statements are certified before being presented to the Board for approval:

Yes □X No □

Identify, if applicable, the person(s) who certified the individual and consolidated financial statements of the company before being drawn up by the Board:

Name	**Position**
MR. JOSÉ MANUEL AISA MANCHO	Corporate Finance & M&A Director
MR. TOBIAS MARTINEZ GIMENO	CEO

Remarks

C.1.28 Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations.

The consolidated annual accounts have been prepared in accordance with the financial reporting regulatory framework applicable to the Group, which is established by the International Financial Reporting Standards (hereinafter "IFRS") adopted by the European Union (hereinafter "EU-IFRS") and taking into consideration all the accounting principles and standards and the mandatory assessment criteria, as well as the Commercial Code, the Spanish Companies Law and other applicable commercial legislation, so that the image shows faithful of the equity and

financial situation of the Cellnex Group as of 31 December 2020 and of the results of its operations, of the changes in equity and of the consolidated cash flows that have occurred in the year ended on that date.

C.1.29 Is the secretary of the Board also a director?

Yes □ No □X

If the secretary is not a director, complete the following table:

Name or company name of the secretary	Representative
MR. JAIME VELÁZQUEZ VIOQUE	

Remarks

C.1.30 Indicate the specific mechanisms established by the company to safeguard the independence of the external auditors, and any mechanisms to safeguard the independence of financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.

One of the functions of the Audit and Risk Management Committee (article 15 paragraph b) of the Board of Directors Regulations in its wording of 19 February 2021 which is adapted to the Good Governance Code revised in June 2020) is to raise to the Board of Directors for submission to the General Shareholders' Meeting the proposals for the selection, appointment, re-election and replacement of the external auditor or audit firm, taking responsibility for the selection process, the conditions of engagement, the scope of the professional mandate and, if applicable, the revocation or non-renewal thereof, all in accordance with current legislation, as well as to regularly obtain information from them on the audit plan and its execution, and preserve their independence in the exercise of their functions.

Another function (art. 15, paragraph d) of the same Regulations) is to establish the appropriate relations with the external auditors or audit companies in order to receive information on issues that could jeopardise their independence, for review by the Committee, and any other matters relating to the process of the audit of accounts, and when appropriate, the authorization of services other than those prohibited in the terms contemplated in the applicable regulations, in relation to the independence regime as well as other communications provided for under audit legislation and the auditing standards. In any case, they must receive annually from the external auditors or audit firms written confirmation of their independence from the entity or entities directly or indirectly related to it, as well as information on additional services of any kind rendered and the corresponding fees received from these entities by the external auditors or audit firms or by the persons or entities related to them in accordance with the provisions of the applicable legislation on audit of accounts.

Additionally, another function of the Audit and Risk Management Committee (art. 15 sect. j) of the Board of Directors Regulations) is to issue annually, prior to the issuance of the audit report, a report in which an opinion will be expressed on whether the independence of the auditors or audit firms is compromised. This

report in any event must contain a reasoned evaluation of the provision of each and every one of the additional services referred to in the preceding paragraph, taken individually and as a whole, other than the legal audit, as regards the scheme of independence of the auditors and regulations governing audits.

In accordance with the legal requirements, information on the fees paid to the Company's external auditor for the provision of audit and other services is included in the company's financial statements.

The governing bodies pay particular attention to not compromising the independence of financial analysts, investment banks and rating agencies.

C.1.31 Indicate whether the company changed its external auditor during the year. If so, identify the incoming and outgoing auditor:

Yes □ No □X

Outgoing auditor	Incoming auditor

Remarks

If there were any disagreements with the outgoing auditor, explain their content:

Yes □ No □X

Explanation of disagreements

C.1.32 Indicate whether the audit firm performs any non-audit work for the company and/or its group and, if so, state the amount of fees it received for such work and express this amount as a percentage of the total fees invoiced to the company and/or its group for audit work:

Yes □X No □

	Company	Group companies	Total
Amount of work other than standard audit work (thousands of euros)	2,560	17	2,577
Fees for work other than standard audit/Fees for audit work (%)	100.00	1.00	100.00

Remarks

In view of the impossibility of entering the correct percentage that the fees for work other than standard audit represent on the total fees invoiced to the company, we have entered 100% since it is the maximum allowed by the system. However, the correct percentages are as follows: Amounts of work other than audit: Company 327%, Group 1 Companies, Total 113%.

C.1.33 Indicate whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, indicate the reasons given to shareholders at the general meeting by the chairman of the audit committee to explain the content and extent of the qualified opinion or reservations.

Yes ☐ No ☐X

Explanation of the reasons and direct link to the document made available to the shareholders at the time that the general meeting was called in relation to this matter

C.1.34 Indicate the number of consecutive years for which the current audit firm has been auditing the company's individual and/or consolidated financial statements. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited:

	Individual	**Consolidated**
Number of consecutive years	8	8

	Individual	**Consolidated**
Number of years audited by the current audit firm/number of years in which the company has been audited (in %)	100%	100%

Remarks

C.1.35 Indicate whether there is a procedure for directors to be sure of having the information necessary to prepare the meetings of the governing bodies with sufficient time; provide details if applicable:

Yes ☐X No ☐

Details of the procedure
Article 23 of the Board of Directors Regulations (former article 22) states that the agenda of the Board meetings will clearly indicate those items on which the Board of Directors must adopt a decision or resolution so that the directors may study or obtain, in advance, the information necessary for its adoption. And that all information regarding the proposals to be

submitted to the directors will be made available to them at least forty-eight (48) hours in advance. The information sent to the directors during the 2020 fiscal year was generally sent one week in advance.

C.1.36 Indicate whether the company has established rules obliging directors to inform the Board of any circumstances, whether or not related to their actions in the company itself, that might harm the company's standing and reputation, tendering their resignation where appropriate. If so, provide details:

Yes X **No**

Explain the rules
Article 21 of the Board of Directors Regulations states that directors must tender their resignation to the Board of Directors and, if the Board deems it appropriate, formalise the corresponding resignation in the following cases: - When they are subject to any of the grounds of incompatibility or prohibition contemplated by law. - When there are situations that affect them, related or not to their performance in the Company itself, that may harm its credit and reputation, and when they are investigated in any criminal case, the Board of Directors must be informed of their procedural vicissitudes, or are subject to disciplinary proceedings for serious or very serious misconduct instructed by the supervisory authorities. - When their continuance on the Board may jeopardise the interests of the Company, and - When the reasons for which they were appointed disappear. The latter circumstance will be deemed to occur with respect to a proprietary director when the total shareholding he/she holds or whose interests he/she represents is disposed of, and also when the reduction of the shareholding requires the reduction of the number of proprietary directors. The Board has positively viewed the rules that require directors to report situations that affect them, whether or not related to their performance in the Company itself. Thus, in the regulatory modification of 19 February 2021, it has been adapted to the provisions of the Good Governance Code, which in recommendation 22 has expanded the obligation to report when directors are investigated in any criminal case.

C.1.37 Indicate, unless there have been special circumstances that have been recorded in the minutes, if the Board of Directors has been notified or has otherwise become aware of any situation affecting a director, whether or not related to his/her actions in the company itself, that might harm the company's standing and reputation:

Yes **No X**

Director's name	Nature of the situation	Remarks

Indicate whether the Board of Directors has examined the case. If so, explain with reasons whether, given the specific circumstances, it has adopted any measure, such as opening an internal enquiry, requesting the director's resignation or proposing his/her dismissal.

Indicate also whether the Board decision was backed up by a report from the nominations committee.

Yes ☐ **No** ☐

Decision / action taken	Reasoned explanation

C.1.38 Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

Obligations and other loans

The terms and conditions of the bonds issued under the EMTN Program, as well as the convertible bonds, include a change of control clause (at the option of the bondholders) that would imply their early repayment.

For bonds issued under the EMTN Program, the put option can only be activated if a change of control event occurs and there is a credit rating downgrade caused by a change of control event (as defined in the Program Terms and Conditions EMTN). For convertible bonds, the put option can only be activated if there is a change of control or if there is an event that triggers the offer (as defined in the terms and conditions of the convertible bonds).

For simple bonds (EMTN Program) and convertible bonds, a change of control event is defined as the acquisition of more than 50% of the voting rights with respect to the Parent Company, or the right to appoint or dismiss all or the majority of the members of the Board of Directors of Cellnex.

Loans and credit policies

In relation to the loans and credit policies contracted by Cellnex, the trigger is at the level of the Parent Company. For syndicated financing arranged through Swiss Towers, the trigger is measured against Cellnex Switzerland, Swiss Towers and Swiss Infra Services. For “GBP Facilities”, the trigger for the change of control is measured against Cellnex UK as well as at Cellnex level. For loans and credit policies arranged through Nexloop, the trigger for the change of control is measured relative to Nexloop. The event of change of control is generally triggered when a

third party, alone or jointly with others, acquires 50% of the shares with voting rights or obtains the right to appoint or dismiss the majority of the members of the Board of Directors of the company. Relevant Company. See Note 15 of the consolidated annual accounts corresponding to fiscal year 2020.

Infrastructure acquisitions

In relation to the acquisitions of the Group's infrastructures by mobile phone operators, some significant contracts signed by the Group, including most of the Group's contracts with anchor customers, could be modified or terminated if a clause for change of control is activated. With respect to the relevant contracts entered into by the Group with anchor customers, the activation of a change of control clause is generally limited to the situation in which a competitor of the anchor customer, individually or together with others, obtains "control" (generally defined as the ownership of (i) more than 50% of the voting shares (except in certain exceptional cases where this threshold is defined as 29% or more of the voting shares) or (ii) the right to appoint or remove the majority of the members of the board of directors of the relevant Group company). In such circumstances, the anchor customer may be granted an option to repurchase the assets (generally the infrastructure from which it receives the service). Likewise, this repurchase option may also be granted in the event that a direct competitor of the anchor client acquires a significant part of the shares or obtains voting or governance rights that can be exercised in a way that could negatively affect the client's interests. anchor. The change of control clause may be activated either at Cellnex level or only at the level of the relevant subsidiary that has signed the corresponding contract. In some contracts, the definition of control, and therefore of change of control, expressly refers to the applicable law in the relevant jurisdiction. Finally, in relation to the recent transaction with Hutchison in the United Kingdom and the part of the price that Hutchison will receive in Cellnex shares, if as a result of a takeover bid prior to the closing of the transaction with Hutchison in the United Kingdom, a third party (alone or in concert with another shareholder) acquires the majority of the votes in Cellnex, Cellnex will ensure that Hutchison receives at closing the consideration equivalent to what it would have received had it been a Cellnex shareholder at the time of the takeover bid.

C.1.39 Identify individually as regards directors, and in aggregate form in other cases, and provide details of any agreements between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal without due cause or termination of employment as a result of a takeover bid or any other type of transaction.

Number of beneficiaries	2
Type of beneficiary	**Description of the agreement**
	The Directors have signed contracts with the Company which include indemnification clauses.

CEO and Senior Management	In general terms, the indemnity clause of the contracts provides for the accrual of an indemnity in favour of the executive in the event of (i) unfair dismissal, (ii) unilateral termination of the contract by the executive due to serious breach by the Company of the obligations established in the contract, substantial non-consensual modification of the executive's functions, powers or conditions of the provision of services thereby. The indemnification is the greater of the following amounts: a) indemnification equivalent to one year's salary, taking into consideration the gross annual fixed remuneration in cash received at the time of termination, as well as the gross annual variable remuneration received by the director in the twelve months immediately prior to the effective termination of services; or, b) indemnification legally provided for in the labour legislation in force. In the case of the CEO and a member of Senior Management the indemnity clause of the contracts provides for the accrual of an indemnity in favour of the executive also in the case of: (iii) unilateral termination of the contract by the executive due to a change of control of the Company within the meaning of article 42 of the Commercial Code and similar circumstances. In the case of the CEO and another member of Senior Management, the indemnification is the greater of the following amounts: a) indemnification equivalent to two years' salary, taking into consideration the gross annual fixed remuneration in cash received at the time of termination, as well as the gross annual variable remuneration received by the director in the twelve months immediately prior to the effective termination of services; or b) indemnification legally

	provided for in the labour legislation in force.

Indicate whether, beyond the cases established by legislation, these agreements have to be communicated and/or authorised by the governing bodies of the company or its group. If so, specify the procedures, the cases concerned and the nature of the bodies responsible for their approval or communication:

	Board of Directors	General shareholders' meeting
Body authorising the clauses	X	

	YES	NO
Are these clauses notified to the General Shareholders' Meeting?		X

Remarks
The Board of Directors, following a report from the Nominations, Remunerations and Sustainability Committee, approves the essential conditions of the Senior Management.

C.2 **Committees of the Board of Directors**

C.2.1 Provide details of all committees of the Board of Directors, their members, and the proportion of executive, proprietary, independent and other external directors forming them:

EXECUTIVE COMMITTEE

Name	Position	Current

% of executive directors	
% of proprietary directors	
% of independent directors	
% of other external directors	

Remarks

Explain the functions delegated or assigned to this committee, other than those that have already been described in Section C.1.9, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how

it has exercised in practice each of the functions assigned to it by law, in the bylaws or in other corporate resolutions.

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Position	Current
MR. BERTRAND KAN	CHAIRMAN	Independent
MR. LEONARD PETER SHORE	MEMBER	Independent
MS. ANNE BOUVEROT	MEMBER	Independent
MR. CHRISTIAN COCO	MEMBER	Proprietary

% of proprietary directors	25
% of independent directors	75
% of other external directors	0

Remarks

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the bylaws or in other corporate resolutions.

SEE EXPLANATORY NOTE TO SECTION C.2.1.

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date on which the Chairperson of this committee was appointed.

Names of directors with experience	MR. BERTRAND KAN
Date of appointment of the chairperson	16/02/2017

Remarks
The Board is evaluating the succession of the position of Chairperson of the Audit and Risk Management Committee, which it foresees in the immediate future.

NOMINATIONS, REMUNERATIONS AND SUSTAINABILITY COMMITTEE

Name	Position	Current
MR. GIAMPAOLO ZAMBELETTI	CHAIRMAN	Independent
MR. PIERRE BLAYAU	MEMBER	Independent

MS. MARIETA DEL RIVERO	MEMBER	Independent
MS. MARIA LUISA GUIJARRO PIÑAL	MEMBER	Independent
MS. ALEXANDRA REICH	MEMBER	Proprietary

% of proprietary directors	20
% of independent directors	80
% of other external directors	

Remarks

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the bylaws or in other corporate resolutions.

SEE EXPLANATORY NOTE TO SECTION C.2.1.

NOMINATIONS COMMITTEE

Name	Position	Current

% of proprietary directors	
% of independent directors	
% of other external directors	

Remarks

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the bylaws or in other corporate resolutions.

REMUNERATIONS COMMITTEE

Name	Position	Current

% of proprietary directors	
% of independent directors	
% of other external directors	

Remarks

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the bylaws or in other corporate resolutions.

_____COMMITTEE

Name	**Position**	**Current**

% of executive directors	
% of proprietary directors	
% of independent directors	
% of other external directors	

Remarks

Explain the functions assigned to this committee and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the bylaws or in other corporate resolutions.

C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors			
	Year n Number %	Year n-1 Number %	Year n-2 Number %	Year n-3 Number %
Executive committee				
Audit and Risk Management committee	1-25%	2-50%	2-50%	0-0%
Nominations and Remunerations committee	3-60%	2-40%	2-40%	1-25%
Nominations committee				
Remunerations committee				
_____ committee				

Remarks

C.2.3 Indicate, where applicable, the existence of any regulations governing Board committees, where these regulations are to be found, and any amendments made to them during the year. Also indicate whether any annual reports on the activities of each committee have been voluntarily prepared.

The Board Committees do not have their own regulations; their operation is regulated in the Board of Directors Regulations, which are available on the Company's website.
Each of these Committees has prepared a report on its 2020 activities, which is available on the Company's website.

D RELATED PARTY AND INTRAGROUP TRANSACTIONS

D.1 Describe, if applicable, the procedure and competent bodies for the approval of related party and intragroup transactions.

Article 4 of the Board of Directors Regulations states that the Board, following a report from the Audit and Risk Management Committee, is responsible for approving transactions that the Company carries out with directors, significant shareholders or shareholders represented on the Board of Directors, or with a related person to them, unless such transactions meet the following three conditions:

1) They are governed by standard form agreements applied on an across-the-board basis to a large number of customers. 2) They are carried out at prices or rates generally established. 3) The amount is no more than 1% of the consolidated annual revenue of the Company. Likewise, article 32 of the aforementioned Regulations stetes that: The Board of Directors formally reserves knowledge of any relevant transaction of the Company with a significant shareholder. In the case of ordinary transactions, a general authorisation of the line of operations and its execution conditions will be sufficient.

D.2 Describe any transactions that are significant, either because of the amount involved or the subject matter, entered into between the company or entities within its group and the company's significant shareholders:

Name or company name of significant shareholder	Name or company name of the company or entity within its group	Nature of the relationship	Type of transaction	Amount (thousands of euros)
EDIZIONE S.P.A.	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	4,219
GIC PRIVATE LIMITED	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	2,059
ABU DHABI INVESTMENT AUTHORITY	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	2,041
CRITERIA CAIXA, S.A.U.	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	1,425
WELLINGTON MANAGEMENT GROUP LLP	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	1,252
BLACKROCK INC	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	1,252
GQG PARTNERS, LLC	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	562
CANADA PENSION PLAN INVESTMENT BOARD	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	924
FMR, LLC	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	532

NORGES BANK	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	528
CAPITAL RESEARCH AND MANAGEMENT COMPANY	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	885

Remarks

D.3 Describe any transactions that are significant, either because of their amount or the subject matter, entered into between the company or entities within its group and directors or managers of the company:

Name or company name of director(s) or manager(s)	Name or company name of the company or entity within its group	Relationship	Nature of the transaction	Amount (thousands of euros)
No data				N.A.

Remarks
See Note 24.a) of the Consolidated Financial Statements for the year 2020.

D.4 Report any material transactions carried out by the company with other entities belonging to the same group, provided that these are not eliminated in the consolidation process and do not form part of the company's ordinary business activities in terms of their purpose and conditions.

In any case, report any intragroup transaction conducted with entities established in countries or territories considered as tax havens:

Name of the group company	Brief description of the transaction	Amount (thousands of euros)

Remarks
At 31 December 2020, the Group has no significant assets and liabilities with companies associated with the Cellnex Group. In turn, no transactions of significant amount have been carried out with associated companies during 2020.

D.5 Report any material transactions carried out by the company or entities belonging to its group with other related parties that have not been reported in the previous sections.

Company name of the related party	Brief description of the transaction	Amount (thousands of euros)
ATLANTIA S.P.A.	Agreement under which the Group may locate certain assets to provide telecommunications infrastructure services on Italian highways that are under Autoestrade per l'Italia SpA until 2038.	4

Remarks
In addition to the contracts indicated above, there were no transactions of significant amount with related entities during the periods ended 31 December 2020.

D.6 List the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management or significant shareholders.

According to the Board of Directors Regulations, these conflicts must be declared by the directors and executives and entail the duty to abstain from attending and participating in the matters in which they are involved. The directors (article 27 c) of the Regulations) (currently article 26), must abstain from participating in deliberation and voting on resolutions or decisions in which the director or a related person has a direct or indirect conflict of interest. Excluded from the foregoing prohibition are the resolutions or decisions that affect the director in its status as such, such as the director's appointment or removal from positions on the administration body or others of a comparable kind.

In addition, art. 27 e) of the Board of Directors Regulations states that the board members must adopt the necessary measures to avoid situations in which their interests, on their own behalf or on behalf of another, can be in conflict with the Company's interests and their duties to it. Exceptions are those cases in which the company has granted its consent in accordance with the terms set forth in article 230 of the Spanish Companies Law.

The directors (art. 28 of the aforesaid Regulations) (currently article 27), must notify the Board of Directors of any conflict situation, direct or indirect, that they or persons related to them may have with the interest of the company. The affected director will abstain to intervene in the resolutions or decisions regarding the transaction to which the conflict relates. The votes of the directors affected by the conflict and who are required to abstain will be deducted for the purposes of calculating the majority of votes that is necessary. In particular, the duty to avoid situations of conflict of interest requires the director to abstain from:

a) Engaging in transactions with the Company, unless they are ordinary transactions, on terms that are standard for customers and of little importance, with such transactions being understood to be those the reporting of which is not

necessary to accurately reflect the net worth, financial situation and results of the Company.
b) Using the company's name or their status as directors to unlawfully influence the execution of private transactions.
c) Using the corporate assets, including the confidential information of the company, for private purposes.
d) Using the company's business opportunities for their own benefit.
e) Obtaining benefits or remuneration from third parties, other than the company and its group related to the performance of the director's duties, except in the case of mere courtesies.
f) Carrying on activities for their own account or on behalf of others that actually or potentially bring them into competition with the Company or that in any other way place them in permanent conflict with the interests of the Company.

The Board of Directors of Cellnex in July 2016 approved an Internal Code of Conduct adapted to the requirements of the European Market Abuse Regulation establishes the following:

Principles of action
In any case in which a "Conflict of Interest" exists (Conflict of Interest will mean the collision of the interests of the Company and the personal interests of the Affected Person), the Affected Persons will act in accordance with the following principles:

(i) Independence.
They at all times must act with loyalty to the Company, regardless of their own or other people's interests.
(ii) Abstention.
They must refrain from participating in or influencing decision-making on matters affected by the conflict.
(iii) Confidentiality.
They must refrain from accessing confidential information affecting such conflict.

Communication of Conflicts of Interest
The Affected Persons will notify the Secretary of the Board of any possible Conflicts of Interest to which they are subject due to their family relationships, their personal assets, their activities outside the Company, or for any other reason.
A Conflict of Interest will not be deemed to arise due to family relationships when the relationship exceeds the fourth degree of consanguinity or second degree of affinity.

A possible Conflict of Interest derived from personal assets will be deemed to exist when it arises in relation to a company in which the Affected Person holds an executive position or when he/she holds a significant shareholding (understood as any direct or indirect shareholding exceeding twenty percent of its issued share capital).

Affected Persons must keep the information updated, reporting any modification or cessation of the situations previously reported, as well as the emergence of new possible Conflicts of Interest.

Communications must be made as soon as possible once the current or possible situation of Conflict of Interest is noticed and, in any case, before taking a decision that could be affected by the possible Conflict of Interest.

D.7 Indicate whether the company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through any of its subsidiaries, business relationships with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them**.**

Yes ☐ No ☐X

Indicate whether the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries have been defined publicly and precisely:

Yes ☐ No ☐X

Report the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries, and identify where these aspects have been publicly reported

Identify the mechanisms in place to resolve potential conflicts of interest between the parent of the listed company and the other group companies:

Mechanisms for resolving possible conflicts of interest

E RISK MANAGEMENT AND CONTROL SYSTEMS

E.1 Explain the scope of the company's Risk Management and Control System, including tax risk.

The Risk Management System operates in an integral, continuous manner, consolidating such management for each Business Unit. It is currently implemented in Corporation, Spain, France, Holland, Ireland, Italy, Portugal, United Kingdom and Switzerland. The newly acquired companies are expected to be included in the scope in the coming months.

Following the risk culture at Cellnex and with the commitment to strengthen global risk management, the Board of Directors approved the methodology of the three lines of defence risk model, which mainly consists of the following:

- 1st Line: functional areas that are responsible for assessing, controlling and mitigating risks along with maintaining effective internal controls.
- 2nd Line: facilitates and monitors the implementation of effective risk management practices.
- 3rd Line: evaluates and manages risks by validating the performance of the first and second lines, providing independent assurance of the risk model.

During 2020, two initiatives were launched in connection with this commitment to integrated risk management:

- The creation of the Global Risk Committee, the objective of which is to deploy risk management in the Cellnex Group and validate the risks and action plans defined in each risk map.
- Creation of the risk management department, which aims to promote a common risk culture within Cellnex.

In addition, the new Global Risk Management Policy and the Global Risk Management Model were approved in 2020.

- The policy establishes the essential principles and commitments in the area of Risk Management, its communication to stakeholders and its progressive integration into all operational processes of the Cellnex Group. The principles and commitments set forth in this Policy are of general application and must be taken into account in each of the projects, businesses and activities carried out by the company. This Policy is mandatory for all companies controlled by Cellnex Telecom.
- The model defines the methodology for Global Risk Management in the Cellnex Group. It establishes the governance model, roles and responsibilities, risk life cycle, risk taxonomy, and risk assessment and monitoring

E.2 Identify the bodies within the company responsible for preparing and executing the Risk Management and Control System, including tax risk.

The bodies responsible for definition, execution and supervision are the following:

- *Board of Directors:* is the highest authority responsible for approving the risk control strategy and policy as well as for defining the company's risk appetite.
- *Audit and Risk Management Committee*: as a function entrusted by the Board of Directors, it supervises the effectiveness of the risk management model, ensuring that the risk management model adequately identifies, prioritises, controls, monitors and discloses all risks.
- *Chief Executive Officer:* has ultimate responsibility for the organisation's risk management and control framework providing leadership and oversight of risk management activities.
- *Senior Management:* responsible for risk management, which includes the definition and implementation of defined risk policies, validation of risk maps, assignment of responsibilities, implementation of control activities and action plans, as well as monitoring of existing risks in its area of responsibility.
- *Function Managers*: each person responsible for an area is in charge of identifying, evaluating and implementing control activities aimed at mitigating risks.
- *Global Risk Committee:* its purpose is to deploy risk management in the Cellnex Group and validate the risks and action plans defined in each risk map, and to properly formalise the Three Lines of Defence in Cellnex.
- *Risk Management*: responsible for preparing and updating risk management policies, establishing the mechanisms and methodology for identifying and assessing risks, updating risk maps, implementing a monitoring system, and communicating with the highest governance bodies.

- *Internal* Audit: provides assurance to the Board of Directors, the Audit and Risk Management Committee and Senior Management that risks are adequately understood and managed, and proposes solutions to improve the risk control and management structure

E.3 Indicate the main risks, including tax risks, and those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant, which may affect the achievement of business objectives.

Risks at Cellnex can be classified into the following types:

- Strategic: risks that affect the business strategy or strategic objectives of any company.
- Operational: risks of potential losses resulting from the inadequacy of key operations processes as well as the people, equipment and systems that support these processes.

Risks are also classified according to the functional area of their main impact, and the functional areas defined are as follows:

- Legal / Regulatory / Compliance: the possibility of incurring legal or administrative sanctions, significant financial losses or loss of reputation due to non-compliance with laws, regulations, internal rules and codes of conduct applicable to the business.
- Financial: risk of loss of value or earnings as a result of adverse movements in financial variables and the company's inability to meet its obligations or build its assets.
- Business: any risk that may affect the company's core business in its provision of services to customers, either directly or indirectly.
- Operations: risks associated with the execution of operational processes, including, among others, technological risks, dependence on suppliers, etc.
- Environment and climate change: risks involving potential damage to the environment such as natural disasters, climate change, etc.
- People: risks related to people, such as: culture, talent, etc.
- Systems: those risks that may affect Cellnex's information systems infrastructure.

E.4 Indicate whether the entity has risk tolerance levels, including for tax risk.

- Tolerance levels are defined in the risk assessment matrix.
- For the risks identified, each manager evaluates the potential impact of the risk if it materialises, differentiating among four levels: low, medium, important and critical, taking into account the economic impact, ramification in the organisation and reputational impact. The likelihood of the risk occurring is then assessed. This probability is classified among the four defined levels: remote, possible, probable and almost certain. The combination of impact and probability leads to risk prioritisation

E.5 Indicate which risks, including tax risks, have materialised during the year.

We highlight the most relevant risks that materialised during the year:

- A portion of the Group's revenues is derived from a small number of customers. In the Infrastructure Services for Mobile Telecommunications

Operations segment, the main customers are telecommunications operators (mostly MNOs); in the Broadcasting Infrastructure segment, its main customers are the broadcast media (TV channels and radio stations); and in the Other Network Services segment, its main customers are (i) a small number of public administrations, at the national, regional and/or local level, (ii) security and emergency response organisations, (iii) companies operating in the utilities sector, and (iv) certain telecommunications operators.

- Increased competition in the acquisition of assets and companies in the context of the Group's business expansion.
- In the renewal of relevant contracts in the broadcasting business in Spain, there has been a reduction in revenues with respect to the previous renewal cycle.
- The existing pandemic situation has led to a slowdown in economic activity that affects employee mobility and has had a slight impact on the execution of certain operations, on some business processes, etc.

E.6 Explain the response and oversight plans for the company's main risks, including tax risks, as well as the procedures followed by the company in order to ensure that the Board of Directors responds to any new challenges that arise

The implemented risk management model establishes the response and supervision plans for the main risks based on their assessment.

The risk maps as well as those risks considered to be priority risks are reviewed by the Audit and Control Committee, which in turn reports to the Board of Directors, as well as if there is any variation in the risks not defined as priority risks. In addition, the areas perform risk management.

In order to reduce exposure to risks such as infrastructure sharing, regulatory changes, technological advances and development of alternative technologies not currently used, increased competition, among others, the Group continues with a policy of internationalisation, diversification and selective growth, promotes understanding with the Public Administrations for the development of infrastructure and continues with the efficiency plan for the optimisation of operating expenses and investments. In addition, in response to the health crisis resulting from the COVID 19 pandemic, Cellnex deployed business contingency and recovery plans in all countries. This has allowed the continuity of all critical services of our customers, preserving the safety of people. Practically all of our activities have been and continue to be carried out remotely.

We are currently immersed in the process of designing and updating the global business continuity model, starting with the most critical processes

F INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATING TO THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (ICFR)

Describe the mechanisms forming your company's Internal Control over Financial Reporting (ICFR) system.

F.1 **The entity's control environment**

Report on at least the following, describing their principal features:

F.1.1. The bodies and/or departments that are responsible for: (i) the existence and maintenance of an adequate and effective ICFR system; (ii) its implementation; and (iii) its supervision.

The Financial Reporting Internal Control System (hereinafter "FRICS") of Cellnex is part of its general internal control system and is configured as the set of processes that the Board of Directors, the Audit and Risk Management Committee, the Management and the Company's personnel carry out to provide reasonable assurance regarding the reliability of the financial information published in the markets.

Cellnex's "FRICS Organisational and Supervisory Model" (hereinafter "FRICS Organisational Model") establishes that the Board of Directors is ultimately responsible for the supervision of internal reporting systems, as well as the Risk Control and Management Policy. In addition, the Bylaws and the Board of Directors Regulations establish, among others, the following powers and responsibilities:

- The determination of the Company's general policies and strategies, as well as the Company's corporate governance policy.
- The formulation and approval of the annual accounts and any other report or information required by law.
- The approval of the financial information listed companies must periodically disclose.
  The determination of the Risk Control and Management Policy, including tax risks, and the supervision of internal information and control systems.
- The supervision of the effective functioning and performance of the delegated bodies, including the Audit and Risk Management Committee, and designated executives.

Based on the Board of Directors Regulations (art. 15), the basic responsibilities of the Audit and Risk Management Committee (hereinafter "ARMC") include:

- The supervision and evaluation of the process of preparation and presentation of the mandatory financial and non-financial information of the Company, as well as its integrity.
- The supervision and evaluation of the internal control and risk management systems, financial and non-financial of Cellnex and, where appropriate, of the group, including operational, technological, legal, social, environmental, political and reputational systems or those related to corruption, reviewing the compliance with regulatory requirements, the adequate delimitation of the consolidation perimeter and the correct application of accounting criteria.
- Discussion with the auditor of significant weaknesses in the internal control system detected during the audit.
- Supervision of the internal audit services, ensuring their independence, and verification that the recommendations and corrective measures recommended by them are considered by Management.

Cellnex's Internal Audit function is responsible for supervising the FRICS by delegation from the ARMC, with the Global Finance & M&A Department being responsible for its design, maintenance and implementation.

F.1.2. Indicate whether the following exist, especially in relation to the drawing up of financial information:

- Departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) clear definition of lines of responsibility and authority with an appropriate distribution of tasks and functions; and (iii) ensuring that adequate procedures exist for their proper dissemination throughout the entity.

  The Board of Directors of Cellnex assigns responsibility for the design and review of the organisational structure related to the preparation of financial information to the Global Organisation & Processes Department and the Global Finance & M&A Department. These departments define the general lines of the structure and distribution of responsibilities, as well as the procedure for the design, review, updating and dissemination thereof, a procedure that is documented in the organisational charts (organisational structure) and the process model and its associated regulations that form part of the Cellnex policy catalogue.

  Cellnex has an internal organisation chart, which covers all areas, and which is fundamentally divided by department (including those departments involved in the preparation, analysis and supervision of financial information). This organisation chart indicates responsibilities up to a certain management level and is complemented by more detailed ones distributed at the department level.

  With regard to the process of preparing financial information, in addition to detailed organisation charts, for the purpose of assigning responsibilities there is the FRICS Organisational Model, developed by the Global Finance & M&A Department and approved by the ARMC.

- Code of conduct, the body approving this, degree of dissemination and instruction, principles and values covered (stating whether there is specific mention of record keeping and preparation of financial information), body charged with analysing breaches and proposing corrective actions and sanctions.

  Cellnex has a Code of Conduct (Code of Ethics), approved by the Ethics and Compliance Committee, which has been communicated to employees and is available on the corporate intranet. The current composition of the Ethics and Compliance Committee is as follows:

  - José Mª Miralles (Chairman). General Counsel Legal and Regulatory Affairs.
  - Sergi Martínez (Secretary). Internal Audit and Risk Control Manager
  - Alberto López. Global Resources Director.
  - Toni Brunet. Public and Corporate Affairs Director.

In order to maintain the independence of the Cellnex Group's Ethics and Compliance Committee, it maintains its functional and organic dependence on the Nominations, Remunerations and Sustainability Committee of the Board of Directors of Cellnex Telecom.

The main values and principles contained in the Code of Ethics are: integrity, honesty, transparency and good faith. Likewise, the Code of Ethics includes the commitment to offer economic and financial information that faithfully reflects its economic, financial and equity reality, in accordance with generally accepted accounting principles and applicable international financial reporting standards, as well as the responsibility of its employees and managers to ensure that this is so, both through the correct performance of their duties and by informing the governing bodies of any circumstance that may affect this commitment.

The body responsible for analysing noncompliance and proposing corrective action and sanctions is the Ethics and Compliance Committee.

- Whistle blower channel allowing notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organisation, indicating whether this channel is confidential and whether anonymous notifications can be made, protecting the rights of the whistle blower and the person reported.

Cellnex has and promotes the use of communication channels on possible breaches of the Code of Ethics and other irregular activities in the organisation, especially financial and accounting, reporting in any case to the Ethics and Compliance Committee.

As indicated in the Cellnex Ethics Channel Policy, a document that regulates the procedure, scope and application of such reports, they can be communicated using a form, either by mail or email, respecting confidentiality.

Communications are received, analysed and followed up by the Ethics and Compliance Committee and subsequently reported periodically to the Nominations, Remunerations and Sustainability Committee and the Audit and Risk Management Committee. Periodically, the Ethics and Compliance Committee will report to both the Nominations, Remunerations and Sustainability Committee and the Audit and Risk Management Committee on the operation of the ethics channel.

If reports have been received during the year, the Ethics and Compliance Committee develops an Annual Report to facilitate the analysis of the functioning of the whistle-blower channel.

- Training and periodic refresher programmes for personnel involved in the preparation and revision of financial information, as well as in the

assessment of the ICFR system, covering at least accounting standards, auditing, internal control and risk management.

In relation to training and periodic updating programmes on aspects that may affect the preparation and publication of financial information, Cellnex believes that the development and continuous training of its employees and executives is key. In this regard, Cellnex also believes that in-depth and updated training in accounting regulations and standards for the preparation of financial information, capital market regulations, taxation and internal control is necessary to ensure that the information reported to the markets is reliable and complies with the regulations in force.

With respect to the preparation and review of financial information, during the 2020 financial year Cellnex carried out training based on the needs identified by the Consolidation and Corporate Management Control departments, in relation to:

- New accounting, tax, capital markets and internal control regulations, adopted by the European Union and applicable to Cellnex.
- Changes in the methodology for reporting to the Regulator (ESEF Reporting) and/or in the information systems.
- Individual initiative of team members.

As a result of the identification of needs in the aforementioned areas, appropriate training activities are designed and implemented to meet the annual training objectives in these areas.

Cellnex carried out training activities during the 2020 financial year by external experts and internal training sessions, covering personnel involved in the preparation and review of financial information. The training areas on which most emphasis was placed in 2020, in line with the previous year, are related to the accounting, tax and financial areas that may have a greater impact on the preparation of Cellnex's consolidated financial information, especially with changes in national and international tax and accounting regulations and with the new developments of the year related to EU-IFRS.

In this regard, the Consolidation, Corporate Management Control and Global Accounting Policy departments subscribe to various accounting/financial publications and journals, as well as to the IASB website, which periodically sends news and other communications of interest, which are analysed and duly disseminated, ensuring that they are taken into consideration in the preparation of Cellnex's financial information. For its part, Cellnex has an e-learning platform, where training can be provided, both technical, for certain groups, and other more general training on a voluntary and, in some cases, mandatory basis.

Finally, during the 2020 financial year, it is important to highlight the dedication of the various areas of the Global Finance & M&A and Corporate & Public Affairs Departments in responding to the new requirement of the CNMV and ESMA to present the Consolidated

Financial Statements for the 2020 financial year in XBRL format, in accordance with the transparency requirements imposed by the Regulator. To this end, Cellnex has relied on a team of experts and a technological platform of recognised prestige, which has allowed us to transform and automate the process of compliance and presentation of regulated financial information through this platform.

We believe that in the coming years this collaborative platform will allow users a considerable improvement in productivity, as well as greater control over the processes of preparing regulated financial information.

F.2 **Assessment of risks in financial reporting**

Report on at least the following:

F.2.1. The main characteristics of the risk identification process, including risks of error and fraud, as regards:

- Whether the process exists and is documented.
- Whether the process covers all the objectives of financial reporting, (existence and occurrence; completeness; valuation; presentation; disclosure and comparability; and rights and obligations), whether it is updated and if so how often.
- The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex corporate structures or special purpose vehicles.
- Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements.
- The governing body within the company that supervises the process.

Cellnex has a Risk Control and Management Policy with the aim of establishing the basic principles and general framework of action for the control and management of the risks of all kinds that it faces. In this way, Cellnex identifies and updates the main risks, organising the appropriate internal control and information systems and regularly monitoring them.

Likewise, the Internal Control and Risk Management Manual of the FRICS (hereinafter, "Risk Management Manual") describes and formalises Cellnex's internal control and risk management model with respect to its Financial Reporting Internal Control System and establishes the mechanisms used to determine the risks in this area, the key business processes, as well as the practical and operational documentation of this internal control model.

The process for preparing and issuing financial information establishes the financial information to which it refers, as well as the methodology for

defining materiality. Additionally, guidelines are established to determine whether the process covers all the objectives of the financial information (existence and occurrence; completeness; valuation; presentation, disclosure and comparability; and rights and obligations), whether it is updated and the frequency.

Cellnex has identified the relevant business processes, as well as the risks inherent to each one, and has designed a Risk and Control Matrix that aims to identify the main risks, based on which control activities have been designed, in such a way as to ensure that, from their proper fulfilment, full and reliable financial information is obtained.

The process of identifying risks of error in financial information is carried out and documented by the Consolidation department, a process that is complemented by the Internal Audit function, considering them in relation to Cellnex's general Risk Map (which includes both financial and non-financial risks). The entire process is ultimately supervised by the Audit and Risk Management Committee.

The Cellnex Audit and Risk Management Committee is responsible for supervising the internal control and risk management system with the support of Internal Audit.

During the second half of the 2020 financial year, a project was carried out to redefine and re-evaluate Cellnex's FRICS Model with the main purpose of adapting the current model to the current situation of exponential growth of the Group through the incorporation of new subsidiaries and assets. The aim of this project is to ensure that the FRICS model is based on standardised, homogeneous and global processes applicable to the entire Cellnex Group, which had recently been finalised by the organisation. The new approach to the FRICS model is expected to be rolled out in the second quarter of 2021.

F.3 **Control activities**

Report on whether the company has at least the following, describing their main characteristics:

F.3.1. Review and authorisation procedures for financial information and a description of the ICFR, to be disclosed to the securities markets, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including accounting closing procedures and the specific review of significant judgements, estimates, valuations and projections.

Cellnex has a Manual for Issuing Regulated Information, duly approved by the Audit and Risk Management Committee, which details the procedure for preparing and approving financial information and the description of the FRICS to be published in the securities and investment markets. This manual also

establishes the criteria for identifying relevant public financial information, which is classified as follows:

- Issuers' Periodic Public Reporting (PPR) obligations:
  - Quarterly Financial Report.
  - Semi-annual Financial Report.
  - Annual Financial Report and Annual Corporate Governance Report (ACGR).

- Annual Directors Remuneration Report (ARR).
- CIP/OIR.

Cellnex's Regulated Information Issuance Manual also establishes the departments involved in the process of preparing, reviewing and authorising financial information and their respective responsibilities, from the accounting close to the publication of the CIP/OIRs. In particular, for each set of relevant regulated financial information to be published in the market, there is a preparation and review procedure, which involves the completion of internal control questionnaires on the communication of regulated information, in order to obtain reasonable assurance on the reliability of the entity's financial statements.

Compliance with the Regulated Information Issuance Manual and the completion of specific internal control questionnaires are mandatory and are subject to review by Cellnex's internal auditor.

With regard to the documentation describing the flows of activities and controls of the different types of transactions that may materially affect the financial statements, Cellnex has a FRICS Organisational Model, which structures the specific mechanisms that have been set up to maintain an internal control environment conducive to the generation of complete, reliable and timely financial information, which contemplates the possible existence of irregularities and the ways to detect and remedy them. Cellnex has developed procedures for those processes that are considered material and relevant in terms of their potential impact on the financial information to be disclosed, as follows:

- Revenue recognition and accounts receivable
- Fixed assets and investments
- Purchases and accounts payable
- Staff
- Opinions and estimates
- Closing of accounts, consolidation (determination of scope) and reporting
- Treasury and debt
- Taxes

The individual and consolidated annual accounts, the semi-annual financial reports and the financial information contained in Cellnex's quarterly interim statements are prepared and reviewed by the Global Finance & M&A Department prior to their submission to the Audit and Risk Management Committee. The latter applies the procedures included in the Regulated

Information Issuance Manual as a step prior to submitting the information to the Cellnex Board of Directors for final approval.

Regarding activities and controls directly related to transactions that may materially affect the financial statements, Cellnex has descriptions of controls in place to mitigate the risk of material misstatement in the information reported to the markets. These descriptions are also documented in the Risk and Control Matrix and contain information on what the control activity should consist of, what it is performed for, who should perform it, how often, as well as other information on which information systems or which activities performed by third parties are relevant to the effectiveness of the respective control activity. The controls cover areas such as revenue generation, investments and expenses in concessions, acquisitions and subsequent valuation of other fixed assets, analysis of the recoverability of investments, recording of taxes on profits or the correct presentation of financial instruments and Cellnex's financing operations.

In relation to the relevant opinions and estimates made, Cellnex reports in its consolidated financial statements those areas of a degree of uncertainty that it considers particularly relevant. The specific review and approval of the relevant opinions, estimates, valuations and projections, as well as the key assumptions used in their calculation, with a material impact on the consolidated financial statements, is performed by the Global Finance & M&A Department and, if applicable, by the Managing Director. The most significant issues, such as asset value monitoring and hedging policies, are discussed and reviewed by the Audit and Risk Management Committee prior to approval by the Board of Directors.

F.3.2. Internal IT control policies and procedures (access security, control of changes, system operation, operational continuity and segregation of duties, among others) which support significant processes within the company relating to the preparation and publication of financial information.

Cellnex uses information systems to maintain an adequate record and control of its operations and, therefore, their correct functioning is a key element of special emphasis for Cellnex.

The Systems function, reporting to the Organisation and Efficiency Department, which in turn reports directly to the Resources Department, is responsible for establishing the internal control model for information systems in aspects related to access security, segregation of duties (in coordination with the business and support operating areas) and change control, in addition to carrying out risk monitoring activities and controls derived from the outsourcing of the systems.

F.3.3. Internal control policies and procedures for overseeing the management of activities subcontracted to third parties, as well as of those aspects of assessment, calculation or valuation entrusted to independent experts, which may materially affect financial statements.

Cellnex regularly uses reports from independent experts for the valuation of its financial instruments, employee benefit commitments and acquisition price

allocation processes in business combinations, among others. In addition, Cellnex maintains certain activities associated with the economic, personnel and operation and maintenance administration of its corporate information systems outsourced to an external provider.

Cellnex has formalised guidelines regarding the treatment of activities with third parties in both contracting and results. These guidelines are included in the internal procurement procedures.

The Global Finance & M&A Department carries out checks on the work of these experts, aimed at verifying:

- The competence, training, accreditation and independence of the experts.
- The validity of the data and methods used.
- The reasonableness of the assumptions used, if applicable.

In this regard, certain control and risk management mechanisms have been established with the supplier to ensure the integrity and quality of the financial information derived from these activities, such as a contract Management and Monitoring Committee, service level agreements, risk indicators, service reports, technological security measures, external audits, as well as contingency and continuity plans, among others.

F.4 **Information and communication**

Report on whether the company has at least the following, describing their main characteristics:

F.4.1. A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organisation, as well as an up-to-date accounting policy manual distributed to the business units through which the company operates.

Responsibility for defining, maintaining and updating Cellnex's accounting policies lies with the Global Accounting Policy department, which is part of the Global Finance & M&A Department.

One of the functions of this department is to respond to any accounting queries that may be raised by the different business units or other corporate departments of Cellnex.

Cellnex has an accounting policy manual, Group Reporting and Accounting Principles Handbook (GRAPH) for the purposes of preparing the financial statements prepared under EU-IFRS, which is prepared by the Global Accounting Policy department and updated periodically (at least annually) and incorporates the standards applicable in the year. The Audit Instructions that the external auditor sends to the auditors of the different companies for the limited review or audit at each semi-annual and annual closing, respectively,

indicate that the accounting principles on which they must perform their work are those contained in the Cellnex GRAPH.

Any changes that may be made are communicated to the subsidiaries by e-mail. It was last updated in 2020 and, in any case, it is reviewed to ensure that in the most recent quarter there have been no significant new modifications that could affect the preparation of the consolidated financial information for the year.

F.4.2. Mechanisms for capturing and preparing financial information in standardised formats for application and use by all units of the entity or group, and support its main financial statements and notes, as well as disclosures concerning ICFR.

Cellnex has a single integrated environment for the preparation of consolidated financial information, through two platforms: Planning and Budgeting Cloud Service (hereinafter "PBCS") and Financial Consolidation and Close Service (hereinafter "FCCS"), both from Oracle. The integrity and reliability of these information systems is validated by means of the general controls indicated in section F.3.2.

The consolidated and regulated financial information of the Cellnex Group and the individual financial statements of Cellnex Telecom, S.A. (Controlling Company) are prepared by the Global Finance & M&A Department. in order to ensure uniformity in their preparation.

On a monthly basis, the Corporate Management Control and Consolidation departments receive the monthly Reporting Package (under IFRS) from all subsidiaries included in the scope of consolidation. This Reporting Package includes all the financial information necessary for the preparation of the Group's consolidated financial information and, in turn, guarantees the homogeneity of the information received, by means of the following characteristics:

- It is homogeneous and consistent for all countries and businesses.
- It is prepared on the basis of the Cellnex accounting manual, which is the same for all subsidiaries.
- It incorporates the applicable legal, tax, commercial and regulatory requirements.

The monthly Reporting Package (under IFRS) is loaded directly into the tools indicated above by the Finance Department of each country.

It should be noted that as of the second half of 2020, the Go Live to the new Consolidation tool, "FCCS" of Oracle, from which the consolidated financial statements of the Cellnex Group are obtained, under international IFRS standards, has become effective. The new tool allows the homogenisation and maximum interconnection with the current Corporate Management Control tool, Oracle's "PBCS" (implemented in all countries) in order to obtain a single and homogeneous reporting that responds to the needs of both departments. With this migration, the synergies of having both areas (Planning & Control and

Consolidation) in an interconnected financial information flow environment have become effective. In addition, the new tool provides the advantages of a current, advanced system that is up to date with the latest Cloud technological advances.

F.5 **Supervision of the functioning of the system**

Report on at least the following, describing their principal features:

F.5.1. The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function one of the responsibilities of which is to provide support to the committee in its task of supervising the internal control system, including ICFR. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible for performing the assessment communicates its results, whether the company has an action plan detailing possible corrective measures, and whether their impact on financial reporting has been considered.

In line with the previous year, the Audit and Risk Management Committee has carried out the following specific activities in relation to the FRICS in fiscal year 2020:

- Monitoring of the degree of implementation and possible changes to Cellnex's FRICS model.
- Review of the information related to the FRICS included in the Annual Corporate Governance Report.
- Review of the financial information released by Cellnex to the market.
- Periodic monitoring and analysis of the evolution of the operational implementation of the FRICS, taking account of its degree of implementation and its effectiveness.
- Follow-up of the work performed by the Company's external auditors in order to be aware of the internal control weaknesses detected in the performance of their work, as well as the relevant aspects or incidents thereof.

At present, the Audit and Risk Management Committee has already approved the Internal Audit Plan for the year 2020, which includes the necessary actions to ensure adequate supervision and evaluation throughout the year, regularly reporting the incidents detected and the necessary improvement actions once contrasted with the audited areas.

Cellnex has an Internal Audit Department that reports functionally to the Audit and Risk Management, and whose main function, as indicated in the Board of Directors Regulations of Cellnex, and specifically, the section corresponding to the powers of the Audit and Risk Management Committee, is to supervise the effectiveness of internal control of the Company, the internal audit services, checking the adequacy and integrity thereof and reviewing the appointment and replacement of those responsible, to supervise the surveillance and control measures suitable for preventing the commission of criminal offences, the risk management systems, including tax risks, the systems for managing compliance with all applicable regulations, and to discuss with the auditors any significant

weaknesses in the internal control system detected during the course of the audit.

During the 2020 financial year, the Internal Audit function has carried out several activities to review the key business processes from which no significant weaknesses have arisen, all of which were reported in due time and form to the ACC, which could have a material impact on Cellnex's financial information for the 2020 financial year, and the necessary corrective actions have been established to resolve any other weaknesses in the future.

Likewise, the external auditor, as mentioned in section F.7.1. above, has issued an agreed procedures report on the description of the FRICS carried out by Cellnex in which no noteworthy matters have been highlighted.

F.5.2. Whether there is a discussion procedure whereby the auditor (as defined in the Spanish Technical Audit Standards), the internal auditor and other experts can report to senior management and the audit committee or directors of the company any significant weaknesses in internal control identified during the review of the annual financial statements or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses detected.

The procedure for discussing significant internal control weaknesses identified is based, in general terms, on periodic meetings held by the various parties involved. In this regard, the Internal Audit function periodically informs the Global Finance & M&A Department and the Audit and Risk Management Committee of the conclusions regarding internal control identified in the FRICS reviews and in the internal audits of processes carried out during the year, as well as the status of implementation of the action plans established for their mitigation.

With regard to relations with the external auditors, as indicated in article 39 of Cellnex's Board of Directors Regulations, these are channelled through the Audit and Control Committee. In this regard, the Audit and Risk Management Committee regularly meets with the external auditor in order to fulfil its responsibilities to supervise its actions, as well as to receive, where appropriate, communications on potential internal control weaknesses detected in the course of its professional activities. These communications are documented in the minutes of the Audit and Risk Management Committee and are followed up through the Internal Audit function.

In addition, Cellnex's auditor has direct contact with the Global Finance & M&A Department, holding regular meetings both to obtain the necessary information for the development of its work and to communicate the control weaknesses detected in the development thereof.

F.6 **Other relevant information**

No additional matters to be discussed have been identified.

F.7 **External auditor's report**

Report:

F.7.1. Whether the ICFR information sent to the markets has been subjected to review by the external auditor, in which case the entity should include the corresponding report as an attachment. If not, reasons why should be given.

Cellnex has submitted the FRICS information sent to the markets for the 2020 financial year for review by the external auditor. The scope of the auditor's review procedures has been carried out in accordance with Circular E14/2013 of 19 July 2013 of the Spanish Institute of Chartered Accountants (*Instituto de Censores Jurados de Cuentas de España*), which publishes the Guidelines and auditor's report model referring to the information related to the financial reporting internal control system (FRICS) of listed entities.

G DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company's degree of compliance with recommendations of the Good Governance Code for listed companies.

In the event that a recommendation is not followed or only partially followed, a detailed explanation of the reasons must be included so that shareholders, investors and the market in general have enough information to assess the company´s conduct. General explanations are not acceptable.

1. **That the bylaws of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.**

   Complies □X Explain □

2. **That when the listed company is controlled by another entity in the meaning of article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:**

   a) **The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.**

   b) **The mechanisms in place to resolve any conflicts of interest that may arise.**

   Complies □ Complies partially □ Explain □ Not applicable □X

3. **That, during the ordinary General Shareholders' Meeting, as a complement to the distribution of the written annual corporate governance report, the chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:**

   a) **Changes that have occurred since the last General Shareholders' Meeting.**

   b) **Specific reasons why the company has not followed one or more of the recommendations of the Corporate Governance Code and the alternative rules applied, if any.**

   Complies □X Complies partially □ Explain □

4. **That the company should define and promote a policy on the communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.**

   And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the

dissemination and quality of information available to the market, investors and other stakeholders.

Complies □ Complies partially□X Explain □

The Company complies with the definition and promotion of a policy on the communication and contacts with shareholders, institutional investors, as well as with proxy advisors, in the terms of the first paragraph of the recommendation, coinciding with recommendation 4 of the Good Governance Code as drafted prior to the amendment of the aforementioned Code made in June 2020. And on 19 February 2021, the Board of Directors approved the General Policy on the communication of financial, non-financial and corporate information, under the terms of the second paragraph of the recommendation.

5. **That the Board of Directors should not submit to the General Shareholders' Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of pre-emptive rights in an amount exceeding 20% of the capital at the time of delegation.**

   And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of pre-emptive rights, the company should immediately publish the reports referred to by company law on its website.

   Complies □X Complies partially □ Explain □

6. **That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website with sufficient time before the General Shareholders' Meeting, even if their publication is not mandatory:**

   a) **Report on the auditor's independence.**

   b) **Reports on the workings of the audit and nominations and remunerations committees.**

   c) **Report by the audit committee on related party transactions.**

   Complies □X Complies partially □ Explain □

7. **That the company should transmit in real time, through its website, the proceedings of the General Shareholders' Meetings.**

   And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

   Complies □X Complies partially □ Explain □

8. **That the audit committee should ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports.**

   Complies □X Complies partially □ Explain □

9. **That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.**

   And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

   Complies □X Complies partially □ Explain □

10. **That when a duly authenticated shareholder has exercised his or her right to complete the agenda or to make new proposals for resolutions in advance of the General Shareholders' Meeting, the company:**

    a) Should immediately distribute such complementary points and new proposals for resolutions.

    b) Should publish the attendance, proxy and remote voting card specimen with the necessary changes such that the new agenda items and alternative proposals can be voted on in the same terms as those proposed by the Board of Directors.

    c) Should submits all these points or alternative proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors including, in particular, assumptions or default positions regarding votes for or against.

    d) That after the General Shareholders' Meeting, a breakdown of the voting on said additions or alternative proposals be communicated.

    Complies □ Complies partially □ Explain □ Not applicable □X

11. **That if the company intends to pay premiums for attending the General Shareholders' Meeting, it should establish in advance a general policy on such premiums and this policy should be stable.**

    Complies □ Complies partially □ Explain □ Not applicable □X

12. **That the Board of Directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.**

    And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment.

    Complies □X Complies partially □ Explain □

13. **That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.**

    Complies □X Explain □

14. **That the Board of Directors should approve a policy aimed at favouring an appropriate composition of the Board and that:**

a) Is concrete and verifiable;

b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and

c) Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.

That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the nominations committee published upon calling the General Shareholders' Meeting to which the ratification, appointment or re-election of each director is submitted.

The nominations committee will annually verify compliance with this policy and explain its findings in the annual corporate governance report.

Complies □X Complies partially □ Explain □

15. That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.

And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and no less 30% prior to that date.

Complies □X Complies partially □ Explain □

16. That the number of proprietary directors as a percentage of the total number of non-executive directors not be greater than the proportion of the company's share capital represented by those directors and the rest of the capital.

This criterion may be relaxed:

a) In large-cap companies where very few shareholdings are legally considered significant.

b) In the case of companies where a plurality of shareholders is represented on the Board of Directors without ties among them.

Complies □ Explain □X

As of 31 December 2020 the Board of Directors had 11 members, out of which 1 was an executive director, 7 independent directors and 3 proprietary directors. Although the percentage of share capital represented by the shareholders represented in the Board of Directors is lower than the percentage of proprietary directors over non-executive directors, we draw your attention to the fact that no other shareholder (relevant shareholder or not) has requested to appoint a director and, even, the director appointed by ADIA resigned during 2020. Consequently, and taking into account that the free float is approximately 42%, it is considered to be an adequate balance between independent and proprietary directors. Lastly, we draw your attention to the fact that at the date of this report the number of proprietary directors has decreased to 2 and there are two vacancies in the Board of Directors.

17. That the number of independent directors should represent at least half of the total number of directors.

That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies □X Explain □

18. **That companies should publish the following information on its directors on their website, and keep it up to date:**

    a) **Professional profile and biography.**

    b) **Any other Boards to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities engaged in, regardless of type.**

    c) **Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.**

    d) **Date of their first appointment as a director of the company's Board of Directors, and any subsequent re-elections.**

    e) **Company shares and share options that they own.**

Complies □X Complies partially □ Explain □

19. **That the annual corporate governance report, after verification by the nominations committee, should explain the reasons for the appointment of any proprietary directors at the proposal of shareholders whose holding is less than 3%. It should also explain, if applicable, why formal requests from shareholders for presence on the Board were not honoured, when their shareholding was equal to or exceeded that of other shareholders whose proposal for proprietary directors was honoured.**

Complies □ Complies partially □ Explain □ Not applicable □X

20. **That proprietary directors representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors.**

Complies □X Complies partially □ Explain □ Not applicable □

21. **That the Board of Directors should not propose the dismissal of any independent director before the completion of the director's term provided for in the bylaws unless the Board of Directors finds just cause and a prior report has been prepared by the nominations committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her post as a director, fails to complete the tasks inherent to his or her post, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.**

    The dismissal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the

shareholder structure of the company, provided that such changes in the structure of the Board are the result of application of the proportionate representation criterion provided in Recommendation 16.

Complies □X Explain □

22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the nominations and remunerations committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented.

Complies □X Complies partially □ Explain □

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

Complies □X Complies partially □ Explain □ Not applicable □

24. That whenever, due to resignation or resolution of the General Shareholders' Meeting, a director leaves before the completion of his or her term of office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board of Directors.

And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

Complies □X Complies partially □ Explain □ Not applicable □

25. That the nominations committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.

And that the Board regulations establish the maximum number of company Boards on which directors may sit.

Complies □X Complies partially □ Explain □

26. That the Board of Directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.

Complies □X Complies partially □ Explain □

27. That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a proxy with instructions.

Complies □X Complies partially □ Explain □

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes at the request of the director expressing them.

Complies □X Complies partially □ Explain □ Not applicable □

29. That the company should establishes adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies □X Complies partially □ Explain □

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.

Complies □X Explain□ Not applicable □

31. That the agenda for meetings should clearly indicate those matters on which the Board of Directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, in exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Complies □X Complies partially □ Explain □

32. That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies □X Complies partially □ Explain □

33. That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out the duties assigned by law and the bylaws, should prepare and submit to the Board of Directors a schedule of dates and matters to be

considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances make this advisable.

Complies □X Complies partially □ Explain □

34. That when there is a coordinating director, the bylaws or Board regulations should confer upon him or her the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the chairman.

Complies □X Complies partially □ Explain □ Not applicable □

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account such recommendations regarding good governance contained in this Good Governance Code as may be applicable to the company.

Complies □X. Explain □

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

a) The quality and efficiency of the Board of Directors' work.

b) The workings and composition of its committees.

c) Diversity in the composition and skills of the Board of Directors.

d) Performance of the chairman of the Board of Directors and of the chief executive officer of the company.

e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the nominations committee.

Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence shall be verified by the nominations committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

Complies □X Complies partially □ Explain □

37. That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.

Complies □ Complies partially □ Explain □ Not applicable □X

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Complies □ Complies partially □ Explain □ Not applicable □X

39. All members of the audit committee, in particular its chairman, should be appointed taking into consideration their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.

Complies □X. Complies partially □ E Explain □

40. That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies □X Complies partially □ Explain □

41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.

Complies □X Complies partially □ Explain □ Not applicable □

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1. With regard to information systems and internal control:

a) Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable, the group - including operational , technological, legal, social, environmental, political and reputational risk, or risk related to corruption - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.

b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.

c) Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities,

especially those of a financial or accounting nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.

d) Generally ensuring that internal control policies and systems are effectively applied in practice.

2. With regard to the external auditor:

a) In the event that the external auditor resigns, examining the circumstances leading to such resignation.

b) Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.

c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.

d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.

e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditors' independence.

Complies □X Complies partially □ Explain □

43. That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appear without the presence of any other member of management.

Complies □X Complies partially □ Explain □

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies □X. Complies partially □ Explain □ Not applicable □

45. That the risk management and control policy identify or determine, as a minimum:

a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.

b) A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.

c) The level of risk that the company considers to be acceptable.

d) Measures in place to mitigate the impact of the risks identified in the event that they should materialised.

e) Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.

Complies □X Complies partially □ Explain □

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal risk control and management function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:

a) **Ensuring the proper functioning of the risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.**

b) **Actively participating in drawing up the risk strategy and in important decisions regarding risk management.**

c) **Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.**

Complies □X Complies partially □ Explain □

47. That in designating the members of the nominations and remunerations committee – or of the nominations committee and the remunerations committee if they are separate – care be taken to ensure that they have the knowledge, aptitudes and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.

Complies □X Complies partially □ Explain □

48. That large-cap companies have separate nominations and remunerations committees.

Complies □ Explain □X Not applicable □

For the time being there is no need to have separate Committees because the current Nominations, Remunerations and Sustainability Committee is capable to address both topics altogether. Additionally, the size of Cellnex's Board of Directors, which is smaller than that of other listed companies with similar capitalization, makes it advisable not to duplicate the presence of directors on mandatory committees, thus maintaining the concentration in the Nominations, Remunerations and Sustainability Committee.

49. That the nominations committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director be able to ask the nominations committee to consider potential candidates that he or she considers suitable to fill a vacancy on the Board of Directors.

Complies □X Complies partially □ Explain □

50. That the remunerations committee exercise its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

a) Proposing the basic conditions of employment for senior management to the

Board of Directors.

b) Verifying compliance with the company's remuneration policy.

c) Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.

d) Making sure that potential conflicts of interest do not undermine the independence of external advice given to the committee.

e) Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.

Complies □X Complies partially □ Explain □

51. That the remunerations committee should consult with the chairman and the chief executive of the company, especially on matters relating to executive directors and senior management.

Complies □X Complies partially □ Explain □

52. That the rules regarding the composition and workings of the supervision and control committees should appear in the regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:

a) That they be composed exclusively of non-executive directors, with a majority of independent directors.

b) That their chairpersons be independent directors.

c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.

d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.

e) That their meetings be recorded and their minutes be made available to all directors.

Complies □X Complies partially □ Explain □

53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the nominations committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee as the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.

Complies □ Complies partially □X Explain □

The Corporate Social Responsibility Policy of Cellnex has been recognizing the desire to implement its basic principles in the area of Human Rights and Stakeholders. And its development and execution is specified in the 2016-2020 Master Plan, whose strategic axes are: ethical management and good governance, development of people, sustainable development of the business, the contribution of value to the company, the communication and reporting and governance of Corporate Social Responsibility, under monitoring and control of the Nominations and Remunerations Committee. As a result of the review of the Good Governance Code on June 2020 and, specifically, of the new wording of this recommendation, the Company has incorporated on 19 February 2021, sustainability to the functions of the Nominations and Remunerations Committee, which has been renamed the Nominations, Remunerations and Sustainability Committee. Likewise, the Company has approved on the same date an ESG, Environmental, Sustainability and Governance Policy. Consequently, Cellnex as of the date of this report already complies with this recommendation.

54. The minimum functions referred to in the foregoing recommendation are the following:

a) Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.

b) Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.

c) The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.

d) Supervision of the company's environmental and social practices to ensure that they are in alignment with the established strategy and policy.

e) Supervision and evaluation of the way in which relations with the various stakeholders are handled.

Complies ☐ Complies partially ☐X Explain ☐

55. That environmental and social sustainability policies identify and include at least the following:

a) The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct

b) Means or systems for monitoring compliance with these policies, their associated risks, and management.

c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.

d) Channels of communication, participation and dialogue with stakeholders.

e) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies □ Complies partially □X Explain □

The explanation of recommendation 53 is also useful for this one.

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.

Complies □X Explain □

57. That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other provident schemes.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

Complies □X Complies partially □ Explain □

58. That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that such remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk incurred to achieve a given result.

b) Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.

c) Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, such that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.

Complies □X Complies partially □ Explain □ Not applicable □

59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that

would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Complies □ Complies partially □X Explain □ Not applicable □

The Company complies with the first part of this recommendation, while the payment of the variable components of remuneration are subject to sufficient verification by the Nominations, Remunerations and Sustainability Committee that the previously established conditions have been met. Likewise, these conditions are explained in detail in the Annual Report on the Remuneration of Directors. However, although the Company has assessed the implementation of a "malus" clause (understood as being applied ex-ante, that is, it entails the reduction of variable remuneration to the point of not receiving an amount accrued and not paid), has decided not to implement it. Instead, the Company has implemented the clawback clause (applicable ex post, that is, it allows the company to recover a payment already made in the past) and has extended its application to 1 year in the case of the annual bonus. In relation to the LTIP, the clawback clause is maintained for 3 years.

60. **That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results.**

Complies □X Complies partially □ Explain □ Not applicable □

61. **That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.**

Complies □X Complies partially □ Explain □ Not applicable □

62. **That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.**

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The forgoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the nominations and remunerations committee, to deal with such extraordinary situations as may arise and so require.

Complies □X Complies partially □ Explain □ Not applicable □

63. **That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.**

Complies □X Complies partially □ Explain □ Not applicable □

64. **That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.**

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Complies ☐ Complies partially ☐ Explain ☐X Not applicable ☐

The Company does not comply exactly with the recommendation since, although the payments to which the Managing Director is entitled as indemnification consist of the equivalent of two years of his total annual remuneration, the Managing Director has additionally established a post-contractual non-competition covenant for a period of one year, with economic consideration compensating such restriction of one year of his fixed remuneration, in such a manner that if the Managing Director breaches the obligation not to compete, he or she must return the amount received and pay an additional amount equivalent to another year of fixed remuneration.

H FURTHER INFORMATION OF INTEREST

1. If there is any significant aspect regarding corporate governance in the company or other companies in the group that has not been included in other sections of this report, but which it is necessary to include in order to provide a more comprehensive and reasoned picture of the structure and governance practices in the company or its group, describe them briefly below.

2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not repetitive.

   Specifically, indicate whether the company is subject to any corporate governance legislation other than that of Spain and, if so, include any information required under this legislation that differs from the data required in this report.

3. The company may also indicate whether it has voluntarily subscribed to other ethical or best practice codes, whether international, sector-based, or other. In such case, name the code in question and the date on which the company subscribed to it. Specific mention must be made as to whether the company adheres to the Code of Good Tax Practices of 20 July 2010.

Cellnex in 2020 adhered to the Spanish Tax Agency's Code of Best Tax Practices, which contains recommendations voluntarily assumed by companies, aimed at improving the application of the Spanish tax system by increasing legal certainty, reciprocal cooperation based on good faith and legitimate trust between the Spanish Tax Agency and the companies themselves, and the application of responsible tax policies in companies with the knowledge of the Board of Directors.

Cellnex's participation in Sustainability indexes and initiatives

Dow Jones Sustainability Index
Cellnex participates annually in the DJSI index as an invited company, obtains good results and is above the sector average in the three areas evaluated: economic, environmental and social. While in 2020 the average score for the sector fell in all areas, Cellnex's score increased in all of them.

In addition, in 2020 Cellnex improved its score in all three areas compared to the results obtained in 2019. In short, Cellnex has increased its sustainability score two years in a row, reaching an overall score of 66 points (6 more than in 2019, 9 more than in 2018 and 14 more than in 2017). This result has allowed Cellnex to remain ahead of the sector average by 24 points (14 more than in 2019). Cellnex has improved in all areas: Environmental (12 more than in 2019), Social (7 more than in 2019) and Economic (2 more than in 2019).

CDP
The CDP is one of the world's benchmark indices for measuring and rating corporate transparency in environmental and sustainability issues. CDP's annual environmental disclosure and rating process is recognised by many as the gold standard for corporate environmental transparency, and the organisation prepares the ratings based on information provided by companies.

CDP uses a thorough and independent methodology to evaluate these companies, assigning a score from A to D- based on completeness of reporting, awareness and management of environmental risks, as well as demonstration of best practices associated with green leadership, such as setting serious and ambitious targets. Companies that do not disclose information or provide insufficient information are graded with an F.

Cellnex has received an A for the second consecutive year, signifying that it continues to be a Leadership Brand. The score obtained is significantly higher than the average for the sector and is among the 20% of the companies that achieved the Leadership level in the Activity Group.

In 2020, Cellnex improved its scores in "Value Chain Commitment" and "Emission Reduction Initiatives" from a B (2019) to an A in both categories, and in "Energy" from a C (2019) to a B-. However, the score obtained in the "Objectives" category has worsened, equalling the average score for the sector (a C in 2020).

United Nations Global Compact
Since November 2015 Cellnex has adhered to the United Nations Global Compact as an expression of its commitment to internalising the concept of corporate responsibility in its operational strategy and organisational culture. Every year, the company publishes its Communication on Progress (CoP) on the official Global Compact website.

The 2020 Communication on Progress includes:

- A statement from the highest management with a commitment to abide by the 10 principles of the Global Compact.

- A detailed report on the entity's commitment to support and respect the protection of human rights. For example, information is provided on employee training on or awareness of human rights issues, with a special focus on employees who are directly affected by human rights issues or who work in countries considered to be at risk in this regard. In addition, it is specified that the company has a whistle-blower channel where anyone can report cases of human rights violations.

- An indication of the projects and activities with which the company contributes to local development, through actions to promote employment, economic growth and relations with other stakeholders in the environment.

- Information on supply chain impact assessment is incorporated.

- The report details policies and practices to achieve effective equality between women and men, as well as measures related to balancing family life and employment.

- The measures created by the company to address climate change are communicated. For example, CO2 emissions, measures related to the circular economy and the sustainable use of resources.

- The entity details the values, principles, standards and rules of conduct of the organisation, paying special attention to those focused on identifying unethical or illegal conduct through the creation of a whistle-blower channel.

- The report includes the entity's commitment to contribute to the SDGs, as well as the identification of the SDGs that are priorities for the company.

FTSE4GOOD.

The FTSE4GOOD index series is designed to measure the degree of compliance of companies that demonstrate a high level of competence in their environmental, social and governance practices. These are indices used by many financial market players in the creation and evaluation of so-called responsible investment funds and other products that integrate environmental, social and corporate governance factors into their investment decisions.

In January 2017 Cellnex was selected to join this index. In terms of the overall ESG rating, Cellnex scored slightly lower than in 2019 (4.2 in 2020, down 0.2 from 2019). However, it should be noted that this has been a general trend, as both sub-sector and industry averages have followed a similar trend.

Furthermore, Cellnex's overall score far exceeds the average for the telecommunications sector and the mobile telecommunications subsector, both with 2.8 out of 5. Cellnex also outperformed the average of Spanish companies in the selective index (3.2 out of 5).

Cellnex obtained the maximum score (5 out of 5) in the aspects related to corporate governance, anti-corruption measures, labour conditions and climate change. Aspects related to human rights and the community, as well as social aspects throughout its value chain, scored 4 out of 5. However, there remains some room for improvement in environmental management throughout the supply chain (which scored 3 out of 5).

Standard Ethics

The Standard Ethics indices are a benchmark in the measurement over time of the financial markets' assessment of the principles and guidelines of the European Union, the OECD and the United Nations in matters of sustainability, corporate governance and corporate social responsibility.

Cellnex has been participating in the Standard Ethics sustainability index since 2017, and this year obtained an "EE-", the same classification as last year, which is equivalent to an adequate level for good compliance with governance, sustainability and social responsibility.

Sustainalytics

Cellnex is evaluated by Sustainalytics, an environmental, social and corporate governance (ESG) research and rating company for investors worldwide.

This year Cellnex has made a qualitative leap in the Sustainalytics evaluation, as it has moved up a category in "Market capitalisation" (from 6 billion dollars to 12-15 billion dollars), as well as in the evaluation level (from average to outstanding performance). This has placed the company in seventh place in the Global Telecommunications Ranking.

This year, its average score was 76 points, up from 70 in 2019. In this sense, Cellnex has improved its overall score in all three areas, especially in the social area, due to the actions undertaken in Diversity Programmes, Health and Safety Certifications and Community Involvement Programmes, and also in Environment, with the Environmental Policy and the new eco-design requirements.

MSCI Europe

MSCI ESG ratings are intended to measure a company's resilience to ESG risks over the long term. Companies are scored on an AAA-CCC scale relative to the industry on the most relevant Key Issues based on a company's business model.

Cellnex joined the MSCI Europe index in 2019. In 2020, Cellnex obtained a "BBB" ESG rating, improving its assessment from the previous year (BB). The company has undertaken initiatives to improve its labour and ethics management policies over the past two years, however, there is still progress to be made in adopting industry best practices. Within the Rating, Cellnex ranks in the highest score range in the Corporate Governance area relative to its global peers, reflecting that the company's corporate governance practices are generally well aligned with investor interests.

Social Contribution

Cellnex has a strong commitment to contributing to society, collaborating with charitable organisations, funding projects, volunteering, etc. In this sense, many Cellnex projects aim to make its knowledge and technology available to society.

Due to the large number of social projects that Cellnex develops in each of the areas in which it operates, Cellnex has been working for a long time to establish its own foundation to organise and give visibility to all social initiatives undertaken by the company.

Cellnex COVID-19 Relief Initiative

As in previous years, Cellnex has shown its commitment to the welfare of society through various donations. However, due to the public health crisis generated by the COVID-19 pandemic, in 2020 Cellnex has taken unprecedented decisions, aware of the magnitude of this crisis worldwide. The company has created several collaborative projects in the countries where it operates grouped under the project "Cellnex COVID-19 Relief Initiative" and the donation of 10 million euros for the years 2020-2021.

On the one hand, Cellnex with 5 million euros over two years is financing a research project involving cutting-edge European research teams in the field of immunotherapy to detect and obtain T cells to combat SARS-CoV-2 infection.

The other 5 million of the total 10 million euros to combat COVID-19 has been earmarked for social action projects with non-governmental organisations to help individuals and groups in vulnerable situations, fund the purchase of protective equipment for healthcare personnel and provide resources to the most vulnerable groups.

Inclusive Connectivity

The COVID-19 crisis has highlighted more than ever how vital it is for everyone to have access to good connectivity and digital tools to stay connected to the rest of the world in this digital society. The absence of these elements only accentuates the isolation and sense of exclusion of people experiencing difficulties.

Against this backdrop, Cellnex, as a telecommunications infrastructure operator, is doing everything possible to bring 5G connectivity even to rural areas at no great cost.

In addition to promoting the connectivity of the territories, Cellnex wants to connect people, especially people and groups at risk of social exclusion. One of the most relevant projects in this regard, the Casa Bloc project, provides connectivity to subsidised housing.

Quality education and digitalisation

Cellnex not only promotes internal training, contributing its knowledge and skills, but also supports academic institutions and public administrations to provide quality education for all. In this sense, Cellnex has collaborated in different projects with the ESADE Foundation, the BEST Foundation, IESE and the universities UAB, UdL, URV and UdG.

Youth Challenge Project

During the 2019-2020 academic year, a group of 66 volunteers participated as instructors in the Youth Challenge project, an initiative with young people at very high risk of social exclusion in Barcelona that aims to reduce school dropout rates and promote the employability of young people

Collaboration with various entities

SERES Foundation

The company has collaborated with the SERES Foundation, the objective of which is "to build a healthier, stronger society with competitive companies that are sustainable over time". The purpose of the foundation is to encourage and promote strategic business activities that contribute to the overall improvement of social reality. Cellnex has signed an agreement through which it undertakes to collaborate with the SERES Foundation, publicise the collaboration between both entities, share its knowledge of good practices in social matters and participate in meetings between partners and other entities with social purposes.

Barcelona Climate Plan

Participation in the co-production, together with the Barcelona City Council, of the Barcelona Climate Plan, which brings together all ongoing and planned actions related to climate change in the city. Cellnex prepares proposals at the company level and participates in the discussion of all the proposals received by the participants.

Marató de TV3

Cellnex has been collaborating with Fundació La Marató de TV3 for more than 10 years. The Foundation aims to encourage and promote biomedical research and social awareness in relation to diseases for which there is still no cure. All proceeds go to research to discover new methods of prevention, diagnosis and treatments for rare diseases.

In 2020, due to the exceptional situation and in view of the need to advance research on COVID-19, the Fundació's Board took the exceptional decision to change the theme it had planned for the 2020 Marató and dedicate it to COVID-19, postponing the edition on mental disorders to 2021.

Cellnex Foundation

In December 2020 the Board of Directors approved the creation of the Cellnex Foundation, in response to Cellnex Telecom's firm desire to take a further step in its contribution to a more

connected and socially responsible environment, as a comprehensive initiative that will complement the company's Corporate Social Responsibility.

The creation of the Foundation is aimed at promoting actions aimed at people and entities through technology and telecommunications, such as innovation, connectivity, reduction of the digital divide / gap, promotion of mobility and the Internet of Things (IoT), among others. To this end, the Foundation will focus on the challenges brought about by the three divides: digital, territorial and social.

REVIEW OF THE INTERNAL CORPORATE GOVERNANCE RULES FEBRUARY 2021:

Cellnex has decided to implement a strong Corporate Governance regime, in line with the Company's growth. To this end, it has taken into account the different legal or regulatory initiatives, in force or about to be approved, as well as adopting the best Corporate Governance practices, through the By-Laws, the Shareholders Meeting Regulations, the Board of Directors Regulations, the Internal Code of Conduct and several related corporate policies/codes.

The review has primarily considered the matters arising from the following regulatory milestones:

1.1. Corporate Governance for Listed Companies

In June 2020, the Comisión Nacional del Mercado de Valores (Spanish National Securities Market Commission; hereinafter, "**CNMV**") reviewed its Code of Good Governance for listed companies dated 18 February 2015 ("**CGG**") and made significant changes. Hence the need for a review of the Company's Corporate Documents to ensure that they are aligned with the new principles and recommendations of the CGG, as these Corporate Documents often include the previous version of the CGG verbatim.

1.2. The Rules on Inside Information

Royal Decree-Law 19/2018 of 23 November 2009 on Payment Services and Other Urgent Measures in Financial Matters amended the Restated Text of the Securities Market Law (Ley del Mercado de Valores; "**LMV**") approved by Royal Legislative Decree 4/2015 of 23 October 2015 which adapted Spanish legislation on inside information to the provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

The Internal Code of Conduct has been adapted to the legislation and to its interpretation and application made by the CNMV in relation to the safeguarding, treatment, deferral and dissemination of inside or relevant information.

1.3. La información no financiera

Law 11/2018 of 28 December 2018 amended the Commercial Code (Código de Comercio), the Spanish Companies Law (Ley de Sociedades de Capital) and the Law on Accounting Audits (Ley de Auditoría de Cuentas) with the aim of disclosing non-financial information and diversity, adapting the guidelines of Directive 2014/95/EU to Spanish law, as the prior legislative background for the Spanish regulator's commitment to sustainability.

The Board of Directors Regulations and certain policies (for example, the policy on relations with investors) have been reviewed to include the requisite references to non-financial information.

1.4. Promoting Long-Term Engagement of Shareholders

On 14 July 2020, the Council of Ministers approved the Draft Law amending the LSC and other financial provisions regarding the promotion of long-term engagement of shareholders of listed companies (the "**Draft Law**"), in order to implement the provisions of the European Directive 828/2017.

The Draft Law aims to improve our corporate governance system along two main lines: on the one hand, the improvement of the long-term financing received by listed companies through capital markets; and, on the other, to increase the transparency in relation to the actions of players in capital markets and in connection to directors' remuneration and the execution of transactions between the company and its related parties.

EXPLANATORY NOTE TO SECTION C.2.1. – AUDIT AND RISK MANAGEMENT COMMITTEE

a) Responsibilities

The rules of organization and operation of the Committee are described in the applicable legislation, the Company's By-laws and in the Company's Board of Directors Regulations and, without prejudice to the other tasks assigned to the Committee by the applicable legislation, the Board of Directors or the regulations governing the auditing of accounts, the Committee will have at least the following responsibilities:

a) To inform the General Shareholders' Meeting on questions that may arise regarding its competences, and in particular, on the result of the audit, explaining how it has contributed to the integrity of the financial and non-financial information and the role that the Committee has taken in this process.

b) To propose to the Board of Directors, for submission to the General Shareholders' Meeting, proposals for the selection, appointment, re-election and replacement of the statutory auditors or audit firms, taking responsibility for the selection process, the conditions of employment, the scope of professional mandate and, where appropriate, the revocation or non-renewal, all in accordance with the applicable regulations, as well as to regularly collect from the aforesaid information on the audit plan and the implementation thereof, and to maintain their independence in the exercise of their duties.

c) To monitor and evaluate the process of preparation and presentation of financial and non-financial information as well as the control and management systems of financial and non-financial risks related to the Company and, where appropriate, the group, including operational, technological, legal, social, environmental, political and reputational or related to corruption, reviewing compliance with regulatory requirements, the adequate delimitation of the consolidation perimeter and the correct application of accounting criteria.

d) To establish the appropriate relations with the statutory auditors or external audit firms to receive information on issues which may threaten their independence, to be analyzed by the Committee, and any other issues related to the process of account auditing, and where appropriate, the authorization of services other than those prohibited in the terms contemplated in the applicable regulations, in relation to the independence regime as well as any other requirements set out in legislation and regulations on the auditing of accounts. In all cases, an annual statement must be received from the statutory auditors

or audit firms, regarding their independence with regards to their relationship with the entity or directly or indirectly related entities, in addition to detailed information on an individual basis about any type of additional services provided and the corresponding payments received from these entities by the external auditors or audit firms or by persons or entities related to them, pursuant to the regulations on auditing activities.

e) In the event of the resignation of the external auditor, to examine the circumstances that gave rise to it.

f) To ensure that the remuneration of the external auditor does not compromise its quality or independence.

g) Ensure that the Company communicates the change of external auditor through the Spanish Securities Market Commission, accompanied by a statement of any disagreements arising with the existing auditor and the reasons of the same.

h) Ensure that the external auditor has a yearly meeting with the Board of Directors in full to inform about the work undertaken and developments in the Company's risk and accounting positions.

i) To ensure that the Company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other regulations concerning auditor independence.

j) To issue, on an annual basis, prior to the issuance of the Audit Report, a report containing an opinion regarding whether the independence of the statutory auditors or audit firms has been compromised. This report must contain, in all cases, a reasoned evaluation of the provision of each and every additional service referenced in the previous paragraph, considering each service individually and jointly, other than the legal audit, and in relation to the independence regime or the regulations governing audit activities.

k) To inform the Board of Directors in advance on all matters provided for by the Law, the Corporate Bylaws and in these Regulations and, in particular, regarding the financial information that the Company must publish periodically, on the creation or acquisition of shares in special purpose entities or that are registered in countries or territories considered tax havens and on transactions with related parties.

l) To provide information in relation to situations and transactions that involve or could involve situations of conflicts of interest, and in general, on the matters contemplated in Chapter IX of these Regulations, as well as periodically review situations of potential conflicts of interest.

m) To monitor the independence of the unit handling the internal audit function; propose the selection, appointment and removal of the head of the internal audit service; propose the service's budget; approve or make a proposal for approval to the Board of Directors of the priorities and annual work program of the internal audit unit, ensuring that it focuses primarily on the main risks the company is exposed to; receive regular information on its activities; and verify that senior management are acting upon the conclusions and recommendations of its reports.

n) To monitor the effectiveness of the Company's internal control, , the internal audit, and the risk management systems, as well as discussing with the statutory auditors any significant weaknesses of the internal control system detected during the audit, without compromising their independence. For these purposes, and where appropriate, they may

submit recommendations or proposals to the management body and the corresponding deadline for their monitoring.

o) To establish and supervise a mechanism that allows employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors to report, confidentially, irregularities of potential significance related to the Company, including especially financial and accounting irregularities, as well as those which may involve criminal responsibility for the Company.

p) To analyse and report to the Board of Directors on the economic conditions of the structural and corporate modification operations that the Company plans, and its accounting impact and, especially, where applicable, on the proposed exchange ratio.

The above responsibilities are stated by way of example, without prejudice to any others that may be conferred upon the Committee by the applicable legislation, the Board of Directors or which may be attributed thereto by the regulations governing the auditing of accounts.

b) Operation

The applicable legislation, the Company's By-laws and the Company's Board of Directors Regulations shall define the skills of the Committee and its scheme of organization and operation.

The members of the Committee will be appointed for a maximum term of four (4) years, may be re-elected, and will cease when they do so in their capacity as directors or when so agreed by the Board of Directors, following a report from the Nominations, Remunerations and Sustainability Committee. The Board of Directors will likewise determine who will hold the position of Chairperson from among the independent directors, who will be substituted every four (4) years, being able to be re-elected once a period of one (1) year has elapsed since his/her cessation. The Committee itself will appoint a Secretary and may also appoint a Vice Secretary, neither needing to be members thereof. The Committee will meet as many times as necessary for the execution of its functions and will be convened by its Chairperson, either on his/her own initiative or at the request of the Chairperson of the Board of Directors or of two Committee members.

The Committee will be validly constituted when the majority of its members attend the meeting, either present or represented. The resolutions will be adopted by a majority of the members in attendance, present or represented.

Any member of the Company's management team or of the Company's personnel who is required to do so, will be obliged to attend the Committee's sessions and to collaborate and provide access to the information in his/her possession. The Committee can also request that the Company's external auditor or external auditing company attend its sessions.

Activities

During 2020, the Committee held eight meetings and carried out the activities listed below. The Committee has been fully updated by the management team on the topics of its competence (during the formal meetings, by means of other informal meetings or by correspondence and conference calls) and has been provided with the relevant supporting documentation.

a) Review of financial information

- 2019 financial statements:

- On 24 February 2020, the Committee supervised and evaluated the preparation process and the integrity of the financial and non-financial information 2019, the 2019 Consolidated Financial Statements and the 2019 Integrated Annual Report, including the external Auditors' Report, with the finance team and the external auditors who presented the main aspects and their conclusions. The Committee provided a favourable recommendation to the Board of Directors to approve (i) the 2019 Integrated Annual Report and the 2019 Financial Statements (including the Management Report and the Annual Corporate Governance Report) and (ii) the application of the 2019 results.

- <u>2020 financial statements and 2021 budget</u>:

  - On 6 May 2020, the Committee reviewed the financial results for the first quarter of the year, the Covid-19 forecast 2020 and the Covid-19 3-years projections. This information was discussed with the members of the management team responsible for their preparation who presented the main aspects and their conclusions. The Committee unanimously agreed to provide a favourable recommendation to the Board of Directors to approve the first quarter results.
  - On 20 July 2020, the Committee reviewed the half-yearly financial statements and the relevant external Auditors' Report. This information was discussed with the members of the management team responsible for their preparation and with the external auditors who presented the main aspects and their conclusions. The Committee unanimously agreed to provide a favourable recommendation to the Board of Directors to approve these interim financial statements that have been audited.

  - On 22 September 2020, the Committee reviewed the August 2020 results and a first draft of the 2021 budget with the finance team who presented the main aspects and its conclusions.

  - On 2 November 2020, the Committee reviewed the financial results for the third quarter of the year. This information was discussed with the members of the management team responsible for their preparation who presented the main aspects and their conclusions. The Committee unanimously agreed to provide a favourable recommendation to the Board of Directors to approve the third quarter results.

  - On 2 November 2020, the Committee reviewed the 2021 budget with the finance team who presented the main aspects and its conclusions. The Committee unanimously agreed to provide a favourable recommendation to the Board of Directors to approve the 2021 budget.

b) External auditors

- On 24 February 2020, the external auditors attended the Committee to review the 2019 Consolidated Financial Statements (including the Management Report and the Annual Corporate Governance Report) and the 2019 Integrated Annual Report, including the external Auditors' Report, and presented the main aspects and their conclusions.

- On 20 July 2020, the external auditors attended the Committee to present the report of the 2020 half-yearly financial statements.

c) Corporate Governance

- On 11 February 2020, the Committee reviewed and unanimously approved the following reports for year 2019 in connection with the Annual Accounts, the Management Report and the Annual Corporate Governance Report, namely: (i) the 2019 Report on the Functions and Activities of the Committee; and (ii) the Report on Related Party Transactions. On 24 February, the Committee reviewed and unanimously approved also the Report on the Independence of the Auditor.

- On 2 November 2020, the Internal Audit Manager proposed to review and approve the Global Risk Management Policy, with the determination of the different types of risk and a Global Risk Management Model based on different levels. The Committee unanimously approved the Global Risk Management Model and provided a favourable recommendation to the Board of Directors to approve the Global Risk Management Policy.

d) Capital markets

- On 24 February 2020, the finance team presented to the Committee an update on the recent bond issuances, explained the hedging policy and proposed a new GBP bond issuance. The finance team presented the main aspects and its conclusions. The Committee provided a favourable recommendation to the Board of Directors to:

    - Approve one of the following alternatives for a bond issuance under the EMTN programme, with execution from Q1 2020 onwards and subject to market conditions, and subject to the terms agreed:

        a) One or several issuances of pound sterling (£) denominated senior unsecured bonds for a maximum aggregate amount of up to £1,000,000,000; or
        b) One or several issuances of euro (€) denominated senior unsecured bonds for a maximum aggregate amount equivalent to up to £1,000,000,000 and execution of any hedging financial instruments that are necessary or advisable.

- On 1 April 2020, the finance team provided the Committee with an overview of the work undertaken internally, as a consequence of the Covid-19 crisis, regarding the review and analysis of any potential impact on the ability to draw the current committed credit lines.

- On 6 May 2020, the Committee discussed the renewal of the European Medium Term Note (**EMTN**) and the multi-currency European Commercial Paper (**ECP**). The finance team presented the main aspects and its conclusions. The Committee provided a favourable recommendation to the Board of Directors to approve (i) the renewal of the existing EMTN Programme for one year (i.e., until mid-2021) and the increase of its limit to €10,000 million (or the equivalent amount in other currencies); and (ii) the renewal of the existing ECP Programme for one year (i.e., until mid-2021) for an amount of €500 million (or the equivalent amount in other currencies) and the capacity to drawdown the full amount.

- On 6 May 2020, the finance team also presented the currency hedging and proposed to the Committee to fix the LIBOR to which the existing GBP credit facilities are subject. After due consideration, the Committee provided a favourable recommendation to the Board of Directors to approve (i) a fix floating rate (LIBOR) through the entry into an interest rate SWAP of the current GBP credit facilities and term loan for up to GBP 1bn or the issuance of GBP bonds in accordance with the current approvals; and (ii) the acquisition of GBP currency both at spot rates and/or forward contracts up to GBP 1bn.

- On 1 April, 6 May, 9 June, 20 July, 22 September and 2 November 2020, the Corporate Finance Director, together with the CFO, provided to the meeting a capital markets and financing update (including the liquidity and bond market assessment).

- On 22 September 2020, the Committee discussed the issuance of new bonds in order to take advantage of market opportunities. The finance team presented the main aspects and its conclusions. The Committee provided a favourable recommendation to the Board of Directors to approve the issuance of bonds for a total amount of €3.5Bn, out of which up to €1,000Mn to be approved by the Board on the terms agreed, and to delegate to the CEO the power to issue bonds, having to previously inform the ACC each time, for the remaining amount, on the terms agreed.

- On 22 September 2020, the Committee also discussed the repurchasing of the convertible bond 2026 by issuing a new convertible bond of up to €800Mn on the terms agreed. The finance team presented the main aspects and its conclusions.

- On 2 November 2020, the Committee discussed the issuance of a convertible bond. The finance team presented the main aspects, characteristics and its conclusions. The Committee provided a favourable recommendation to the Board of Directors to approve the issuance of a convertible bond for a total amount of up to €1,500Mn on the terms agreed.

- On 2 November 2020, the Committee also discussed the execution of a Facilities Agreement. The finance team presented the main aspects, characteristics and its conclusions. The Committee provided a favourable recommendation to the Board of Directors to approve the execution of a Facilities Agreement which would include (i) a bridge to bonds for an amount of up to €7,500Mn, (ii) a 3-year term loan, and (iii) a 5-year term loan, all of them on the terms agreed.

e) Capital structure

- On 24 February, 6 May, 9 June, 20 July and 2 November 2020, the Business Plan and Capital Structure Director, together with the CFO, attended the Committee to:

    - Provide an update on the current situation with rating agencies (including MSA and IFRS 16 updates) and the different aspects affecting the Company's credit rating;

    - Review the M&A projects pipeline and the Company's financial firepower to execute said pipeline; and

    - Provide a capital structure assessment, including financing considerations, details on the financial and debt structure of the Company and its group and strategic and key considerations and all the information necessary regarding the August Company's capital increase.

- On 9 June and 20 July 2020, a Spanish law firm and external financial advisors attended the Committee to present their views and strategic and key considerations on the Company's

August capital increase. They explained the strong rationale for the Company to pursue the rights issue on the terms described and provided a favourable recommendation to go ahead with such capital increase.

- On 22 September 2020, the finance team presented to the Committee an update after the execution of the Company's August capital increase focusing mainly on investors and market feedback and on relevant financial aspects.

- On 22 September 2020, two legal firms attended the Committee to present their views on some of the M&A projects in the Company's pipeline and their impact on Cellnex's structuring chart.

f) Tax

- On 24 February 2020, the Head of Corporate Tax, together with PwC, presented to the Committee an update of the tax audit process. They explained that the Company has been able to mitigate the main tax risks and obtain a good final assessment after hard negotiations.

- On 24 February and 1 April 2020, the Head of Corporate Tax, together with the Spanish law firm Garrigues presented to the Committee the financial structure noting that the proposed evolution of the group's financial model entails consequences in terms of VAT deductions and explained the 5 possible solutions. They also explained that there were business reasons to justify adapting the current financial structure by partially reallocating the Company's debt through intercompany loans to the different subsidiaries within the countries.

- On 24 February and 1 April 2020 the Head of Corporate Tax, together with PwC provided an update to the Committee on the merger of Cellnex Italia into Galata, which was still under assessment.

- On 1 April 2020 the Tax Governance and Control responsible explained the evolution of the Tax Control Framework and the main objectives for 2020. He also presented the Tax Technology, noting that the Company was looking into different IT solutions to automatize the processes and reduce the errors risk. The International Tax responsible provided an overview of the Tax Audits in Ireland and Switzerland and PwC provided an update on the Tax Audits in Spain. Likewise, the International Tax responsible provided an overview of the Real Estate Transfer Tax in two countries (France and The Netherlands). The Head of Corporate Tax provided an overview of the tax cash evolution since 2014 and the main measures of the tax planning until 2025 and explained the local taxation at the countries' level. Deloitte also attended the Committee to present their views on the transfer pricing.

- On 2 November 2020 the Head of Global Tax, together with PwC provided the Committee with an update on (i) the Company's position regarding the adhesion to the Code of Good Tax Practice (CGTP), (ii) the adoption of a standard, the UNE 19602, and (iii) the creation of the Tax Compliance Officer function. The Committee discussed these issues and after due consideration provided a favourable recommendation to the Board of Directors to approve the adhesion of Cellnex to the Code of Good Tax Practices and the new Tax Policy. The Committee also discussed the new Tax Risk Control and Management Standard and, after due consideration, provided a favourable recommendation to the Board of Directors to approve it.

- On 2 November the Head of Global Tax, together with KPMG, also explained the proposal to create a FinanceCo to isolate the financing activity of the group. The finance team presented the main aspects, characteristics and its conclusions. After due consideration, the Committee provided a favourable recommendation to the Board of Directors to approve the incorporation

of a new entity, Cellnex Finance Company, S.A.U. (FinanceCo), fully owned by Cellnex Telecom, S.A.

g) Other information

- IFRS 16: The finance team has kept the Committee updated on the main aspects of this topic during all the year.

- Analysis of the internal audit function: On 24 February 2020, the Committee discussed this topic. The Internal Audit Manager explained the key points of the first report prepared together with an external advisor aimed at reinforcing the area.

- Non-audit services: On 11 June 2020 the Committee approved unanimously Deloitte's fees in relation to the Company's August capital increase. The scope of work undertaken as well as the details of the fees and the key justifications regarding the level of fees were explained to the Committee.

- Re-appointment of auditor: On 24 February 2020, the Head of Consolidation & Corporate Finance Reporting, together with the CFO, proposed to the Committee the re-appointment of the Company's group external auditors for three financial years. After due consideration, the Committee provided a favourable recommendation to the Board of Directors, for its submission to the General Shareholders' Meeting, for the re-appointment of the external auditors of the Company's group for financial years, 2021, 2022 and 2023.

- Corporate matters:

    - Shareholder Remuneration Assessment: On 24 February 2020 the Investor Relations Director provided an overview of the Shareholder Remuneration Policy. After due consideration, the Committee provided a favourable recommendation to the Board of Directors to approve the Shareholder Remuneration Policy.

    - Derogation of Cellnex's Treasury Stock Policy: On 24 February 2020 the Secretary of the Committee explained to its members that Cellnex's Treasury Stock Policy was based on certain guidelines issued by the CNMV which had been derogated for not complying with the regulations on market abuse and proposed the derogation of this policy. The Committee provided a favourable recommendation to the Board of Directors to derogate the Cellnex's Treasury Stock Policy.

    - NewCos Incorporation/acquisitions: On 6 May 2020 the Secretary of the Committee explained that two M&A transactions required the incorporation of a special purpose vehicle in Spain and Ireland. The Committee provided a favourable recommendation to the Board of Directors to incorporate or acquire these special purpose vehicles.

    - On 9 June 2020, the Secretary of the Committee explained that an M&A transaction required the setting up of a corporate structure in a new country, Finland. The Committee provided a favourable recommendation to the Board of Directors to, should the transaction be approved by the Board, set up this corporate structure.

    - On 2 November 2020 the finance team presented to the Committee two internal projects, one about how to standardize the administrative function in finance and the other about the digitalization of the cash variations and the banking relationships.

- On 2 November 2020, the Global Commercial Director explained that a business development transaction required the incorporation of a new subsidiary of Cellnex in a new country, Sweden. The Committee approved unanimously the incorporation of this subsidiary. The Committee provided a favourable recommendation to the Board of Directors to set up this corporate structure.

- Investor relations update: On 24 February, 6 May, 9 June, 20 July and 2 November 2020, the Investor Relations Director, together with the CFO, provided to the Committee an update on this topic, focusing mainly on the share price performance, the relation with investors and analysts and the status of short positions.

h) Internal audit

- Functions: The main internal audit functions are:

  - Perform the auditing activities as defined in the annual audit plan, and report directly to the Committee on its execution, submitting an activity report at the end of each year, based on reasonable and established criteria, especially in the risk level assessment and focusing on the main organizational activities, giving priority to those that are considered to be more exposed to risk, and those that are requested by the Committee and / or by the Senior Management.

  - Maintain an adequate coordination with the external auditors for the exchange of information regarding the audits carried out with the aim of minimizing duplication and in order to track the audits performed as well as any weaknesses in the internal control identified.

  - Report to the Committee and Senior Management of the Company's group regarding the key recommendations in each company of the group, as well as to provide them with the action plan to be performed by such companies.

  - Propose budget for the service.

- Activities: The main activities carried out by internal audit and supervised by the Committee are:

  - Audits:

    - The performance of those audits included in the 2020 audit plan and of those audits not originally included in the audit plan but requested by the Committee and / or by the Senior Management.

    - The monitoring of the recommendations and action plans proposed for the different audits. While carrying out its audit work, if internal audit detects that improvements can be made to the internal controls, it reports the main recommendations and the action plans defined by the area responsible that includes the implementation date of the action plan, with the aim of strengthening the existing control or implementing a new control.

    - The review of the defined processes and controls related to financial reporting which are included in the annual internal audit plan.

- Audit Plan: Prepare the audit plan for the next year. On 2 November 2020, the Responsible of the unit presented its annual work plan, the Committee reviewed and unanimously approved the audit plan for 2021 based upon:

  - Assessing the risk level and focusing on the main organization's activities, giving priority to those that are considered to be more exposed to risk, and those that are requested by the Committee and / or by the Senior Management.

  - Defining the activities to be reviewed, i.e., basic processes (sales, treasury, etc.), other processes (rentals, health&safety, etc.) or compliance (ICFR, others).

i) Risk control

This function is carried out by internal audit, which participates in the internal Risk and Management Committee made up of different departments.

The activities carried out in this regard by internal audit and supervised by the Committee in 2020 were:

- The review of the risk maps (including likelihood and impact) at corporate level and by country, including France, Ireland, Italy, the Netherlands, Portugal, Spain, Switzerland and UK.

- The review of the action plans associated to the risks in these countries.

EXPLANATORY NOTE TO SECTION C.2.1. – NOMINATIONS, REMUNERATIONS AND SUSTAINABILITY COMMITTEE

A) Operation

In accordance with the provisions of the Board of Directors Regulations, the Board of Directors will appoint a Chairperson of the Committee from among the independent directors. The Committee will appoint a Secretary and may also appoint a Vice Secretary, neither needing to be members thereof.
The Committee will meet each time the Company's Board of Directors or its Chairperson requests the submission of a report or the adoption of proposals and, in any case, whenever it is convenient for the proper execution of its duties. It will be convened by the Chairperson of the Committee, either on his/her own initiative or at the request of the Chairperson of the Board of Directors or of two members of the Committee.
It will be validly constituted when the majority of its members attend the meeting, either present or represented. The resolutions will be adopted by a majority of the members in attendance, present or represented.

B) Responsibilities

Without prejudice to other functions assigned to it by the Board of Directors or the applicable legislation, the Committee will have the following basic responsibilities:

a) To evaluate the skills, knowledge and experience necessary in the Board of Directors. To this end, it shall define the duties and skills required from candidates to fill each vacancy, and it shall evaluate the time and dedication required for them to effectively perform their duties.

b) To establish a target to increase the less represented gender on the Board of Directors and to prepare guidelines on how to attain said target.

c) To present to the Board of Directors proposals for the appointment of independent directors for their appointment by co-optation or for their submission to the decision of the General Shareholders' Meeting, as well as proposals for the re-election or dismissal of the aforesaid directors by the General Shareholders' Meeting.

d) To report on proposals for the appointment of the other directors for their appointment by co-optation or for the submission to the decision of the General Shareholders' Meeting, as well as proposals for the re-election or dismissal of the aforesaid directors by the General Shareholders' Meeting.

e) To report to the Board of Directors proposals for the appointment and dismissal of senior management positions.

f) To report, in advance, on the appointment by the Board of Directors of the position of Chairperson and, where applicable, of one (1) or more Vice Chairpersons, as well as the appointments to the position of the Secretary and, where applicable, of one (1) or more Vice Secretaries. The same procedure shall be followed to agree on the dismissal of the Secretary and, where applicable, of each Vice Secretary.

g) To examine and organize the succession of the Chairperson of the Board of Directors and the Company's CEO and, if appropriate, to submit proposals to the Board of Directors to ensure that such succession is conducted in an orderly and planned manner.

h) To propose to the Board of Directors the members that should be part of each of the Committees.

i) To coordinate the performance assessment of the Board of Directors and its Committees, and raise the results of the aforementioned assessment to the plenary session, together with a proposal for an action plan or with recommendations to correct any deficiencies detected.

j) To report to the Board of Directors on the non-financial information that the Company must disclose periodically.

k) To supervise compliance with corporate governance rules and internal codes of conduct.

l) To monitor the implementation of the general policy regarding the communication of economic, financial, non-financial, and corporate information, as well as communication and contacts with shareholders, investors, proxy advisors and other interest groups.

m) To evaluate and periodically review the corporate governance system and the environmental and social policy of the Company, in order to comply with their mission of promoting corporate interest and take into account, as appropriate, the legitimate interests of the remaining interest groups.

n) To monitor that the Company's practices in environmental and social matters comply with the strategy and policies established.

o) To supervise and evaluate the relationship processes with the different interest groups.

p) To review and inform on the Annual Sustainability Report prior to its presentation to the Board of Directors.

q) To recommend the strategy regarding the contributions to the Cellnex Foundation and affect them in compliance with the Sustainability programs adopted by the Company.

r) To propose to the Board of Directors the remuneration policy for directors and senior management, or for those individuals who perform their senior management functions reporting directly to the Board of Directors, executive committees or CEOs, as well as the individual remuneration and other contractual conditions for executive directors.

s) To verify observance of the remuneration policy established by the Company.

t) To review periodically the directors and senior managers remunerations policy including the remuneration systems with shares and their application, as well as guarantee that their individual remuneration is proportionate to that paid to other directors and senior managers of the Company.

u) To ensure that conflicts of interest do not affect the independence of the external advice provided to the Committee.

v) To verify the information on directors and senior managers remunerations contained in the various corporate documents, including the annual report on directors' remunerations and propose to the Board of Directors, for submission to a consultative vote at the General Shareholders' Meeting the preparation of the aforementioned annual report.

Activities

(A) Corporate Governance

- The Corporate Governance Annual Report and the Annual Report on Remunerations were reported on.
- The corresponding report was issued assessing the competence, experience and merits of the independent director Ms. Marieta del Rivero, as well as the proprietary directors Mr. Franco Bernabé and Mr. Mamoun Jamai for the purpose of their ratification and re-election by the General Meeting.
- A report was prepared on the composition and number of members of the Board of Directors.
- The corresponding report was issued assessing the competence, experience and merits of proprietary director Mr. Christian Coco, for the purpose of his appointment by co-optation and his incorporation to the Audit and Control Committee (now renamed Audit and Risk Management Committee). The corresponding report was also issued for the purpose of his ratification and re-election.
- The corresponding report was issued assessing the competence, experience and merits of the proprietary director Ms. Alexandra Reich, for the purpose of her appointment by cooptation and her incorporation to the Nominations and Remunerations Committee (now renamed as the Nominations, Remunerations and Sustainability Committee). The corresponding report was also issued for the purpose of her ratification and re-election.
- An external evaluation of the functioning of the Board and Committees for the 2020 financial year was carried out, valuing the independence of the advisor and proposing improvements to the Board through an Action Plan.
- The Secretary of the Board was commissioned to prepare a review of the Corporate Governance structure and two sessions were held to review the Bylaws, Regulations of the General Meeting, Regulations of the Board and Internal Code of Conduct, as well as the ESG Policy, the composition of the Board of Directors, communication of financial, non-financial and corporate information and contacts with shareholders, institutional investors and proxy advisors, and the Policy on Equity, Equality and Diversity. All of this in order to adapt

to best corporate governance practices, to legal modifications and to the review of the recommendations of the National Securities Market Commission (CNMV).

- A calendar of meetings of the governing bodies for the financial year 2021 was drawn up, with a proposed agenda for each meeting.

(B) Remuneration-related activities

- The degree of achievement of the CEO's objectives in 2019 and the performance appraisal were analysed. The CEO's objectives for 2020 were also analysed and the corresponding proposals were made to the Board.
- The remuneration of the CEO and key executives (reporting directly to the CEO) for 2020 was reviewed and the corresponding proposal was made for approval by the Board.
- The final assessment of the achievement of the objectives set for the ILP 2017-2019 (phase II) was made and the approval of the Long Term Incentive Plan 2021-2023, applicable to the CEO and certain key personnel of the company, as well as the corresponding contracts, was prepared and proposed to the Board.
- It was proposed to present all employees with company shares in recognition of the great performance in 2020.

(C) Activities related to Corporate Social Responsibility

- The Corporate Responsibility Master Plan for the period 2016-2020 was monitored, which is the instrument that integrates all the company's ethical, environmental and social initiatives and whose information on annual progress is included in the Integrated Annual Report.
- The Corporate Responsibility Master Plan for the period 2021-2025 was reviewed and submitted for approval.
- The Equity, Diversity and Inclusion Plan was monitored.
- The incorporation of the Cellnex Foundation was reported on.

(D) Activities related to the Ethics/RIC Code

- Potential conflicts of interest were analysed and appropriate measures were adopted. Specifically, declarations of non-conflict of interest by members of the Committee were reviewed and approved.
- A certificate of independence of the Secretary of the Board was issued.
- The Crime Prevention and Detection Model and the Anti-Corruption Policy were reviewed and submitted for approval.

(E) Talent Management

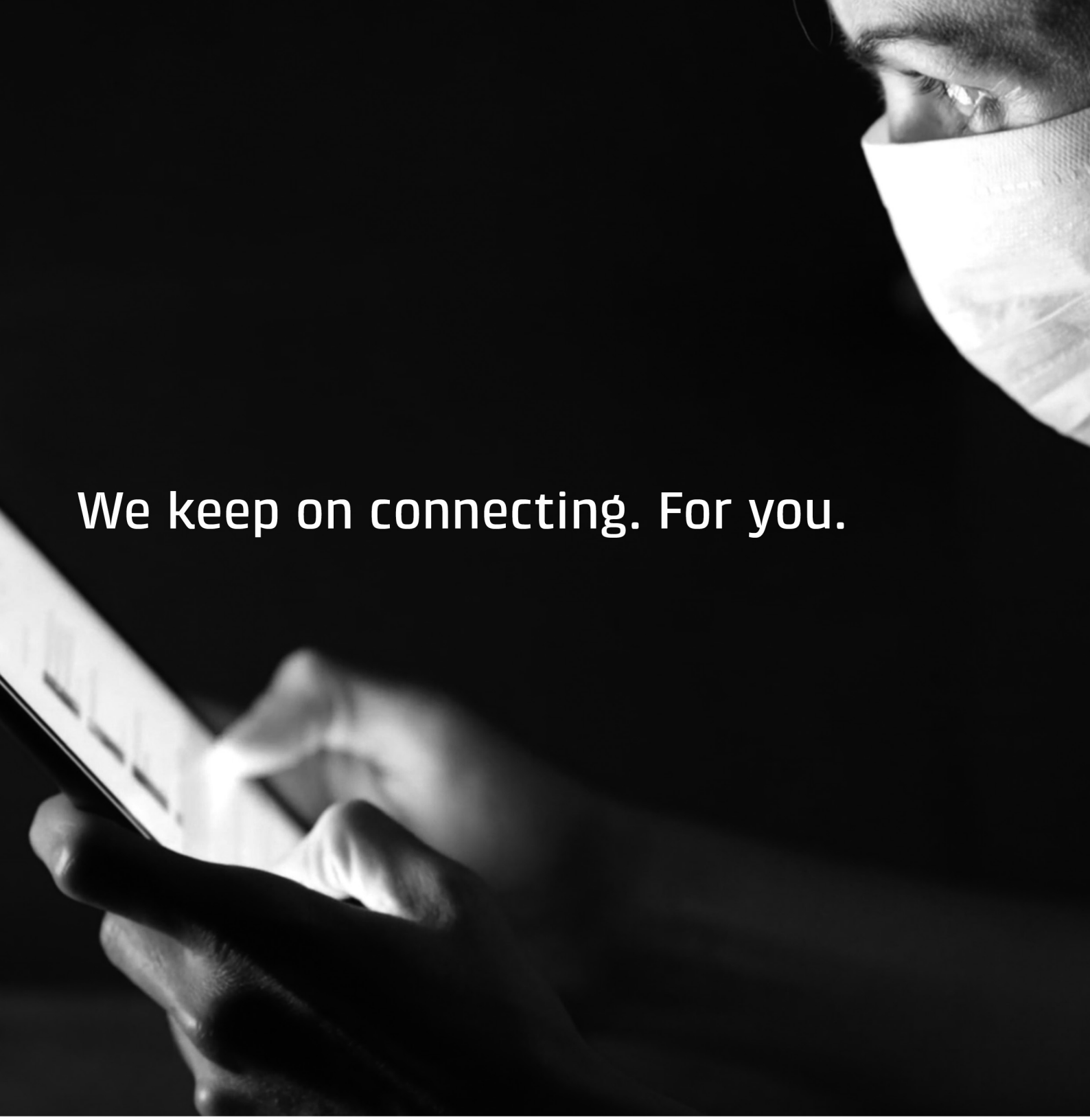
- Commissioned an update of the company's Succession Plan for key positions (Senior Management and Country Managing Directors), and extended its scope as an Executive Development Programme for a group of more than 50 directors), with the help of an external consultant of recognised prestige.
- Organisational and talent development proposals were reviewed and approved, including new senior management appointments.

This Annual Corporate Governance Report was approved by the Board of Directors of the company in its meeting held on 25 February 2021.

Indicate whether any director voted against or abstained from approving this report.

Yes □ No □**X**

Name or company name of the member of the Board of Directors who has not voted for the approval of this report	Reasons (against, abstention, non attendance)	Explain the reasons
Remarks		



2020 Integrated Annual Report

Consolidated Financial Statements

cellnex

Cellnex Telecom, S.A. and Subsidiaries

Consolidated Financial Statements
for the year ended
31 December 2020 and
Consolidated 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 and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 31). 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 CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Cellnex Telecom, S.A.,

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Cellnex Telecom, S.A. (the Parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2020, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of the Group as at 31 December 2020, and its consolidated results and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

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 Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those pertaining to independence, that are relevant to our audit of the consolidated 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Evaluation of the impairment test on goodwill, other intangible assets and property, plant and equipment

Description	Procedures applied in the audit
Notes 7 and 8 to the accompanying consolidated financial statements as at 31 December 2020 contain a description of the goodwill, other intangible assets and property, plant and equipment relating mainly to infrastructure for the provision of services to mobile telecommunications operators, and also of the cash-generating units (CGUs) identified by the Group. In this connection, each year the Group tests each of the aforementioned CGUs for impairment using discounted cash flow-based valuation techniques, for which purpose it employs cash flow projections aligned with projected earnings and investments in non-current assets and current assets, as well as other assumptions obtained from each CGU's business plan, irrespective of whether there are indications of impairment, given the sensitivity of the key assumptions used. Also, a discount rate is determined on the basis of the economic situation in general and of that of each CGU in particular.	Our audit procedures included, among others, obtaining and analysing the impairment tests conducted by the Group, verifying their clerical accuracy and also analysing the consistency of the future cash flow estimates considered in those tests with the most recent business plans prepared. Also, 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 an analysis of their consistency with the actual data relating to the performance of the CGUs. In addition, we involved our internal valuation experts in order to evaluate, mainly, the methodology employed by the Group in the impairment tests conducted, the discount rates considered and the terminal value, expressed in perpetuity growth terms, of the projected future cash flows.

Evaluation of the impairment test on goodwill, other intangible assets and property, plant and equipment

Description	Procedures applied in the audit
The performance of these estimates requires the directors to make significant judgements and estimates. As a result of this circumstance, together with the significance of those assets at the reporting date, this matter was determined to be a key matter in our audit.	Lastly, we checked that the disclosures included in Notes 7 and 8 to the accompanying consolidated financial statements in connection with this matter were in conformity with those required by the applicable regulatory financial reporting framework.

Business combinations

Description	Procedures applied in the audit
The Group performed several business combinations in 2020 and 2019, as described in Notes 2-h and 6 to the accompanying consolidated financial statements as at 31 December 2020. These combinations are complex transactions which include contractual agreements the recognition of which in the consolidated financial statements requires the directors to make significant judgements and estimates. In addition, in the process of identifying and determining the acquisition-date fair value of the assets acquired, the liabilities and contingent liabilities assumed and the goodwill that arose, significant judgements and estimates also need to be made, and therefore the Group, where appropriate, was assisted by experts engaged by it for this purpose.	Our audit procedures included, among others, obtaining and analysing the contractual documentation, placing particular emphasis on the transfer of the risks associated with the business in order to determine when the obtainment of control of the aforementioned businesses should be accounted for.

Business combinations

Description	Procedures applied in the audit
The accompanying consolidated financial statements include the provisional accounting for the fair value of the assets acquired and the liabilities assumed as a result of the business combinations effected in 2020, and the completed accounting for the fair value of the assets acquired and the liabilities assumed as a result of the business combinations effected in 2019 (see Note 5). In this connection, current legislation allows the allocation of fair value to be re-estimated during a period of one year from the acquisition date. Consequently, the analysis of these transactions was a key audit matter in our audit.	For each business combination in 2020, we obtained the provisional analysis performed by the Group to determine the fair value of the assets acquired and liabilities assumed, and we verified the clerical accuracy of the calculations performed and the reasonableness of the main assumptions considered therein. In addition, for the business combinations in 2019, the accounting of which was considered to have been completed in 2020, we obtained the final analysis carried out by the Group to determine the fair value of the assets acquired and the liabilities assumed, and verified the same aspects. To this end, we analysed the consistency of the future cash flow forecasts considered in the analysis performed with the assumptions obtained from the business plan relating to the businesses acquired. 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. With regard to the external experts engaged by the Group, we evaluated their competence, capability and objectivity, and obtained an understanding of their work as experts and of the adequacy of that work for use as audit evidence.

Business combinations	
Description	**Procedures applied in the audit**
	Also, we involved our internal valuation experts in order to evaluate, mainly, the methodology employed by the Group in the analysis conducted, the discount rates considered and the terminal value, expressed in perpetuity growth terms, of the projected future cash flows. Lastly, we checked that the disclosures included in Notes 2-h, 5 and 6 to the accompanying consolidated financial statements in connection with this matter were in conformity with those required by the applicable regulatory financial reporting framework.

Other Information: Consolidated Directors' Report

The other information comprises only the consolidated directors' report for 2020, the preparation of which is the responsibility of the Parent's directors and which does not form part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated directors' report. Our responsibility relating to the consolidated directors' report, in accordance with the audit regulations in force, consists of:

a) Solely checking that the consolidated non-financial information statement and certain information included in the Annual Corporate Governance Report, to which the Spanish Audit Law refers, have been furnished as provided for in the applicable legislation and, if this is not the case, reporting this fact..

b) Evaluating and reporting on whether the other information included in the consolidated directors' report is consistent with the consolidated financial statements, based on the knowledge of the Group obtained in the audit of those consolidated financial statements, as well as evaluating and reporting on whether the content and presentation of this section of the consolidated 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 above, we observed that the information described in section a) above was furnished as provided for in the applicable legislation and that the other information in the consolidated directors' report was consistent with that contained in the consolidated financial statements for 2020 and its content and presentation were in conformity with the applicable regulations.

Responsibilities of the Directors and Audit and risk management committee of the Parent for the Consolidated Financial Statements

The Parent's directors are responsible for preparing the accompanying consolidated financial statements so that they present fairly the Group's consolidated equity, consolidated financial position and consolidated results in accordance with EU-IFRSs and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent's directors are responsible for assessing the Group'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 directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is included in the Appendix to this auditor's report. This description, which is on pages 9 and 10 of this document, forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

European Single Electronic Format

We have examined the digital files in European Single Electronic Format (ESEF) of Cellnex Telecom, S.A. and its subsidiaries for 2020, which comprise the XHTML file including the consolidated financial statements for 2020 and the XBRL files with the tagging performed by the entity, which will form part of the annual financial report.

The directors of Cellnex Telecom, S.A. are responsible for presenting the annual financial report for 2020 in accordance with the format and markup requirements established in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 ("ESEF Regulation").

Our responsibility is to examine the digital files prepared by the Parent's directors, in accordance with the audit regulations in force in Spain. Those regulations require that we plan and perform our audit procedures in order to ascertain whether the content of the consolidated financial statements included in the aforementioned digital files corresponds in full to that of the consolidated financial statements that we have audited, and whether those consolidated financial statements and the aforementioned files were formatted and marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital files examined correspond in full to the audited consolidated financial statements, and these are presented and have been marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Additional Report to the Parent's Audit and risk management committee

The opinion expressed in this report is consistent with the content of our additional report to the Parent's audit and risk management committee dated 25 February 2021.

Engagement Period

The Annual General Meeting held on 9 May 2019 appointed us as auditors of the Group for a period of one year from the year ended 31 December 2019.

Previously, we were designated by the sole shareholder for the period of three years and have been auditing the financial statements uninterruptedly since the year ended 31 December 2013 and, therefore, since the year ended 31 December 2015, the year in which the Parent became a Public Interest Entity.

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

Iván Rubio Borrallo
Registered in ROAC under no. 21443

25 February 2021

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 consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's directors.

- Conclude on the appropriateness of the use by the Parent's directors 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 Group'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 consolidated 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 Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent'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 Parent'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 Parent's audit and risk management committee, we determine those matters that were of most significance in the audit of the consolidated 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 Telecom, S.A. and Subsidiaries

Consolidated Financial Statements for the Year ended 31 December 2020

Translation of a report originally issued in Spanish and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

TABLE OF CONTENTS

Consolidated balance sheet 2
Consolidated income statement 4
Consolidated statement of comprehensive income 5
Consolidated statement of changes in net equity 6
Consolidated statement of cash flows 7

1. General information 9
2. Basis of presentation 9
3. Accounting policies and measurement bases 25
4. Financial and capital risk management 43
5. Matters arising from the completion of the business combinations of the 2019 year end 49
6. Business combinations 54
7. Property, plant and equipment 69
8. Intangible assets 75
9. Investments in associates 81
10. Current and non-current financial investments 81
11. Derivative financial instruments 83
12. Trade and other receivables 85
13. Cash and cash equivalents 86
14. Net equity 87
15. Borrowings 100
16. Leases 110
17. Trade and other payables 113
18. Income tax and tax situation 114
19. Employee benefit obligations and provisions and other liabilities 121
20. Revenue and expenses 128
21. Contingencies, commitments and obligations 133
22. Environmental information 138
23. Segment reporting 138
24. Related parties 142
25. Other disclosures 144
26. Post balance sheet events 144
27. Explanation added for translation to English 146

APPENDIX I. Subsidiaries included in the scope of consolidation 147
APPENDIX II. Associates included in the scope of consolidation 158

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 27). In the event of a discrepancy the Spanish-language version prevails.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2020
(Thousands of Euros)

	Notes	31 December 2020	31 December 2019 (*)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	Note 7	4,197,827	2,899,539
Intangible assets	Note 8	12,041,295	5,886,623
Right-of-use assets	Note 16	2,133,560	1,239,713
Investments in associates	Note 9	3,431	2,832
Financial investments	Note 10	28,042	140,909
Derivative financial instruments	Note 11	6,116	-
Trade and other receivables	Note 12	35,671	18,427
Deferred tax assets	Note 18.d	464,531	133,723
Total non-current assets		18,910,473	10,321,766
CURRENT ASSETS			
Inventories		2,158	2,149
Trade and other receivables	Note 12	502,070	365,079
Receivables from associates	Note 24	832	84
Financial investments	Note 10	2,067	2,015
Cash and cash equivalents	Note 13	4,652,027	2,351,555
Total current assets		5,159,154	2,720,882
TOTAL ASSETS		24,069,627	13,042,648

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the consolidated balance sheet at 31 December 2020.

(*) Restated balances. Certain amounts included in the consolidated balance sheet at 31 December 2019 do not relate to those included in the consolidated financial statements for the year ended 31 December 2019, and reflect the adjustments described in Note 5.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2020
(Thousands of Euros)

	Notes	31 December 2020	31 December 2019 (*)
NET EQUITY			
Share capital and attributable reserves			
Share capital	Note 14.a	121,677	96,332
Treasury shares	Note 14.a	(8,078)	(4,222)
Share premium	Note 14.b	7.769,936	3,886,193
Reserves	Note 14.c	267,802	191,859
Profit for the year	Note 14.g	(133,100)	(9,177)
		8,018,237	**4,160,985**
Non-controlling interests	Note 14.f	914,504	889,644
Total net equity		**8,932,741**	**5,050,629**
NON-CURRENT LIABILITIES			
Bank borrowings and bond issues	Note 15	9,315,830	5,093,696
Lease liabilities	Note 16	1,478,759	933,335
Derivative financial instruments	Note 11	9,743	3,593
Provisions and other liabilities	Note 19.b	1,453,278	401,744
Employee benefit obligations	Note 19.a	17,194	17,972
Deferred tax liabilities	Note 18.d	1,790,830	881,764
Total non-current liabilities		**14,065,634**	**7,332,104**
CURRENT LIABILITIES			
Bank borrowings and bond issues	Note 15	76,941	48,426
Lease liabilities	Note 16	284,060	206,853
Derivative financial instruments	Note 11	165	-
Employee benefit obligations	Note 19.a	26,860	22,975
Payables to associates	Note 24	116	25
Trade and other payables	Note 17	683,110	381,636
Total current liabilities		**1,071,252**	**659,915**
TOTAL NET EQUITY AND LIABILITIES		**24,069,627**	**13,042,648**

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the consolidated balance sheet at 31 December 2020.

(*) Restated balances. Certain amounts included in the consolidated balance sheet at 31 December 2019 do not relate to those included in the consolidated financial statements for the year ended 31 December 2019, and reflect the adjustments described in Note 5.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

(Thousands of Euros)

	Notes	2020	2019 (*)
Services		1,562,262	1,000,023
Other operating income		42,510	30,822
Operating income	Note 20.a	**1,604,772**	**1,030,845**
Staff costs	Note 20.b	(165,861)	(144,171)
Other operating expenses	Note 20.c	(301,799)	(243,387)
Change in provisions		(4,553)	154
Losses on fixed assets	Notes 7 and 8	(205)	(135)
Depreciation and amortisation	Notes 7, 8, 16 and 20.e	(974,064)	(501,841)
Operating profit		**158,290**	**141,465**
Financial income		4,969	1,254
Financial costs		(220,248)	(127,430)
Interest expense on lease liabilities		(142,523)	(69,763)
Net financial profit/(loss)	Note 20.f	**(357,802)**	**(195,939)**
Profit of companies accounted for using the equity method	Note 9	52	82
Profit/(loss) before tax		**(199,460)**	**(54,392)**
Income tax	Note 18	48,724	35,700
Consolidated net loss		**(150,736)**	**(18,692)**
Attributable to non-controlling interests	Note 14.f	(17,636)	(9,515)
Net profit attributable to the Parent Company		**(133,100)**	**(9,177)**
Earnings per share (in euros per share):			
Basic	Note 14.e	(0.35)	(0.03)
Diluted	Note 14.e	(0.35)	(0.03)

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the consolidated income statement corresponding to the year ended 31 December 2020.

(*) Restated balances. Certain amounts included in this consolidated income statement for the year ended on 31 December 2019 do not relate to those included in the consolidated financial statements for the year ended on 31 December 2019, and reflect the adjustments described in Note 5.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

(Thousands of Euros)

	Notes	2020	2019 (*)
PROFIT FOR THE YEAR		(150,736)	(18,692)
Income and expenses recognised directly in net equity, transferable to the consolidated income statement:			
Changes in cash flow hedges of the Parent Company and fully consolidated companies		(4,337)	(2,072)
Hedges of net investments in foreign operations of the Parent Company and fully consolidated companies		(13,473)	-
Foreign exchange differences		(10,427)	10,447
Tax effect		1,086	468
Total Income and expenses recognised directly in net equity		(27,151)	8,843
Income transferred to the consolidated income statement:			
Changes in cash flow hedges of the Parent Company and fully consolidated companies		(217)	(200)
Tax effect		52	50
Total income transferred to the consolidated income statement		(165)	(150)
Total consolidated comprehensive income		(178,052)	(9,999)
Attributable to:			
- Company shareholders		(159,689)	(7,135)
- Non-controlling interests		(18,363)	(2,864)
Total consolidated comprehensive income		(178,052)	(9,999)

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the consolidated statement of comprehensive income for the year ended 31 December 2020.

(*) Restated balances. Certain amounts included in this consolidated income statement of comprehensive income for the year ended on 31 December 2019 do not relate to those included in the consolidated financial statements for the year ended on 31 December 2019, and reflect the adjustments described in Note 5.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN NET EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

(Thousands of Euros)

	Share capital	Treasury shares	Share premium	Reserves	Profit for the year	Non-controlling interests	Net equity
At 1 January 2019	**57,921**	**(5,572)**	**314,522**	**126,002**	**(14,983)**	**137,476**	**615,366**
Comprehensive income for the year	-	-	-	2,042	(9,177)	(2,864)	**(9,999)**
Distribution of 2018 profit	-	-	-	(14,983)	14,983	-	**-**
Treasury shares	-	1,350	-	-	-	-	**1,350**
Change in scope	-	-	-	1,724	-	753,508	**755,232**
Final dividend	-	-	(26,620)	-	-	-	**(26,620)**
Capital Increases and other equity contributions	38,411	-	3,598,291	67,467	-	-	**3,704,169**
Employee remuneration payable in shares	-	-	-	8,367	-	-	**8,367**
Other	-	-	-	1,240	-	1,524	**2,764**
At 31 December 2019 (*)	**96,332**	**(4,222)**	**3,886,193**	**191,859**	**(9,177)**	**889,644**	**5,050,629**
At 1 January 2020	**96,332**	**(4,222)**	**3,886,193**	**191,859**	**(9,177)**	**889,644**	**5,050,629**
Comprehensive income for the year	-	-	-	(26,589)	(133,100)	(18,363)	**(178,052)**
Distribution of 2019 profit	-	-	-	(9,177)	9,177	-	**-**
Treasury shares	-	(3,856)	-	-	-	-	**(3,856)**
Change in scope	-	-	-	-	-	43,223	**43,223**
Final dividend	-	-	(29,281)	-	-	-	**(29,281)**
Capital Increases and other equity contributions	25,345	-	3,913,024	100,745	-	-	**4,039,114**
Employee remuneration payable in shares	-	-	-	3,506	-	-	**3,506**
Other	-	-	-	7,458	-	-	**7,458**
At 31 December 2020	**121,677**	**(8,078)**	**7,769,936**	**267,802**	**(133,100)**	**914,504**	**8,932,741**

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the statement of changes in the consolidated equity corresponding to the year ended 31 December 2020.

(*) Restated balances. Certain amounts included in this consolidated statement of changes in net equity for the year ended on 31 December 2019 do not relate to those included in the consolidated financial statements for the year ended on 31 December 2019, and reflect the adjustments described in Note 5.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

(Thousands of Euros)

	Notes	2020	2019 (*)
Profit/(loss) for the year before tax		**(199,460)**	**(54,392)**
Adjustments to profit-			
Depreciation	Note 20.e	974,064	501,841
Gains/(losses) on derecognition and disposals of non-current assets		205	135
Changes in provisions		4,553	(154)
Interest and other income		(4,969)	(1,254)
Interest and other expenses		362,771	197,193
Share of results of companies accounted for using the equity method	Note 9	(52)	(82)
Other income and expenses		2,909	2,290
Changes in current assets/current liabilities-			
Inventories		(9)	1,715
Trade and other receivables		(63,928)	(61,334)
Other current assets and liabilities		53,511	59,520
Cash flows generated by operations			
Interest paid		(259,977)	(147,932)
Interest received		1,048	599
Income tax received/(paid)		(38,577)	(25,262)
Current provisions and Employee benefit obligations		(40,440)	(53,326)
Total net cash flow from operating activities (I)		**791,649**	**419,557**

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the consolidated statement of cash flows corresponding to the year ended 31 December 2020.

(*) Restated balances. Certain amounts included in this consolidated cash flow statement for the year ended on 31 December 2019 do not relate to those included in the consolidated financial statements for the year ended on 31 December 2019, and reflect the adjustments described in Note 5.

CELLNEX TELECOM, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

(Thousands of Euros)

	Notes	2020	2019 (*)
Business combinations and changes in the scope of consolidation		(5,113,152)	(3,059,586)
Purchases of property, plant and equipment and intangible assets	Note 7 and 8	(759,648)	(894,224)
Payments for financial investments		(53,878)	(3,235)
Proceeds from financial investments		30,000	-
Dividends received		-	-
Total net cash flow from investing activities (II)		**(5,896,678)**	**(3,957,045)**
Acquisition of treasury shares		(6,509)	-
Issue of equity instruments	Notes 14 and 15	4,018,436	3,683,375
Proceeds from issue of bank borrowings	Note 15	1,018,087	1,656,330
Bond issue	Note 15	3,982,682	1,026,032
Repayment and redemption of bank borrowings	Note 15	(1,061,142)	(651,344)
Repayment of bond issues and other loans	Note 15	-	(62,835)
Net repayment of other borrowings	Note 15	(1,014)	(26,978)
Net payment of lease liabilities	Note 16	(487,078)	(174,151)
Dividends paid	Note 14	(29,281)	(26,620)
Dividends to non-controlling interests		-	(808)
Others		-	109
Total net cash flow from financing activities (III)		**7,434,181**	**5,423,110**
Foreign exchange differences		**(28,680)**	**10,063**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS (I)+(II)+(III)		**2,300,472**	**1,895,685**
Cash and cash equivalents at beginning of year	Note 13	2,351,555	455,870
Cash and cash equivalents at end of year		**4,652,027**	**2,351,555**

The accompanying Notes 1 to 27 and Appendices I and II attached form an integral part of the consolidated statement of cash flows corresponding to the year ended 31 December 2020.

(*) Restated balances. Certain amounts included in this consolidated cash flow statement for the year ended on 31 December 2019 do not relate to those included in the consolidated financial statements for the year ended on 31 December 2019, and reflect the adjustments described in Note 5.

Cellnex Telecom, S.A. and Subsidiaries
Notes to the consolidated financial statements for the year ended on 31 December 2020

1. General information

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

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

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

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

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

The main location in which the group operates is Europe.

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

2. Basis of presentation

a) Basis of presentation

The consolidated financial statements of Cellnex Telecom, S.A. and Subsidiaries for the year ended on 31 December 2020, which have been based on the accounting records kept by the Parent Company and by the other companies that make up the Group, were authorised for issue by the Directors of the Parent Company at the meeting of the Board of Directors held on 25 February 2021.

These consolidated financial statements have been prepared in accordance with the regulatory financial reporting framework applicable to the Group which is established by the International Financial Reporting Standards (hereinafter "IFRS") adopted by the European Union (hereinafter, "EU-IFRS") and taking into consideration all of the accounting principles and standards and the valuation criteria that must be applied, as well as the Commercial Code, the Spanish Limited Liability Companies Act and other applicable commercial legislation, so that they show a true image of the equity and financial situation of the Cellnex Group at 31 December 2020 and the results of its operations, the changes in net equity and the consolidated cash flows that have occurred within the Group during the financial year ended on that date.

Given that the accounting principles and valuation criteria applied when preparing the Group's consolidated financial statements at 31 December 2020 may differ from those used by some of the companies within the Group, the adjustments and reclassifications needed to standardise the principles and criteria, and adapt them to the EU-IFRS, have been carried out as part of the consolidation process.

The consolidated financial statements of Cellnex Telecom, S.A., as well as its individual financial statements and the financial statements of the companies forming part of the Group will be submitted to their respective General Meetings of Shareholders/Partners

or Sole Shareholder/Sole Partners within the legally established deadlines. The Directors of the Parent Company consider that these financial statements will be approved without any significant changes.

Moreover, the Group's consolidated financial statements corresponding to the financial year ended on 31 December 2019 were approved by the shareholders of the Parent Company on 21 July 2020.

b) Adoption of IFRSs

The Cellnex Group's consolidated financial statements are presented in accordance with EU-IFRSs, in conformity with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002. In Spain, the requirement to prepare consolidated financial statements in accordance with EU-IFRSs is also regulated by Final Provision Eleven of Law 62/2003, of 30 December, on tax, administrative, labour and social security measures.

The principal accounting policies and measurement bases adopted by the Group are presented in Note 3.

(I) Standards and Interpretations effective during the present year

The following new accounting standards, amendments and interpretations came into force in 2020:

New standards, amendments and interpretations		Obligatory Application in Annual Reporting Periods Beginning On or After:
Approved for use in the European Union		
Amendments to IAS 1 and IAS 8 - Definition of "materiality" (published in October 2018)	Modifications to IAS and IAS 8 to align the definition of "materiality" with that contained in the conceptual framework.	1 January 2020
Modifications to IFRS 9, IAS 39 and IFRS 7 - Reform of the Reference Interest Rates, Phase 1 (published in September 2019)	Amendments to IFRS 9, IAS 39 and IFRS 7 related to the ongoing reform of benchmarks (Phase 1).	1 January 2020
Amendment to IFRS 3 - Definition of business (published in October 2018)	Clarifications to the definition of business	1 January 2020
Amendment to IFRS 16 – Covid 19 – Related Rent Concessions (published in May 2020)	Modification to facilitate lessees accounting for rental improvements related to COVID-19	1 June 2020

The Group has applied the aforementioned standards and interpretations since their entry into force, which has not given rise to any significant change in its accounting policies, especially, considering that none of the Group's lease renegotiations could be subject to the amendment to IFRS 16.

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

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

New standards, amendments and interpretations		Obligatory Application in Annual Reporting Periods Beginning On or After:
Approved for use in the European Union		
Amendments to 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
Not yet approved for use in the European Union		
Amendment to IFRS 3. Reference to the Conceptual Framework (published in May 2020)	IFRS 3 is updated to align the definitions of assets and liabilities in a business combination with those contained in the conceptual framework. In addition, certain clarifications are introduced regarding the recording of contingent assets and liabilities.	1 January 2022
Amendment to IAS 16. Income obtained before intended use (published in May 2020)	The amendment prohibits deducting from the cost of property, plant and equipment any income obtained from the sale of the items produced while the entity is preparing the asset for its intended use. The income from the sale of such samples, together with the production costs, should be recorded in the income statement.	1 January 2022
Amendment to IAS 37. Onerous contracts - Cost of fulfilling a contract (published in May 2020)	The amendment explains that the direct cost of fulfilling a contract comprises the incremental costs of fulfilling that contract and an allocation of other costs that are directly related to the fulfilment of the contract.	1 January 2022
Improvements to IFRS Cycle 2018 - 2020 (published in May 2020)	Minor amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	1 January 2022
Amendment to IAS 1 - Classification of liabilities as current or non-current (published in January 2020)	Clarifications regarding the presentation of liabilities as current or non-current	1 January 2023
IFRS 17 - Insurance contracts and their modifications (published in May 2017 and June 2020, respectively)	It replaces IFRS 4 and includes the principles of registration, valuation, presentation and breakdown of insurance contracts in order for the entity to provide relevant and reliable information that allows users of financial information to determine the effect that the contracts of insurance they have in the financial statements.	1 January 2023

c) Presentation currency of the Group

These consolidated financial statements are presented in euros, as this is the currency of the main economic area in which the Group operates. In this connection, the financial statements of the foreign companies presented in a functional currency other than the presentation currency of the consolidated financial statements are translated to euros using the method described in Note 2.g.VI.

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

The preparation of the consolidated financial statements under IFRS requires certain accounting estimates to be made and certain elements of judgement to be considered by the Management of the Parent Company. These are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events, which are considered reasonable under

the circumstances. Although the estimates considered have been made with the best information available as of the date of preparing these consolidated financial statements, in accordance with IAS 8, any future amendment to these estimates would be applied prospectively as of that moment, acknowledging the effect of the change on the estimate made in the consolidated income statement for the financial year in question.

The main estimates and judgements considered in preparing the consolidated financial statements are as follows:

a) Useful lives of property, plant and equipment (see Note 3.a).

The determination of useful lives of property, plant and equipment requires estimates of the assets' level of use and of expected technological changes. Assumptions regarding the level of use, technological framework and their future development, based on which the useful lives are determined, entail a significant degree of judgment, since the time and nature of future events are difficult to foresee.

b) Useful lives of intangible assets (see Note 3.b).

The intangible assets associated with the telecom infrastructures are amortised over the shorter of the term of the corresponding ground lease (taking into consideration renewals) or up to 20 years, as the Group considers these intangibles to be directly related to the infrastructure assets.

c) Useful lives of right-of-use assets (see Note 3.r).

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

d) The measurement of non-financial assets and goodwill in order to determine the existence of impairment losses on these assets (see Notes 3.b and 3.c).

The determination of impairment losses requires the use of estimates on the recoverable amount based on impairment tests. The estimated recoverable amount for non-financial assets and goodwill is based mainly on impairment tests performed using discounted cash flows.

e) Derivatives or other financial instruments (see Notes 3.d, 3.e, 11 and 15)

The fair value of financial instruments traded on official markets is based on the market prices at the consolidated balance sheet date. The quoted market price used for financial assets is the current bid price.

The fair value of the financial instruments not quoted on active markets is determined using valuation techniques. The Group uses various methods and makes assumptions based on the existing market conditions at each consolidated balance sheet date. To determine the fair value of the remaining financial instruments, other techniques, such as estimated discounted cash flows, are used. The fair value of the interest rate swaps is calculated as the present value of the estimated cash flows.

The carrying amount, less the provision for impairment losses on accounts receivable and payable, is similar to their fair value.

The fair value of financial liabilities, for the purposes of presenting financial information, is estimated by discounting future contractual cash flows at the current market interest rate the Group would have access to for similar financial instruments.

When financial assets not measured at fair value through profit or loss are initially recognised, the Group measures them at their fair value plus transaction costs directly attributable to the acquisition or issue of the financial asset. In this sense, the Group determines the classification of its financial assets at initial recognition.

f) Fair value of assets and liabilities in business combinations (see Note 6).

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

g) Provisions for staff obligations (see Notes 3.m and 19.b).

The calculation of pension expenses, other post-retirement expenses or other post-retirement liabilities requires the application of several assumptions. At the end of each financial year, the Group estimates the provision needed to meet the commitments for pensions and similar obligations, in accordance with the advice of independent actuaries. Changes affecting these assumptions may result in different amounts for the expenses and liabilities recorded. The most significant assumptions for measuring pension and post-retirement benefits liabilities are retirement age, inflation and the discount rate used. The assumptions about social security coverage are also essential for determining other post-retirement benefits. Any future changes to these assumptions would have an impact on the future pension expenses and liabilities.

h) Deferred tax assets and income tax (see Notes 3.l and 18).

The calculation of the income tax expense requires the interpretation of tax legislation in the jurisdictions where the Group operates. The determination of expected outcomes with regards to outstanding disputes and litigation requires significant estimates and judgements to be made. The Group assesses the recoverability of deferred tax assets based on the estimates of future taxable income and the ability to generate sufficient income during the periods in which these deferred taxes are deductible.

i) Provisions: the probability of occurrence and the amount of the undetermined contingent liabilities (see Notes 3.o and 19).

The Group makes an estimate of the amounts to be settled in the future, including those corresponding to contractual obligations and outstanding litigation. These estimations are subject to interpretations of the current facts and circumstances, forecasts of future events and estimates of the financial effects of these events.

The consolidated financial statements have been prepared on the historical cost basis, except in the cases specifically mentioned in these Notes, such as the items measured at fair value, as described in Notes 3.d and 3.e.

Coronavirus Pandemic

Global economic conditions have rapidly deteriorated in 2020 as a result of the Coronavirus Pandemic which began in China in late 2019 and has subsequently spread globally, significantly affecting the European markets where the Group operates as of the date of these consolidated financial statements and where the Group will operate following completion of the Iliad Poland Acquisition (see Note 21.b.). While the Coronavirus Pandemic has not had a significant effect on the Group's business, financial condition or results of operations as of 31 December 2020 and, therefore, has not had a significant effect on the Consolidated Financial Statements for the year ended 31 December 2020, its future evolution is uncertain.

The consolidated financial statements have been prepared on the basis of uniformity in recognition and measurement. When a new standard amending existing measurement bases becomes applicable, it is applied in accordance with the transition criterion provided in the standard.

Certain amounts in the consolidated income statement and the consolidated balance sheet were grouped together for the sake of clarity. These items are disclosed in the Notes to the consolidated financial statements.

The distinction presented in the consolidated balance sheet between current and non-current items was made based on whether they fall due within one year or more, respectively.

In addition, the consolidated financial statements include all additional information considered necessary for their correct presentation under the company law in force in Spain.

Finally, the figures contained in all the financial statements forming part of the consolidated financial statements (consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes to net equity, consolidated statement of cash flows) and the Notes to the consolidated financial statements are expressed in thousands of euros.

e) Comparative information

As required by the IFRS, the information relating to the financial year ended on 31 December 2019 contained in these consolidated financial statements for 2020 is submitted solely and exclusively for the purpose of comparison.

The consolidated balance sheet (and its respective disclosures), the consolidated income statement (and its respective disclosures), the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2019 (included in these consolidated financial statements) were restated (with regard to the information contained in the Group's consolidated financial statements at 31 December 2019) as a result of the final purchase price allocation for Iliad France Acquisition, Iliad Italy Acquisition, Swiss Infra Services Acquisition and Cignal subgroup Acquisition (see Notes 5 and 6).

f) Materiality

In determining what information to disclose in the Notes on the various items of the consolidated financial statements or other matters, the Group assessed their materiality in relation to these consolidated financial statements for 2020.

g) Consolidation principles

I) Methods of Consolidation

Subsidiaries

Subsidiaries are all companies in which the Group directly or indirectly controls the financial and operational policies, so that it exercises control over the investee company while maintaining the exposure or right to the variable results from the investment and the ability to use this control in order to influence the amount of these returns. This is generally accompanied by an ownership interest of more than the half of the voting rights.

Additionally, to assess if the Group controls another company, the following are considered: the power over the investee; exposure or rights to variable returns of the investment; and the ability to use this power over the investee to affect the amount of the investor's returns. The subsidiary companies are consolidated as from the date on which control is transferred to the Group and they are excluded from consolidation on the date in which the control ceases.

The Group consolidates subsidiaries using the full consolidation method. In this connection, Cellnex exercises effective control over the consolidated companies On Tower France, S.A.S. ("On Tower France", formerly Iliad7, S.A.S.), Nexloop France, S.A.S. ("Nexloop") and Metrocall, S.A. ("Metrocall") since Cellnex exercises effective control over the consolidated companies as: i) Cellnex holds more than 50% ownership interest of the companies, ii) Cellnex, as majority shareholder, has the capacity to appoint a majority of the

members of the Board of Directors of the companies, and iii) by virtue of the respective shareholders agreement entered into with respective minority/ies shareholder/s of the companies, giving Cellnex the decision-making capacity over relevant activities of the companies and also the control over the returns of the investments.

Appendix I to these Notes provides details on all the subsidiaries included in the scope of consolidation at 31 December 2020.

Associates

Associates are companies over which the Group exercises significant influence and with which it has a long-term relationship that fosters and influences its business even though it has a small representation in the management and control bodies. Along with this representation, the Group generally holds between 20% and 50% of the company's voting rights, unless it can be clearly demonstrated that such influence does not exist or unless the Group holds less than 20% of those rights and it can be clearly demonstrated that said influence does exist.

The investments in associates are recorded using the equity method and are initially recognised at cost. The investments of the Parent Company in associates include, as per IAS 28, goodwill (net of any accumulated impairment losses) identified in the acquisition, and are recognised under "Investments in associates" in the consolidated balance sheet.

In the case of associates acquired in stages, IAS 28 does not specifically define how to determine the cost of the acquisition. Therefore, the Group interprets the cost of an investment in an associate acquired in stages to be the sum of the amounts paid at each acquisition plus the share of the profits and other changes in shareholders' equity less any impairment that may have arisen.

Thereafter, the Group's share of the profit (loss) and reserves of associates is recognised in the consolidated income statement and as consolidation reserves (other comprehensive income), respectively, with the value of the shareholding as the balancing entry in both cases. Dividends received and/or accrued after acquisitions are adjusted against the amount of the investment.

If the Group's share of the losses of an associate is equal to or greater than the value of its financial investment, including any other outstanding account receivable not guaranteed, further losses will not be recognised unless obligations have been incurred, guarantees have been furnished or payments have been made on behalf of the associate, which would entail the recognition of a financial liability.

If there are any indications of impairment, the investment will be tested for impairment, pursuant to IAS 36, as if it were an individual asset, by comparing its recoverable amount (the higher of value in use and fair value less costs of disposal) with its carrying amount. In order to determine the value in use of the net investment, an estimate will be made of: i) its share of the present value, discounted at a rate of the weighted average cost of capital, of the estimated future cash flows expected to be generated by the associate or joint venture, including those from the operations of the associate or joint venture, and the amounts arising from the ultimate disposal of the investment; or ii) the present value, discounted at a rate corresponding to the cost of equity, of the estimated future cash flows expected to arise as dividends to be received from the investment and from its ultimate disposal. The application of either method should produce the same result.

The recoverable amount of an investment in an associate or joint venture will be assessed for each associate or joint venture unless the associate or joint venture does not generate cash inflows as a result of its continuing use that are largely independent of the inflows from the Group's other assets.

Appendix II to these Notes provides details on the associates included in the scope of consolidation using the equity method at 31 December 2020.

II) Standardisation of accounting reference periods and valuation

The reporting periods for all companies included in the scope of consolidation end on 31 December. For the purposes of the consolidation process, the respective financial statements prepared under IFRS principles were used. In accordance with current legislation, these companies present individual financial statements as set forth in the applicable standards.

The measurement bases applied by the Group companies are largely consistent. However, where necessary, adjustments were made to standardise the measurement bases and ensure that the accounting policies of the companies included in the scope of consolidation were uniform with the policies adopted by the Group.

III) Business combinations

The subsidiaries acquired by the Group are accounted for using the acquisition method in accordance with the revised IFRS 3, considering the modifications that have come into force this year, especially those referring to "business" definition. Acquisition cost is the fair value of the assets acquired and the equity instruments issued, and of the liabilities incurred or assumed at the acquisition date, plus any asset or liability resulting from a contingent consideration arrangement. Costs that are directly attributable to the transaction are recognised directly in the consolidated income statement for the year in which the transaction takes place.

The identifiable assets acquired, the contingent assets and liabilities assumed and any non-controlling interest in a business combination are initially measured at their acquisition-date fair value. For each business combination, the Group may elect to recognise any non-controlling interest in the acquiree at fair value or according to the proportionate share of the non-controlling interest in the acquiree's net identifiable assets.

The excess over the fair value of the net assets identified in the transaction is recognised as goodwill arising on consolidation, which is allocated to the corresponding Cash-Generating Units (hereinafter, CGUs).

The Group makes a provisional allocation of the purchase price for the business combination at the acquisition date; this initial assessment is reviewed, as appropriate, within 12 months from the date control is obtained.

The resulting goodwill is allocated to the various CGUs expected to benefit from the business combination's synergies, regardless of any other acquired assets and liabilities allocated to these CGUs or groups of CGUs.

However, if the acquisition cost is below the fair value of the acquiree's net assets, such as in a bargain purchase, the difference is recognised as a gain directly in the consolidated income statement.

Goodwill arising on consolidation is not systematically amortised and is subject to an annual impairment test, as indicated in Note 3.b.iv.

In the case of business combinations achieved in stages, on gain of control the fair value of the assets and liabilities of the business acquired must be determined including the interest already held. The differences arising from the previously recognised assets and liabilities must be recognised in the consolidated statement of profit or loss.

In the case of acquisitions of associates in stages, goodwill is calculated for each acquisition based on the cost and the interest in the fair value of the net assets acquired on each acquisition date.

As indicated in Note 2.g.l)., goodwill relating to acquisitions of associates and multi-group companies is included as an increase in the value of the respective investment and is recognised in accordance with Note 3.b.iv.

IV) Elimination of inter-company transactions

Inter-company transactions and balances are eliminated, as are unrealised gains vis-a-vis third parties on transactions between or among Group companies. Unrealised losses are also eliminated, unless there is evidence of an impairment loss on the transferred asset.

Gains and losses from transactions between the Group and its associates and multi-group companies are recognised in the Group's financial statements only to the extent that they arise from the interests of other investors in associates and multi-group companies not related to the investor.

V) Transactions with non-controlling interests

Transactions with non-controlling interests are recognised as transactions with the owners of the Group's equity. Therefore, in purchases of non-controlling interests, the difference between the consideration paid and the corresponding proportion of the carrying amount of the subsidiary's net assets is recognised with an impact on net equity. Likewise, gains or losses through the disposal of non-controlling interests are also recognised in the Group's net equity.

In the event that it ceases to have control or significant influence, the remaining investment is remeasured at its fair value, and any gain or loss relative to the previously recognised investment is recognised with an impact in the year's consolidated income statement. Additionally, any amount previously recognised in other comprehensive income with regards to this company is recorded as if the Group had directly sold all the related assets and liabilities. Should this occur, the amounts previously recognised under other comprehensive income would be reclassified to the consolidated income statement for the year. If the decrease in the investment in an associate does not imply a loss of significant influence, the proportional share previously recognised under other comprehensive income is reclassified to the consolidated income statement.

Accounting policy relating to the Cellnex Switzerland Put Option ("DTCP Put Option")

In December 2019, DTCP exercised its rights to transfer the total amount of its shareholding in Cellnex Switzerland to Cellnex Telecom (see Note 19.a. of the 2019 consolidated financial statements). As a result, Cellnex Telecom acquired an additional 9% (DTCP stake in Cellnex Switzerland at the date of execution) of the share capital of Cellnex Switzerland for CHF 109,876 thousand (with a Euro value of EUR 101,231 thousand as of 31 December 2019), which was paid in cash. Following this acquisition, as at 31 December 2019, Cellnex Telecom held 72% of the share capital of Cellnex Switzerland.

At the 2019 year-end, following a thorough review of the contractual terms, the Parent Company's Directors decided to record the adjustments to the redemption liability directly in equity. This accounting treatment is supported by the guidance in paragraph 23 of IFRS 10 to recognise any adjustments related to changes in the parent's ownership interest that do not result in the parent losing or gaining control over a subsidiary as ownership transactions. Upon initial recognition of the redemption liability, the risks and rewards not transferred to the parent were recognised as non-controlling interests.

The impact in 2019 derived from subsequent changes in the DTCP Put Option liability carrying amount, which amounted to EUR 35 million, were thus registered in the reserves of the accompanying consolidated balance sheet.

VI) Translation of financial statements denominated in foreign currencies

The financial statements of the foreign companies, none of which operate in a hyperinflationary economy, presented in a functional currency (that of the main economic area in which the entity operates) other than the presentation currency of the consolidated financial statements (the euro), are translated to euros using the year-end exchange rate method, according to which:

- Equity is translated at the historical exchange rate.
- Items in the income statement are translated using the average exchange rate for the period as an approximation of the exchange rate at the transaction date.
- The other balance sheet items are translated at the year-end exchange rate.

As a result, exchange differences are included under "Reserves – Translation differences" in equity in the consolidated balance sheet.

VII) Other

Currency translation differences arising from the translation of a net investment in a foreign operation and from loans and other instruments in a currency other than euro designated as hedges of those investments are recognised in equity. When the investment is sold, any exchange differences are recognised in the consolidated income statement as part of the gain or loss on the sale.
Adjustments to goodwill and to fair value arising from the acquisition of a foreign operation are considered assets and liabilities of the foreign operation and are translated using the year-end exchange rate.

h) Changes in the scope of consolidation

Movements in 2020

Acquisitions and incorporations

The most significant changes in the scope of consolidation and in the companies included in it during the 2020 financial year were as follows:

Name of the company	Company with direct shareholding and % acquired/maintained		Consolidation method
Acquisitions/incorporations:			
Cellnex Finance Company, S.A.U. [1]	Cellnex Telecom, S.A.	100%	Full
CK Hutchison Networks (Austria) GmbH [2]	Cellnex Austria GmbH (formerly Ea Einhundertsechsundsechzigste WT Holding GmbH)	100%	Full
CK Hutchison Networks (Ireland) Limited [2]	Cellnex Ireland (formerly Aramaka Limited)	100%	Full
CLNX Portugal, S.A. (formerly Belmont Infra Holding, S.A.) [3]	Cellnex Telecom, S.A.	100%	Full
CLNX Portugal, S.A. (formerly BIH-Belmont Infrastructure Holding, S.A.) [3]	CLNX Portugal, S.A. (formerly Belmont Infra Holding)	100%	Full
Edzcom Oy [4]	Ukkoverkot Oy	100%	Full
Metrocall, S.A. [5]	Cellnex Telecom España, S.L.U.	60%	Full
Nexloop France, SAS [6]	Cellnex France Groupe	51%	Full
Omtel, Estruturas de Comunicaçoes, S.A. [3]	CLNX Portugal, S.A. (formerly BIH-Belmont Infrastructure Holding, S.A.)	100%	Full
On Tower Denmark (formerly HI3G Networks Denmark APS) [2]	Cellnex Denmark ApS	100%	Full
On Tower Portugal, S.A. (formerly NOS Towering Gestão de Torres de Telecomunicações, S.A.) [7]	CLNX Portugal, S.A. (formerly Belmont Infra Holding, S.A.)	100%	Full
On Tower UK 1 Ltd (formerly Arqiva No 2 Limited) [8]	On Tower UK Ltd (formerly Arqiva Services Limited)	100%	Full
On Tower UK 2 Ltd (formerly Arqiva No 3 Limited) [8]	On Tower UK 1 Ltd (formerly Arqiva No 2 Limited)	100%	Full
On Tower UK 3 Ltd (formerly Arqiva No 4 Limited) [8]	On Tower UK Ltd (formerly Arqiva Services Limited)	100%	Full
On Tower UK 4 Ltd (formerly Arqiva Aerial Sites Limited) [8]	On Tower UK Ltd (formerly Arqiva Services Limited)	100%	Full
On Tower UK 5 Ltd (formerly Arqiva Telecommunications Asset Development Company Limited) [8]	On Tower UK Ltd (formerly Arqiva Services Limited)	100%	Full
On Tower UK Ltd (formerly Arqiva Services Limited) [8]	Cellnex UK, Ltd	100%	Full
Ukkoverkot Oy [4]	Cellnex Telecom, S.A.	100%	Full

[1] 30/10/2020; [2] 21/12/2020; [3] 02/01/2020; [4] 03/07/2020; [5] 25/09/2020; [6] 13/05/2020; [7] 21/09/2020; [8] 08/07/2020

I) Acquisition of Cellnex Portugal subgroup (formerly Belmont Infra Holding subgroup)

In the first quarter of 2020, Cellnex acquired (through the Parent Company) 100% of the share capital of Belmont Infra Holding, S.A. from Belmont Infra Investments B.V. and PT Portugal SGPS, S.A. (sellers of 75% and 25%, of the share capital, respectively) and the credit rights under certain capital contributions (prestações acessórias) made by Belmont Infra Investments B.V. and PT Portugal SGPS, S.A. to Belmont Infra Holding, S.A. Belmont Infra Holding, S.A. holds all the shares of BIH-Belmont Infrastructure Holding, S.A. ("BIH") and Omtel, Estruturas de Comunicaçoes, S.A. ("Omtel"), which currently operates a nationwide portfolio of approximately 3,000

sites in Portugal. The consideration for the acquisition was approximately EUR 800 million (equivalent Enterprise Value[1]), estimated as of the date of the transaction, subject to certain price adjustments. On 2 January 2020, Cellnex paid EUR 300 million in cash, assumed EUR 233 million of debt of the acquired subgroup, which Cellnex fully repaid after closing of the acquisition, and incorporated EUR 43 million of cash balances. The remaining balance of the consideration (which, as of the date of signing, was 50% of the total fair market value of Belmont Infra Holding, S.A., amounting to a deferred payment of EUR 570 million) will be paid on the earlier of 31 December 2027 or upon the occurrence of certain events of default. Additionally, Omtel and MEO – Serviços De Comunicações E Multimédia, S.A. ("MEO") are party to the Omtel MSA (see Note 6), which, among other things, provides for the construction or incorporation of up to approximately 500 sites by 15 December 2023. Cellnex expects that this program could be increased by up to 250 additional sites by 2027. The related capital expenditure for this program, including the expected 250 additional sites, is expected to amount to approximately EUR 140 million, which the Group expects to finance with cash generated by the portfolio. In the event the Omtel MSA is terminated by MEO for cause, MEO will have a buy-back right with respect to Omtel's sites.

Thus, following this acquisition, this subgroup has been fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2020 the value of all of its assets and liabilities has been included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year.

II) Incorporation of Nexloop

In the first half of 2020, Cellnex and Bouygues Telecom reached a strategic agreement through which they became shareholders of Nexloop France, S.A.S. ("Nexloop") a newly incorporated company (49% owned by Bouygues Telecom and 51% owned by Cellnex, although, taking into account both the signed shareholders' agreement and the financing structure agreed for the new company, Cellnex will have in practice an effective right to 100% of the expected cash flows generated after debt service up until 2055, subject to certain limitations, either through shareholder loan remuneration or through preferred dividends). This company will deploy a national fibre optic network in France to provide mobile and fixed fibre based connectivity and especially accelerate the roll-out of 5G in the country. The agreement comprises the roll out of a network of up to 31,500 km., interconnecting the telecommunications rooftops and towers providing service to Bouygues Telecom (approximately 5,000 of which belong to and are operated by Cellnex) with the network of "metropolitan offices" for housing data processing centres (Edge Computing). The agreement covers the deployment of up to 90 new "metropolitan offices". The estimated investment up to 2027, amounts to up to approximately EUR 1.1 billion. As at 31 December 2020, the usual regulatory requirements have already been approved (see Note 7).

Bouygues Telecom is the anchor tenant of the new company, with whom Nexloop signed an MSA, with an initial term of 30 years, to be automatically extended for an additional five year period, on an all or nothing basis, and with a 1% fixed fee escalator.

During 2020, Cellnex France Groupe incorporated Nexloop with an initial share capital of EUR 100 through the creation of 100 shares with a nominal value of EUR 1 per share, and a share premium amounting to EUR 900.

Subsequently, on 29 May 2020, Nexloop carried out a capital increase amounting to EUR 30,499 thousand through the issuance of 3,049,900 new shares at a subscription price of EUR 10 per each new share (corresponding to a nominal value of EUR 1 and a share premium of EUR 9), which has been fully subscribed and paid up. As a result of the above, the share capital of Nexloop increased to EUR 3,050 thousand represented by 3,050,000 shares with a nominal value of EUR 1 per share, each of them fully paid up. The share premium increased to EUR 27,450 thousand. The capital increase was fully subscribed by Cellnex France Groupe and Bouygues Telecom, resulting in Cellnex France Groupe holding 51% of the share capital of Nexloop and Bouygues Telecom holding 49% of the share capital of Nexloop.

As a result of this transaction, at 31 December 2020, Cellnex, through its wholly owned subsidiary, Cellnex France Groupe, holds 51% of the share capital and voting rights and 100% of the effective economic rights over the expected cash flow after debt generated up until 2055, subject to certain limitations, as mentioned above, of Nexloop. Cellnex exercises effective control over Nexloop, as it holds ownership interests of over 50% and by virtue of the shareholders' agreement entered into with Bouygues Telecom, which gives

[1] Equivalent Enterprise Value considering the initial payment and debt assumption plus deferred payment discounted at investment's internal return rate.

Cellnex decision-making capacity over the investees' relevant activities and also the control over the returns of the investment, whereas Bouygues Telecom has certain protective rights. Finally, the signed shareholders' agreement includes certain exit agreements and provides Bouygues Telecom with a call option over Nexloop's shares held by Cellnex France Group, upon the expiry of a given period of time (for instance, a 20-year period from the execution of the shareholders' agreement) and subject to certain conditions which the Group believes makes challenging its execution.

III) Acquisition of Ukkoverkot subgroup

In the second half of 2020, Cellnex Telecom acquired 100% of the share capital of Ukkoverkot Oy from its shareholders which, in turn, owns all the shares of Edzcom Oy ("Edzcom"), for an amount of EUR 30 million (Enterprise Value). Edzcom provides end-to-end Private LTE Networks for critical markets based on Edge Connectivity solutions. Through this acquisition, the Group believes it is better positioned to provide greater added value to its customers as Edge Connectivity is expected to become a cornerstone for digitalization and to build the smart industries of the future.

Thus, following this acquisition, this subgroup has been fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2020 the value of all of its assets and liabilities has been included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year.

IV) Acquisition of On Tower UK subgroup

In the second half of 2019, Cellnex and Cellnex UK Limited entered into an agreement with Arqiva Holdings Limited, a company within the Arqiva group (the "Arqiva Group"), for the sale and purchase of 100% of the issued and paid up share capital of Arqiva Services Limited (the "Arqiva Acquisition"), a company to which the Arqiva Group has carved-out the United Kingdom telecoms towers business of the Arqiva Group following a reorganisation of assets, liabilities and activities (see Note 19 of the 2019 consolidated financial statements). On 8 July 2020, the Group completed the Arqiva Acquisition, after all the conditions precedent were satisfied, and acquired full ownership of the share capital of Arqiva Services Limited, which is the owner of approximately 7,400 held sites and the rights to market approximately 900 sites located in United Kingdom. In this regard, Cellnex Telecom (through its subsidiary Cellnex UK Limited) acquired 100% of the share capital of On Tower UK Ltd ("On Tower UK") which, in turn, owns all the shares of On Tower UK 1 Ltd, On Tower UK 2 Ltd, On Tower UK 3 Ltd, On Tower UK 4 Ltd and On Tower UK 5 Ltd (see Note 6 of the accompanying consolidated financial statements).

The total consideration in relation to this acquisition has amounted to approximately GBP 2 billion (EUR 2.2 billion). The Group has financed the Arqiva Acquisition with available cash (from a combination of the net proceeds from the offering of shares executed on 5 November 2019 and other sources) and the GBP 600,000 thousand term loan facility of the available GBP facilities (EUR 660 million, assuming a GBP/EUR 1.1 exchange rate).

Thus, following this acquisition, this subgroup has been fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2020 the value of all of its assets and liabilities has been included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year.

V) Acquisition of On Tower Portugal, S.A. (formerly NOS Towering Gestão de Torres de Telecomunicações, S.A.)

In the first half of 2020, Cellnex reached an agreement with the Portuguese mobile operator NOS, SGPS S.A. ("NOS"), for the acquisition, through its subsidiary CLNX Portugal, S.A. (formerly BIH - Belmont Infrastructure Holding, S.A.), from Nos Comunicações, S.A. of 100% of the share capital of NOS Towering Gestão de Torres de Telecomunicações, S.A. ("NOS Towering"), which following a carve out operates a nationwide portfolio of approximately 2,000 sites in Portugal, for a preliminary consideration (Enterprise Value) of approximately EUR 374 million (the "NOS Towering Acquisition"). Additionally, the Group agreed to acquire up to approximately 400 additional new or existing sites from the NOS group by 2026 (the Group treats this commitment as a build-to-suit program), and other agreed initiatives, with an estimated investment of approximately EUR 175 million. The transaction was completed in the second half of 2020 after all the conditions precedent were satisfied (see Note 6 of the accompanying consolidated financial statements). In this regard, during the last quarter of 2020, the subsidiary formerly called NOS Towering Gestão de Torres de Telecomunicações, S.A. changed its name to On Tower Portugal, S.A. ("On Tower Portugal").

The Group has financed this acquisition with available cash and expects to finance the deployment of new or existing additional sites using cash flows generated by the portfolio and other internal resources. The NOS Towering Acquisition strengthens the Group's industrial project in Portugal. Under the agreement, Cellnex and NOS as an anchor tenant have signed an inflation-linked MLA for an initial period of 15 years, to be automatically extended for additional 15-year periods, on an "all-or-nothing" basis, with undefined maturity, under which NOS will continue to use the sites that Cellnex will operate, locating its voice and data signal transmission equipment there.

Thus, following this acquisition, this subgroup has been fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2020 the value of all of its assets and liabilities has been included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year.

VI) Acquisition of Metrocall

During the last quarter of 2020, Cellnex reached an agreement with Intertelco, S.A. for the acquisition, through its subsidiary Cellnex Telecom España, S.L.U., of 60% of the share capital of Metrocall, S.A. ("Metrocall") for a total consideration (Enterprise Value) of approximately EUR 43 million. Metro de Madrid holds the remaining 40% of the share capital of this company. Metrocall, set up in 2000, provides service to the main mobile operators, with whom it has long-term service contracts (ten years), for use of their infrastructures to provide coverage and mobile connectivity to users of the Madrid underground system. With this acquisition, Cellnex reinforces the portfolio of telecommunications infrastructures that it currently manages for transport networks and suburban environments.

Thus, following this acquisition, Metrocall has been fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2020 the value of all of its assets and liabilities has been included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year.

VII) Acquisitions by virtue of the CK Hutchison Holdings Transactions

In the second half of 2020, Cellnex announced it had reached an agreement with CK Hutchison Networks Europe Investments S.à.r.L. ("Hutchison") for the acquisition of Hutchison's European tower business and assets in Austria, Denmark, Ireland, Italy, the United Kingdom and Sweden by way of six separate transactions (i.e. one transaction per country) (the "CK Hutchison Holdings Transactions"). See Note 21 of the accompanying consolidated financial statements.

Austria

Cellnex, by virtue of the CK Hutchison Holdings Transactions (through its fully owned subsidiary Cellnex Austria) has acquired 100% of the share capital of CK Hutchison Networks (Austria) GmbH ("Networks Co Austria"), owner of approximately 4,500 sites located in Austria. Additionally, Cellnex has agreed to the deployment of 450 sites in Austria by 2026 (see Note 21). The actual cash outflow for Cellnex in relation to this transaction (Enterprise Value) has been EUR 1.2 billion (see Note 6).

This transaction was completed in December 2020, following the settlement of several administrative authorizations. Thus, Networks Co Austria has been fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2020 the value of all of its assets and liabilities has been included in the consolidated balance sheet.

Ireland

Cellnex, by virtue of the CK Hutchison Holdings Transactions (through its fully owned subsidiary Cellnex Ireland) has acquired 100% of the share capital of CK Hutchison Networks (Ireland) Limited ("Networks Co Ireland"), owner of approximately 1,150 sites located in Ireland. Additionally, Cellnex has agreed to the deployment of 133 sites in Ireland by 2025 (see Note 21). The actual cash outflow for Cellnex in relation to this transaction (Enterprise Value) has been EUR 0.6 billion (see Note 6).

This transaction was completed in December 2020, following the settlement of several administrative authorizations. Thus, Networks Co Ireland has been fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2020 the value of all of its assets and liabilities has been included in the consolidated balance sheet.

Denmark

Cellnex, by virtue of the CK Hutchison Holdings Transactions (through its fully-owned subsidiary Cellnex Denmark), acquired 100% of the share capital of HI3G Networks Denmark ApS ("Networks Co Denmark"), owner of approximately 1,300 sites located in Denmark. Additionally, Cellnex has agreed to the deployment of 564 sites in Denmark by 2024 (see Note 21). In December 2020, the acquired company changed its name to On Tower Denmark ApS ("On Tower Denmark"). The actual cash outflow for Cellnex in relation to this transaction (Enterprise Value) has been EUR 0.4 billion (see Note 6).

This transaction was completed in December 2020, following the settlement of several administrative authorizations. Thus, On Tower Denmark has been fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2020 the value of all of its assets and liabilities has been included in the consolidated balance sheet.

VIII) Incorporation of Cellnex Finance Company

In the second half of 2020, Cellnex Telecom incorporated the wholly-owned subsidiary Cellnex Finance Company, S.A.U. ("Cellnex Finance") with an initial share capital of EUR 60.2 thousand through the creation of 60,200 shares all of which are fully subscribed and paid-up, with a nominal value of EUR 1 per share. In addition, on December 2020, Cellnex contributed to Cellnex Finance EUR 1 billion.

The corporate purpose of Cellnex Finance is the carrying out of financing activities or financing-related support activities in favour of the companies in the Cellnex Group by means of, among others, the issuance of bonds or other debt securities, as well as the entering into any banking financing, any other kind of financings, or the entering into any instruments with a financing purpose; the management, optimisation and channelling of monetary resources and assistance to the companies in the Group; and the granting of all kinds of financings, as well as granting of guarantees of any kind and nature to guarantee the obligations assumed by any of the companies in the Group.

Transactions between companies in the scope of consolidation

Furthermore, in 2020, the following transactions were performed between companies in the scope of consolidation, which, accordingly, did not have an impact on these consolidated financial statements:

Selling/ Spun-off company	Buying/ Resulting company	Comments	Date
Mergers:			
Belmont Infra Holding, S.A. BIH – Belmont Infrastructure Holding, S.A.	BIH - Belmont Infrastructure Holding, S.A.	Inverse merger by absorption of BIH - Belmont Infrastructure Holding, S.A. (absorbing company) with Belmont Infra Holding, S.A. (absorbed company).	30/06/2020
CommsCon Italia, S.r.L FP Infrastrutture, S.r.L. IGS, S.r.L.	Cellnex Italia, S.p.A.	Merger by absorption of Cellnex Italia, S.p.A (absorbing company) with IGS, S.r.L., FP Infrastrutture, S.r.L. and CommsCon Italia, S.r.L. (absorbed companies).	01/11/2020
Cellnex Italia, S.r.L. Cellnex Italia, S.p.A	Cellnex Italia, S.p.A.	Inverse merger by absortion of Cellnex Italia, S.p.A. (absorbing company) and Cellnex Italia, S.r.L. (former holding company of Italy and also absorbed company)	01/11/2020

Furthermore, in 2020, the subsidiary formerly called Iliad7, SAS changed its name to On Tower France, SAS. In addition, the subsidiary formerly called Galata SpA changed its name to Cellnex Italia SpA. In Portugal, the subsidiaries formerly called NOS Towering Gestão de Torres de Telecomunicações, S.A. and BIH - Belmont Infrastructure Holding, S.A. changed their names to On Tower Portugal, S.A. and CLNX Portugal, S.A., respectively. In the United Kingdom, the subsidiaries formerly called Arqiva No 2 Limited, Arqiva No 3 Limited, Arqiva No 4 Limited, Arqiva Aerial Sites Limited, Arqiva Telecommunications Asset Development Company Limited and Arqiva

Services Limited changed their names to On Tower UK 1 Ltd, On Tower UK 2 Ltd, On Tower UK 3 Ltd, On Tower UK 4 Ltd, On Tower UK 5 Ltd and On Tower UK Ltd, respectively.

Movements in 2019

Acquisitions and incorporations

The most significant changes in the scope of consolidation and in the companies included in it during the 2019 financial year were as follows:

Name of the company	Company with direct shareholding and % acquired/maintained		Consolidation method
Acquisitions/incorporations:			
Iliad7, S.A.S. (currently On Tower France, S.A.S.) (1)	Cellnex France Groupe	70%	Full
Swiss Infra Services SA (2)	Swiss Towers AG	90%	Full
Cignal Infrastructure Limited (3)	Cellnex Telecom, S.A.	100%	Full
Cellcom Ireland Limited (3)	Cignal Infrastructure Limited	100%	Full
National Radio Network Limited (3)	Cignal Infrastructure Limited	100%	Full
Cellnex Switzerland (4)	Cellnex Telecom, S.A.	9%	Full
On Tower Netherlands BV (5)	Cellnex Netherlands BV	100%	Full
On Tower Netherlands 1 BV (5)	On Tower Netherlands BV	100%	Full
On Tower Netherlands 2 BV (5)	On Tower Netherlands BV	100%	Full
On Tower Netherlands 3 BV (5)	On Tower Netherlands BV	100%	Full
On Tower Netherlands 4 BV (5)	On Tower Netherlands BV	100%	Full
On Tower Netherlands 5 BV (5)	On Tower Netherlands BV	100%	Full
On Tower Netherlands 6 BV (5)	On Tower Netherlands BV	100%	Full
Capital increases:			
Cellnex Switzerland (6)	Cellnex Telecom, S.A.	9%	Full

(1) 23/12/2019; (2) 05/08/2019; (3) 09/09/2019; (4) 16/12/2019; (5) 12/07/2019; (6) 30/07/2019

I) Iliad7, S.A.S. (currently On Tower France, S.A.S.)

In the first half of 2019, the Group entered into a long-term industrial alliance with the Iliad7 group of companies by virtue of which, Cellnex, through its fully owned subsidiary Cellnex France Groupe, acquired 70% of the share capital of Iliad 7, S.A.S. ("Iliad7"), owner of approximately 5,700 sites located in France. Additionally, Cellnex agreed to the deployment of 2,500 sites in France in a seven-year term.

The actual cash outflow for Cellnex in relation to this transaction (Enterprise Value) has been EUR 1.4 billion (see Note 6).

The transaction was completed in December 2019, following the settlement of several administrative authorizations. Thus, Iliad7 was fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2019 the value of all of its assets and liabilities was included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year.

II) Swiss Infra Services

In the first half of 2019, the Group entered into a long-term industrial alliance with Matterhorn Telecom, S.A. ("Matterhorn") by virtue of which Swiss Towers purchased 90% of the share capital of Swiss Infra Services SA ("Swiss Infra") owner of approximately 2,800 sites located in Switzerland for a total amount of approximately EUR 770 million. Additionally, Cellnex agreed to the deployment of 500 additional sites in Switzerland in an eight-year term.

This transaction was completed in the second half of 2019, following the satisfaction of the closing conditions which included the granting of several administrative authorizations.

Thus, following this acquisition, Swiss Infra was fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2019 the value of all of its assets and liabilities was included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year.

III) Cignal subgroup

During the second half of 2019, Cellnex Telecom (through the Parent Company Cellnex Telecom, S.A.) acquired 100% of the share capital of Cignal Infrastructure Limited ("Cignal") from InfraVia Capital Partners, owner of 546 sites in Ireland for a total amount of EUR 210 million (Enterprise Value). Additionally, Cignal will deploy up to 600 new additional sites by 2026.

Thus, following this acquisition, Cignal was fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2019 the value of all of its assets and liabilities was included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year.

IV) Cellnex Switzerland

During the second half of 2019, in the context of the Swiss Infra Services acquisition (see Notes 2.h.ii and 6), Cellnex Switzerland carried out a capital increase amounting to CHF 460 million, which was fully subscribed by Cellnex Telecom and Swiss Life. As a consequence, the stake that Cellnex held in Cellnex Switzerland increased from 54% to 63% at the date of the aforementioned transaction. By not subscribing to this capital increase, Deutsche Telekom Capital Partners ("DTCP") reduced its stake in Cellnex Switzerland from 18%, to 9% at the date of this transaction.

In addition, pursuant to the put option agreement entered into with DTCP in 2017, as it was reasonable to expect, the latter exercised its rights to transfer the total amount of its shareholding in Cellnex Switzerland to Cellnex Telecom. As a result, Cellnex Telecom acquired, during the second half of 2019, an additional 9% of the share capital of Cellnex Switzerland for CHF 109,876 thousand (with a Euro value of EUR 101,231 thousand as of 31 December 2019). Following this acquisition, as at 31 December 2019 Cellnex Telecom held 72% of the share capital of Cellnex Switzerland.

V) On Tower Netherlands subgroup

During the second half of 2019, Cellnex Telecom (through its subsidiary Cellnex Netherlands BV) reached an agreement to acquire 100% of the share capital of On Tower Netherlands BV ("On Tower Netherlands") from its shareholders which, in turn, owns all the shares of On Tower Netherlands 1 BV, On Tower Netherlands 2 BV, On Tower Netherlands 3 BV, On Tower Netherlands 4 BV, On Tower Netherlands 5 BV and On Tower Netherlands 6 BV, for an amount of EUR 40 million (Enterprise Value). As a result of the acquisition, Cellnex directly owns all the shares of On Tower Netherlands BV and, consequently, all the shares of its subsidiaries. The actual cash outflow in relation to this transaction was EUR 39 million following the incorporation of EUR 1 million of cash balances on the balance sheet of the acquired subgroup. As a result of this acquisition, Cellnex acquired 114 additional sites.

Thus, following this acquisition, On Tower Netherlands was fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2019 the value of all of its assets and liabilities was included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year.

Transactions between companies in the scope of consolidation

Also, in 2019, the following transactions were performed between companies in the scope of consolidation, which, accordingly, did not have an impact on these consolidated financial statements:

Selling/ Spun-off company	Buying/ Resulting company	Comments	Date
Mergers:			
Galata S.p.A Video Press Production, S.r.L. BRT Tower, S.r.L. DFA Telecomunicazioni, S.r.L. Sintel, S.r.L	Galata, S.p.A	Merger by absortion of Galata, S.p.A (absorbing company) with Video Press Production, S.r.L., BRT Tower, S.r.L., DFA Telecomunicazioni, S.r.L. and Sintel, S.r.L (absorbed companies).	01/08/2019

In addition, during 2019, the companies formerly called Shere Midco Limited, QS4 Limited and Shere Consulting Limited, changed their names to Cellnex UK Midco Limited, Connectivity Solutions Limited and Cellnex UK Consulting Limited, respectively.

3. Accounting policies and measurement bases

The main accounting policies used when preparing the consolidated financial statements, in accordance with those established by the International Financial Reporting Standards adopted by the European Union (EU-IFRS), as well as the interpretations in force when drawing up these consolidated financial statements, were as follows:

a) Property, plant and equipment

Property, plant and equipment is stated at cost less depreciation and any accumulated impairment losses.

Grants related to assets received reduce the cost of acquisition of property, plant and equipment, and are recognised when the entity complies with conditions attaching to collection. These grants are taken to profit or loss on a straight-line basis over the useful life of the asset financed, with a reduction in the depreciation charge for the year.

Staff costs and other expenses, as well as net borrowing costs directly related to property, plant and equipment, are capitalised as part of the investment until the assets are put to use.

Costs incurred to renovate, enlarge or improve items of property, plant and equipment which increase the capacity or productivity or extend the useful life of the asset are capitalised as part of the cost of the related asset, provided that the carrying amount of the assets replaced and derecognised from inventories is known or can be estimated.
The costs of upkeep and maintenance are charged to the consolidated income statement in the year in which they are incurred.

The depreciation of property, plant and equipment is calculated systematically, using the straight-line method, over the useful life of the assets, based on the actual decline in value caused by their use and by wear and tear.
The depreciation rates used to calculate the depreciation of the various items of property, plant and equipment are as follows:

Asset	Useful life
Buildings and other constructions	7-50 years
Plant and machinery	3-17 years
Tooling	3-14 years
Other facilities	3-14 years
Furniture	5-10 years
Computer equipment	3-5 years
Other property, plant and equipment	4-13 years

When an asset's carrying amount exceeds its estimated recoverable amount, the carrying amount is immediately reduced to its recoverable amount, and the effect is taken to the consolidated income statement for the year, and the related provision is recognised. The Group therefore periodically determines whether there is any indication of impairment.

Gains or losses arising from the sale or disposal of an asset in this item are determined as the difference between carrying amount and sale price, and are recognised in the accompanying consolidated income statement under "Losses on fixed assets".

Provision for asset retirement obligation

This relates to the Group's best estimate of the legal obligation in relation to the retirement of tangible assets with long useful lives, such as, for example, infrastructures for mobile telecommunications operators. It is calculated using estimates of the present value of the cash payments required to dismantle the assets, taking into consideration all the information available at the balance sheet date.

b) Intangible assets

The intangible assets indicated below are stated at acquisition cost less accumulated amortisation and any impairment losses, useful life being evaluated on the basis of prudent estimates. Any grants related to assets reduce the cost of acquisition of the intangible asset and are recognised when the entity complies with the conditions attaching to collection. Grants are credited to profit and loss on a straight-line basis over the useful life of the asset financed, with a reduction in the amortisation charge for the year.

The carrying amount of intangible assets is reviewed for possible impairment when certain events or changes indicate that their carrying amount may not be recoverable.

I) Computer software

Refers mainly to the amounts paid for access to property or for usage rights on computer programmes, only when usage is expected to span several years.

Computer software is stated at acquisition cost and amortised over its useful life (between 3 and 5 years). Computer software maintenance costs are charged to the consolidated income statement in the year in which they are incurred.

II) Intangible assets for telecom infrastructure services

With reference to the acquisition of telecom infrastructures in a business combination, the price agreed upon in the commercial sale and purchase agreement refers to the acquisition of an asset with two components: the physical asset (tower and other equipment and fixtures) and an intangible asset 'customer network service contracts and network location' in order to be able to provide the service to mobile operators. In this context, this heading records the amounts paid in the business combinations that correspond to the fair value of the net assets acquired, mainly consisting of:

- *Concession intangible assets*

  Includes the contracts signed with mobile operators as well as the locations of the telecom infrastructures used, which are subject to administrative concession.

  The amount recognised represents the discounted cash flow that the site where the infrastructure is located will generate from the various operators. This asset is depreciated in the period over which the Group is able to obtain income from the network coverage area. In this case, the only intangible asset recorded by the Group corresponds to the business combination of the company TowerCo S.p.A. and it is amortised on a straight-line basis until 2038.

- *Customer network services contracts*

This intangible asset relates to the customer base existing at the acquisition date due to the Group's infrastructure service contracts with the anchor carrier and to the future returns expected to be generated because of the relationships with customers beyond the periods covered by the contracts.

- *Network location*

This intangible asset represents the incremental revenues and cashflows from additional infrastructure service agreements with carriers not yet present at the date of acquisition. The Network Location is considered an intangible asset, valued independently from the remaining intangible assets, because it meets the requirement of separability, given that the excess available capacity can be used to offer network access services to third parties.

For the valuation of these intangible assets, the Parent Company has used the Multi-Period Earnings methodology, according to the financial projections of the different businesses affected. This method considers the use of other assets in the generation of the projected cashflows of a specific asset in order to isolate the economic benefit generated by the intangible asset. The contribution of the other assets such as fixed assets, working capital, labour and other intangible assets to the total cash flows is estimated through charges for contributing assets. This adjustment is made to separate the value of the specific assets from the portion of the purchase price that has already been allocated to net tangible assets and other intangible assets used. Therefore, the value of intangible assets is the present value of cash flows after potentially attributable taxes, net of the return on the fair value attributable to the tangible and intangible assets.

Acquired Customer Network Services Contracts and Network Location intangibles are amortised over the shorter of the term of the corresponding ground lease taking into consideration lease renewals or up to 20 years, as the Parent Company considers these intangibles to be directly related to the infrastructure assets.

III) Other intangible assets

This heading includes the concessions for use acquired by the Group, which are measured at acquisition or production cost and amortised on a straight-line basis over the contractual period of between 10 and 40 years.

IV) Goodwill

Goodwill generated in various business combinations represents the excess of the acquisition cost over the fair or market value of all the Group's or the company's identifiable net assets acquired at the acquisition date.

Given that goodwill is considered as an asset of the acquired company/group (except that generated prior to 1 January 2004), in the application of the IFRS 1 they were considered as assets of the acquiree.

In the case of a subsidiary with a functional currency other than the euro, goodwill is stated in the subsidiary's functional currency and is translated to euros using the exchange rate prevailing at the reporting date, as indicated in Note 2.g.VI.

Any impairment of goodwill recognised separately (that of subsidiaries and joint ventures) is reviewed annually through an impairment test (or in intermediate periods if there are signs of impairment), to determine whether its value has declined to a level below the carrying amount, and any impairment loss is recognised in consolidated profit or loss for the year, as applicable (see Notes 3.c). Any impairment loss recognised for goodwill is not reversed in a subsequent period.
Goodwill included in the carrying amount of the investment in associates is not tested separately. Rather, under IAS 36, whenever there is an indication that the investment may be impaired, the total carrying amount of the investment is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with the carrying amount.

The loss or gain on the sale of an entity includes the carrying amount of its goodwill.

c) Impairment losses on non-financial assets

The Group assesses, at each reporting date, whether there is an indication than an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required (in the case of goodwill), the Group estimates the asset's recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows that the asset is expected to generate are discounted to their present value using an interest rate that reflects the current time value of money and the risks specific to the assets.

In the event that the asset analysed does not generate cash flows that are independent of those from other assets (as is the case for goodwill), the fair value or value in use of the cash-generating unit that includes the asset (smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets) is estimated. In the event of an impairment loss for a cash-generating unit, the loss is first allocated to reduce the carrying amount of any goodwill allocated and then to the other assets pro rata on the basis of the carrying amount of each asset.

Impairment losses (excess of an asset's carrying amount over the recoverable amount) are recognised in the consolidated income statement for the year.

With the exception of goodwill, where impairment losses are irreversible, the Group assesses at the end of each reporting period whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated.

An impairment loss recognised in prior periods is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. In such a case, the carrying amount of the asset is increased to its recoverable amount. The increased carrying amount shall not exceed the carrying amount that would have been determined, net of amortisation or depreciation, had no impairment loss been recognised for the asset in prior years. This reversal would be recognised in the consolidated income statement for the year.

d) Investments and other financial assets (excluding derivative financial instruments)

When financial assets not measured at fair value through profit or loss are initially recognised, the Group measures them at their fair value plus transaction costs directly attributable to the acquisition or issue of the financial asset.

The Group determines the classification of its financial assets at initial recognition. At 31 December 2020, financial assets were classified into the following categories:

I) Current and non-current financial investments

Advances to customers

This heading of the consolidated balance sheet includes, with regards to the acquisitions of telecom infrastructures undertaken by the Group, the multi-annual commercial costs assumed by the Group, in order to obtain the service provision services agreements with the mobile telephone operators that will generate future economic profit, through the purchase, from these operators, of the telecom infrastructures, the dismantling of which has been agreed to along with the related cost. It must be noted that the dismantling expenses do not represent a legal obligation to dismantle the telecom infrastructures, but rather a commercial decision made by the Group and these costs will be capitalised as they are incurred.

These amounts are recognised as an advance of the subsequent services agreement with the mobile telephone operator, which is recognised in the accompanying consolidated income statement on a straight-line basis as a reduction to "revenue from services rendered" according to the term of the services agreement entered into with the operator.

Other advance payments

Other Advance Payments includes payments made to the seller in the context of business combinations, which relate to assets included in purchase price which have not yet been transferred as at 31 December 2020. Once these assets are transferred, the corresponding amount will be reclassified to the appropriate balance sheet item in accordance with the related Purchase Price Allocation.

II) Trade and other receivables

This heading mainly corresponds to:

- Loans granted to associates, multi-group or related parties, which are measured at amortised cost using the effective interest method. This value is reduced by the corresponding valuation adjustment for the impairment of the asset, as applicable.

- Deposits and guarantees recognised at their nominal value, which does not differ significantly from their fair value.

- Trade accounts receivable, which are measured at their nominal amount, which is similar to fair value at initial recognition. This value is reduced, if necessary, by the corresponding provision for bad debts (impairment loss) whenever there is objective evidence that the amount owed will not be partially or fully collected. This amount is charged against the consolidated income statement for the year.

The Group derecognises financial assets when they expire or the rights over the cash flows of the corresponding financial asset have been assigned and the risks and benefits inherent to their ownership have been substantially transferred, such as in the case of firm asset sales, non-recourse factoring of trade receivables in which the Group does not retain any credit or interest rate risk, sales of financial assets under an agreement to repurchase them at fair value and the securitisation of financial assets in which the transferor does not retain any subordinated debt, provide any kind of guarantee or assume any other kind of risk.

However, the Group does not derecognise financial assets, and it recognises a financial liability for an amount equal to the consideration received in transfers of financial assets in which substantially all the risks and rewards of ownership are retained, such as in the case of note and bill discounting, with-recourse factoring, sales of financial assets subject to an agreement to buy them back at a fixed price or at the selling price plus a lender's return and the securitisation of financial assets in which the transferring group retains a subordinated interest or any other kind of guarantee that absorbs substantially all the expected losses.

In addition, the Group estimates a provision for impairment in accordance with an expected loss model in financial assets valued at amortized cost, mainly trade receivables. The measurement of the expected credit losses is a function of: the probability of default, the loss given the default (i.e., the magnitude of the loss if there is a predetermined value) and the exposure at the predetermined value.

The Group has made this estimate taking into consideration, among other aspects, the diversity of clients according to their type or segment, grouped by country or geography, as well as differentiating their sector or industry, choosing an appropriate credit spreads curve for each of them. financial assets, as well as an analysis of historical defaults of the Group.

At least at each reporting date, the Group determines whether there is any indication that an asset or group of assets is impaired, so that any impairment loss can be recognised or reversed in order to adjust the carrying amount of the assets to their value in use.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments measured at amortised cost or, if it has any, on investments in debt instruments measured at fair value through other comprehensive income, and on lease receivables, trade receivables, contract assets and financial guarantee contracts.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the financial instrument in question.

The Group always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables. Expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted where necessary by factors that are specific to the borrower, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including the time value of money where appropriate.

For all other financial instruments, the Group recognises the expected credit losses that result from all possible default events over the expected life of the financial instrument when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument using the general criterion, i.e., recognition of the expected credit losses that result from default events that are possible within the 12 months after the reporting date.

i) Significant increase in credit risk

When assessing whether there has been a significant increase in credit risk on a financial instrument since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. When making such an assessment, the Group considers reasonable and supportable quantitative and qualitative information, including historical credit loss experience.

ii) Definition of default

The Group considers, among other factors, whether the debtor has defaulted on its financial obligations and whether the available information indicates that it is probable that the latter will not be able to settle its borrowings in full, in order to assess whether there has been a default event for credit risk management purposes.

In any case, the Group considers that a default event has occurred when a financial asset has been a significant period of time past due, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate on the basis of the asset analysed.

iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

iv) Recognition and measurement of expected credit losses

Expected credit losses are measured on the basis of the probability of default, the loss given default and exposure at default. The probability of default and the loss given default are measured on the basis of historical information adjusted by forward-looking information. Exposure to credit losses, for financial assets, is represented by the gross carrying amount of the assets at the reporting date.

For financial assets, an expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the conditions for this lifetime expected credit loss measurement are no longer met, it estimates the expected credit loss at an amount equal to 12-month expected credit losses at the current reporting date, except for assets for which the simplified approach was used.

The Group recognises impairment gains or losses on all financial instruments with the concomitant adjustment to their carrying amount through a loss allowance for expected credit losses account.

v) Impairment policy

The Group derecognises a financial asset when it has information that indicates that the debtor is in a highly adverse financial situation and there is no reasonable prospect of recovering any further cash flows, for example, when the debtor has initiated a liquidation process or, in the case of trade receivables, when they have been past due for a very significant length of time. Financial assets derecognised may still be subject to the Group's recovery operations. Any recovery of a derecognised asset is recognised in profit or loss.

e) Derivative financial instruments

The Group uses derivative financial instruments to manage its financial risk, arising mainly from changes in interest rates and exchange rates (see Note 4). These derivative financial instruments, whether or not classified as hedges, were classified either 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 Group's risk and the counterparty's risk.

According to IAS 39, all derivative financial instruments are recognised as assets or liabilities on the consolidated balance sheet at their fair value, with changes in fair value recognised in consolidated income statement for the year. However, with hedge accounting, the effective portion of the hedge (fair value hedges, cash flow hedges and hedges of a net investment in a foreign currency) is recognised in equity.

At the inception of the hedge, or at the acquisition date in the case of an instrument incorporated in a business combination, the Group documents the relationship between the hedging instruments and the hedged items, as well as its risk management objective and the strategy for undertaking the hedge. The Group 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 the derivative financial instruments used for hedging purposes is set out in Note 11, and the change in the hedging reserve recognised in consolidated equity is set out in Note 14.

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 forecast 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:

I) 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 consolidated equity under "Reserves – Hedging reserves", 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 consolidated 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 the consolidated income statement for the year under "Change in fair value of financial instruments".

This type of hedge corresponds primarily to those derivatives entered into by the Group companies that convert floating rate debt to fixed rate debt.

II) Hedges of a net investment in a foreign operation

In certain cases, Cellnex finances its activities in the same functional currency in which its foreign investments are held so as to reduce the currency risk. This is carried out by obtaining financing in the corresponding currency or by entering into cross currency and interest rate swaps.

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. The effective portion of the gain or loss on the hedging instrument is recognised in equity, while the ineffective portion of the gain or loss is recognised immediately in the consolidated income statement for the year.
Cumulative gains or losses in equity are included in the income statement on disposal of the foreign operation.

III) Derivatives not recognised as hedges

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.

The Group does not use any derivative instruments, which do not qualify as hedging instruments.

IV) Fair value and valuation techniques

Fair value is defined as 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, irrespective of whether that price is directly observable or estimated using another valuation technique.

For financial reporting purposes, fair value measurements are classified into level 1, 2 or 3 depending on the extent to which inputs used are observable and the importance of those inputs for measuring fair value in its entirety, as described below:

- Level 1 - Inputs are based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs are based on quoted prices for similar assets or liabilities in active markets (not included in level 1), prices quoted for identical or similar assets or liabilities in markets that are not active, techniques based on valuation models for which all relevant 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.

In order to adopt IFRS 13, the Group must adjust the valuation techniques it uses for obtaining the fair value of its derivatives. The Group includes an adjustment for bilateral credit risk in order to reflect both its own risk, as well as counterparty risk in the fair value of its derivatives.

To determine the fair value of its derivatives, the Group 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 Group and by the counterparties are estimated on the basis of the credit default swap (CDS) prices observed in the market, when these exists.

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.

As at 31 December 2020 and 2019 the Group had derivative financial instruments (see Note 11).

f) Inventories

Inventories comprise mainly technical equipment which, after installation, will be sold. Inventories are measured at acquisition price, less any necessary valuation adjustments and the corresponding impairment.

g) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits in banks and highly liquid, current investments with a maturity of three months or less or current investment that the Group can withdraw cash without giving any notice and without suffering any significant penalty.

The Group is not subject to any limits regarding drawing down funds beyond those established in certain contracts for bank borrowings (see Note 15).

h) Net equity

The share capital is represented by ordinary shares. The costs of issuing new shares or options, net of tax, are recognised directly against equity, as a reduction to reserves. Dividends on ordinary shares are recognised as a reduction to equity when approved. Acquisitions of treasury shares are recognised at their acquisition cost and are deducted from equity until disposal.

The gains and losses obtained on the disposal of treasury shares are recognised under “Reserves” in the consolidated balance sheet.

i) Earnings per share

Basic earnings per share are calculated by dividing consolidated profit or loss for the year attributable to the Parent Company by the weighted average number of ordinary shares outstanding during the year, excluding the average number of shares of the Parent Company held by the Group.

Diluted earnings per share are calculated by dividing the consolidated profit or loss for the year attributable to ordinary shareholders adjusted for the effect attributable to the dilutive potential ordinary shares by the weighted average number of ordinary shares outstanding in the year, adjusted by the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares of the Parent Company.

For these purposes, it is considered that the shares are converted at the beginning of the year or at the date of issue of the potential ordinary shares, if the latter were issued during the current period.

j) Treasury Shares

If any Group company or the Parent Company acquires treasury shares of Cellnex, these are recognised in the consolidated balance sheet under "Treasury shares" and deducted from consolidated equity and measured at their acquisition cost without recognising any valuation adjustment.

When these shares are sold, any amount received, net of any additional directly attributable transaction costs and the corresponding effect of the tax on the gain generated, is included in equity attributable to shareholders of the Parent Company.

k) Financial liabilities

Borrowings, debentures and similar liabilities are initially recognised at fair value, including the costs incurred in raising the debt. In subsequent periods, they are measured at amortised cost. Any difference between the funds obtained (net of the costs required to obtain them) and the repayment value, if any and if significant, is recognised in the consolidated income statement over the term of the debt at the effective interest rate.

Borrowings with floating interest rates hedged with derivatives that change the interest rate from floating to fixed are measured at fair value of the hedged item. Changes in the borrowings are taken to income, thus offsetting the impact on profit and loss of the change in the derivative instrument's fair value. The borrowings with floating interest rates hedged with derivatives are not significant.

The Group considers that the terms of financial liabilities are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

Financial liabilities are derecognised when the obligations giving rise to them cease to exist. In the case of an exchange of debt instruments between the Group and a third party with substantially different terms, the Group derecognises the original financial liability and recognises the new financial liability. The difference between the carrying amount of the original liability and the consideration paid, including attributable transactions costs, is recognised in the consolidated income statement for the year.

l) Income tax

The income tax expense (credit) is the total amount accrued in this connection during the year, representing both current and deferred tax.

Both the current and the deferred tax expense (credit) are recognised in the consolidated income statement. However, the tax effect from items that are recognised directly in other comprehensive income or in equity is recognised in other comprehensive income or in equity.

The deferred taxes are calculated using the balance sheet liability method based on the temporary differences that arise between the tax bases of the assets and liabilities and their carrying amounts in the consolidated financial statements, according to the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date and which are expected to apply when the corresponding deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities that arise from temporary differences with subsidiaries, jointly controlled entities and/or associates are always recognised, unless the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not be reversed in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which to offset the deductible temporary differences or the unused tax losses or unused tax credits can be utilised. Any deferred tax assets that arise due to temporary differences with subsidiaries, jointly controlled entities and/or associates are recognised if, in addition, it is probable that they will be reversed in the foreseeable future.

The recoverability of deferred tax assets is assessed when they are generated, and at the end of each reporting period, depending on the earnings forecasts for the companies included in their respective business plans.

Lastly, the tax effect that may arise as a result of including the results and reserves of the subsidiaries in the Parent Company is included in the accompanying consolidated financial statements, especially those linked to the tax regulations of the tax group of which the Cellnex is the parent company.

m) Employee benefits

Under the respective collective bargaining agreements, different Group companies have the following obligations with their employees:

I) Post-employment obligations:

Defined contribution obligations

In relation to defined contribution employee welfare instruments (which basically include employee pension plans and group insurance policies), the Group makes fixed contributions to a separate entity and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. Consequently, the obligations under this type of plan are limited to the payment of contributions, the annual expense of which is recognised in the consolidated income statement for the year as the obligations arise.

Defined benefit obligations

Defined benefit obligations relate mainly to bonuses or payments for retirement from the company and temporary and/or life-time annuities.

With regard to these obligations, where the company assumes certain actuarial and investment risks, the liability recognised on the balance sheet is the present value of the obligations at the reporting date less the fair value of any plan assets at that date not arranged with related parties.

The actuarial valuation of the defined benefits is made annually by independent actuaries using the projected unit credit method to determine both the present value of the obligations and the related current and past service costs. The actuarial gains and losses arising from changes in the actuarial assumptions are recognised in the year in which they occur. They are not included in the consolidated income statement, but presented in the consolidated statement of comprehensive income.

II) Other long-term benefits

Regarding other long-term employee benefits, relating mainly to length of service at the company, the liability recognised on the balance sheet coincides with the present value of the obligations at the reporting date as they do not include any plan assets.

The projected unit credit method is used to determine both the current value of the liabilities at the balance sheet date and the cost of the services provided in the current and prior years. The actuarial gains and losses that arise from changes in the actuarial assumptions are recognised, unlike the post-employment liabilities, in the year in which they occur on the consolidated income statement for the year.

III) Severance pay

Severance pay is given to employees as a result of the decision to terminate their work contract before the normal retirement age or when the employee voluntarily accepts to resign in exchange for such compensations. The Group recognises these benefits when it is demonstrably committed to terminate the employment of the employees in accordance with a formal detailed plan without the possibility of withdrawal or to provide severance pay. If a mutual agreement is required, a provision is only recorded in situations in which the Group has decided to give its consent to the resignation of the employees when this has been requested by them.

IV) Obligations arising from plans for termination of employment

Provisions for obligations relating to plans for termination of employment of certain employees (such as early retirement or other forms of employment termination) are calculated individually based on the terms agreed with the employees. In some cases, this may require actuarial valuations based on both demographic and financial assumptions.

V) Long Term Incentive Plan

The amounts considered by the Group in relation to the Long-term Incentive Plans ("LTIP") which were formalised in 2017, 2018, 2019 and 2020 with the objective to retain key personnel and incentivise the sustainable creation of value for the shareholders, is based on the variables described below:

Rolling Long-term Incentive Plan (2017-2019)

On 27 April 2017 the Board of Directors approved the 2017-2019 LTIP, and decided to make the LTIP a rolling plan going forward to further incentivise the retention of the beneficiaries, which included the CEO, the Senior Management and some of the Group's key employees (up to a maximum of 50 employees).

The 2017-2019 LTIP was divided into two phases: (i) 2017-2018, and (ii) 2018-2019. Its objectives were as follows:

Phase I 2017-2018 accrued from 1 January 2017 until 31 December 2018 and was payable once the Group's financial statements corresponding to the 2018 financial year were approved.

The amount to be received by the beneficiaries of this Phase I (2017-2018) was determined by the degree of fulfilment of three objectives, each with the following weight:

1. 50%; the attainment of certain RLFCF ("Recurring Leveraged Free Cash Flow" as defined in section 3 of the accompanying Consolidated Management Report) per share figures according to the market consensus and at a constant scope of consolidation. The scale of attainment is: 50% if the figure is 5% below the target, 100% if figure matches the target, and 125% if the target is beaten by 5% or more;
2. 30%; the share price appreciation calculated between the initial starting price of the period and the average price in the last quarter of 2018, weighted by the volume ("vwap"). The scale of attainment is from 75% to 125% depending on the share price performance compared to IBEX 35 and certain European and American peers; and
3. 20%; the attainment of certain Adjusted EBITDA figure (As defined in section 3 of the accompanying Consolidated Management Report) according to the market consensus and the constant scope of consolidation. The scale of attainment is: 50% if the figure is 5% below the target, 100% if figure matches the target, and 125% if the target is beaten by 5% or more;

With regards to this Phase I (2017-2018) the weighted average degree of fulfilment of the three objectives was 125%. For the first objective, which was related to the RLFCF per share, the percentage of attainment was 125%, for the second objective, which was related the share price appreciation, the percentage of attainment was 125%, and for the third objective, which was related to the Adjusted EBITDA, the percentage of attainment was 125%.

In accordance with the attainment above, the cost of Phase I (2017-2018) of the LTIP (2017-2019) for Cellnex was EUR 5 million, which was paid during 2019.

Phase II (2018-2019) accrued from 1 January 2018 until 31 December 2019 and has been payable once the Group's financial statements corresponding to the 2019 financial year have been approved.

The amount to be received by the beneficiaries of this Phase II (2018-2019) was determined by the degree of fulfilment of two objectives, each with a weight of 50%:

- 50%; the attainment of a certain RLFCF per share figure according to the market consensus and a constant scope of consolidation. The scale of attainment is: 50% if the figure is 5% below the target, 100% if figure matches the target, and 125% if the target is beaten by 5% or more; and
- 50%; the share price appreciation calculated between the initial starting price of the period and the average price in the last quarter of 2019, weighted by the volume ("vwap"). The scale of attainment is from 75% to 125% depending on the share price performance compared to IBEX 35 and certain European and American peers.

As at 31 December 2019, the cost of the Phase II (2018-2019) was EUR 9.9 million, which has been paid during the second half of 2020.

For the LTIP (2017 – 2019) all Senior Management and certain employees must receive a minimum of 30% of their LTIP remuneration in Cellnex shares and for the CEO and Deputy CEO the minimum amount is 40% of their LTIP remuneration. For the rest of the beneficiaries, this minimum percentages varies depending on the position of the employee. The share based compensation of this LTIP has been grossed up to partially offset the tax impact on the beneficiaries.

Rolling Long-term Incentive Plan (2018-2020)

On 27 September 2018 Cellnex's Board of Directors approved the LTIP (2018-2020). The beneficiaries of this Plan are the CEO, the Deputy CEO, the Senior Management and key employees (approximately 55 employees). This plan had similar characteristics to the LTIP 2017-2019. This plan accrued from 1 January 2018 until 31 December 2020 and will be payable once the Group's financial statements corresponding to the 2020 financial year have been approved.

The amount to be received by the beneficiaries was determined by the degree of fulfilment of two objectives, each with a weight of 50%:

- 50%; the attainment of a certain RLFCF per share figure according to the market consensus and a constant scope of consolidation. The scale of attainment is: 50% if the figure is 5% below the target, 100% if figure matches the target, and 150% if the target is beaten by 5% or more; and
- 50%; the share price increase calculated using the initial starting price of the period and the average price in the last quarter of 2020, weighted by the volume ("vwap"). The scale of attainment is from 75% to 125% depending on the share price performance compared to IBEX 35 and certain European and American peers.

As at 31 December 2020, the cost of the LTIP (2018-2020) was EUR 7.3 million, which will be paid once the Group's financial statements corresponding to the 2020 financial year are approved.

For the 2018–2020 LTIP, the CEO and Deputy CEO must receive the minimum amount of 50% of their LTIP remuneration in shares. The rest of the Senior Management and certain employees must receive the minimum amount of 40% of their LTIP remuneration in shares. For the rest of the beneficiaries, this minimum percentages varies depending on the position of the employee. The Share based compensation of this LTIP has been grossed up to partially offset the tax impact on the beneficiaries.

Rolling Long-term Incentive Plan (2019-2021)

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

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

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

For the LTIP 2019 – 2021 all Senior Management and Deputy CEO must receive a minimum of 50% of their LTIP remuneration in Cellnex shares and for the CEO the minimum amount is 30% of their LTIP remuneration in shares. The outstanding 50% or 70% may be paid in options. The rest of the beneficiaries must receive 100% of their LTIP remuneration in shares. The Share based compensation of this LTIP will be grossed up to partially offset the tax impact on the beneficiaries.

As at 31 December 2020, the estimated cost of the 2019-2021 LTIP is approximately EUR 8.8 million. The cost of the 2019-2021 LTIP assuming full achievement of the Group's objectives is estimated at approximately EUR 11.0 million.

Rolling Long-term Incentive Plan (2020-2022)

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

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

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

For the 2020–2022 LTIP, the CEO must receive a minimum amount of 30% of his LTIP remuneration in shares and the outstanding 70% may be paid in options. The rest of the Senior Management must receive a minimum amount of 40% of their LTIP remuneration in shares and the outstanding 60% may be paid in options. Other beneficiaries must receive 70% of their LTIP remuneration in shares and the outstanding 30% may be paid in options. The rest of the beneficiaries must receive 100% of their LTIP remuneration in shares.

As of 31 December 2020, the estimated cost of the 2020-2022 LTIP amounts to approximately EUR 10.2 million.

n) Government grants

Government grants related to property, plant and equipment are deducted from the carrying value of the non-current assets in question and are taken to income over the expected useful lives of the assets concerned. In addition, the Group accounts for grants, donations or gifts and inheritances received as follows:

a) Non-refundable capital subsidies, donations and legacies: these are measured at the fair value of the amount or the asset received, based on whether or not they are monetary grants, and they are taken to income in proportion to the period depreciation taken on the assets for which the grants were received or, where appropriate, on disposal of the asset or on the recognition of an impairment loss, except for grants received from shareholders or owners, which are recognised directly in non-current liabilities and do not give rise to the recognition of any income.

b) Refundable grants: when refundable, they are recognised as non-current liabilities.

c) Operating subsidies: They are posted to the results at the time they are granted, except if they are used to finance the operating losses of future financial years, in which case they are recorded in said financial years. If they are granted to finance specific expenses, they are recorded as the financial expenses are accrued.

o) Provisions and contingencies

On the date of drawing up these consolidated financial statements, the Group differentiates between:

a) Provisions, understood as credit balances covering present obligations at the reporting date as a result of past events which could give rise to a loss for the Group, which is certain as to its nature but uncertain as to its amount and/or timing.

b) Contingent liabilities, understood as possible obligations arising as a result of past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the consolidated entities.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount of the provision is the present value of the future cash flows estimated to settle the present obligation.

Provisions recognised relate to the estimated amounts required to meet probable or certain liabilities stemming from ongoing litigation, compensation or other items resulting from the Group's activity that entail future payments that have been measured on the basis of currently available information. They are recognised as soon as the liability or obligation requiring compensation or payment to a third party arises, and bearing in mind the other conditions set forth in IFRSs.

Provision for asset retirement obligation

This relates to the Group's best estimate of the legal obligation in relation to the retirement of tangible assets with long useful lives, such as, for example, infrastructures for mobile telecommunications operators. It is calculated using estimates of the present value of the cash payments required to dismantle the assets, taking into consideration all the information available at the balance sheet date.

Due to the uncertainties inherent to the estimations necessary for determining the amount of the provision, the actual expenses may differ from the amounts originally recognised on the basis of the estimates made.

p) Revenue recognition

Revenue is recognised in such a way as to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, IFRS 15 establishes a revenue recognition approach based on five steps:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

In this connection, revenue is recognised as an entity satisfies the obligations, i.e., when the "control" of the goods or services underlying the obligation in question is transferred to the customer.

The various services are provided through services agreements for the infrastructure, in order to distribute the broadcasting or mobile signals, for a certain amount and for a certain length of time. The Group recognises revenue on a straight-line basis over the period in which the services are provided as established in the respective contracts. Also, on request of its customers the Group carries out certain works and studies such as adaptation, engineering and design services on the Cellnex network (hereinafter "Engineering Services"), which represent a separate income stream and performance obligation under IFRS 15. The costs incurred in relation to

these services can be internal costs or outsourced. The revenue in relation to these services is generally recognised as the costs are incurred.

The various activities that contribute to the Group's revenue from the rendering of services are organised and administered separately based on the nature of the services provided:

- Telecom Infrastructure Services: is the Group's main segment by turnover. It provides a wide range of integrated network infrastructure services to enable access to the Group's wireless infrastructure by MNOs and other wireless telecommunications and broadband network operators, allowing such operators to offer their own telecommunications services to their customers.

  The services that the Group provides to its customers include infrastructure support services, which in turn include the access of infrastructure networks to telecommunications operators that use wireless technologies. The Group acts as a neutral carrier for mobile network operators and other telecommunications operators that normally require complete access to the infrastructure network to provide services to the end customers.

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

- Broadcasting infrastructure: is the Group's second main segment by turnover. The Group currently provides broadcasting services only in Spain, where it is the only operator offering nationwide coverage of the DTT service. Its services consist of the distribution and transmission of television and radio signals, the operation and maintenance of broadcasting networks and the provision of connectivity for media content, OTT broadcasting and other services. Through the provision of broadcasting services, Cellnex has developed unique know-how that has helped to develop other services within its portfolio.

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

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

  In relation to this business segment, during 2018, Cellnex incorporated the XOC, a concessionary company dedicated to the management, maintenance and construction of the fiber optic network of the Generalitat de Catalunya.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividends income from investments is recognised when the shareholders' right to receive payment has been established, e.g., when the shareholders' meetings of the investees approve the dividend payment.

q) Expense recognition

Expenses are recognised in the consolidated income statement when there is a decrease in the future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. This means, in effect, that recognition of expenses occurs simultaneously with the recognition of an increase in liabilities or a decrease in assets. The register of an expense should occur based on the actual flow of goods and services, irrespective of when the corresponding payments are made. Any payment that may be made for all of a service received during a given period of time will be considered a prepaid expense recognised on the asset side of the consolidated balance sheet under "Trade and other receivables" and will be taken to the consolidated income statement when the service is received by the Group.

Expenses are recorded immediately when a payment generates no future economic benefits or when it does not comply with the requirements to be registered as an asset.

An expense is also recorded when a liability is recorded and no corresponding asset is simultaneously recorded as would be the case for liabilities for guarantees.

r) Leases

a) The Group as Lessee

The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease, determined with the support of an independent expert. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 3.c.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “other expenses” in the statement of profit or loss (see note 20.c).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

b) The Group as Lessor

The Group enters into lease agreements as a lessor with respect to its telecom infrastructures via Master Lease Agreements (“MLA”) where required, however the Group also offers Master Service Agreements (“MSA”) where appropriate. Cellnex provides to its customers in the Telecom Infrastructure Services access to the Group’s telecom infrastructures for MNOs to co-locate their equipment on the Group’s infrastructures.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group’s net investment in the leases. Finance lease income is allocated to reporting periods so as to reflect a constant periodic rate of return on the Group’s net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

s) Activities affecting the environment

Each year, costs arising from legal environmental requirements are either recognised as an expense or capitalised, depending on their nature. The amounts capitalised are depreciated over their useful life.

It was not considered necessary to make any provision for environmental risks and expenses, given that there are no contingencies in relation to environmental protection (see Note 20).

t) Related Party Transactions

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

u) Consolidated statement of cash flows

The following terms are used in the consolidated statement of cash flows with the meanings specified:

- Cash flows: inflows and outflows of cash and equivalent financial assets, which are short-term, highly liquid investments that are subject to a low risk of changes in value.
- Operating activities: the principal revenue-producing activities and other activities that are not investing or financing activities.
- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that produce changes to the size and composition of the net assets and of the liabilities which do not form part of the operating activities.

In the preparation of the consolidated statement of cash flows, "Cash and cash equivalents" were considered to include cash on hand, demand deposits at banks and other short-term, highly liquid investments readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

v) Transactions in foreign currencies

Transactions in foreign currencies are translated into the functional currency of the Group (the euro) using the exchange rates prevailing at the date of the transaction. Exchange gains and losses arising on settlement of these transactions and translation of monetary assets and liabilities held in foreign currency at the closing rates are recognised in the consolidated income statement, unless they are deferred to equity, as in the case of cash flow hedges and hedges of net investments in foreign operations, as noted in section e) of this Note.

4. Financial and capital risk management

a) Financial risk factors

The Group's activities are exposed to various financial risks, the most significant of which are foreign currency risk, interest rate risk, credit risk, liquidity risk, inflation risk and risks related to Group Indebtedness. The Group can use derivatives and other protection mechanisms to hedge certain interest rate and foreign currency risks.

Financial risk management is controlled by the Corporate Finance and Treasury Department following authorisation by the most senior executive officer of Cellnex Telecom, as part of the respective policies adopted by the Board of Directors.

I) Foreign currency risk

As the Group reporting currency is the euro, fluctuations in the value of other currencies in which borrowings are instrumented and transactions are carried out with respect to the euro may have an effect in future commercial transactions, recognized assets and liabilities, and net investments in foreign operations.

Furthermore, the Group also operates and holds assets in the United Kingdom, Switzerland, and Denmark, countries outside the Eurozone. The Group is therefore exposed to foreign currency risks and in particular to the risk of currency fluctuation in connection

with exchange rate between the euro, the pound sterling, the Swiss franc and the Danish krone. The Group strategy for hedging foreign currency risk in investments in non-euro currencies tends towards a balanced hedge of this risk, and must be implemented over a reasonable period of time depending on the market and the prior assessment of the effect of the hedge. This hedge can be instrumented via derivatives or borrowings in local currency, which act as a natural hedge.

Although the majority of the Group transactions are denominated in euros, the volatility in converting into euro agreements denominated in pound sterling and Swiss francs may have negative consequences to the Group, affecting its overall business, prospects, financial condition, results of operations and/or cash flow generation.

In relation to foreign currency risk, the contributions to the main aggregates of the consolidated income statement of the Group by companies operating in a functional currency other than the euro were as follows:

31 December 2020

Company		Thousands of Euros	
	Functional currency	Income	%
Shere Group UK and On Tower UK	GBP	141,339	9%
Cellnex Switzerland subgroup	CHF	137,467	9%
Contribution in foreign currency		**278,806**	**18%**
Total Cellnex Group		**1,604,772**	

31 December 2019

Company		Thousands of Euros	
	Functional currency	Income	%
Shere Group UK	GBP	13,535	1%
Cellnex Switzerland subgroup	CHF	84,993	8%
Contribution in foreign currency		**98,528**	**9%**
Total Cellnex Group		**1,030,845**	

The contribution to the main aggregates of the consolidated balance sheet of the Group by companies operating in a functional currency other than the euro was as follows:

31 December 2020

Company				Thousands of Euros	
	Functional currency	Total assets	%	Equity	%
Shere Group UK and On Tower UK	GBP	3,620,496	15%	1,826,842	20%
Cellnex Switzerland	CHF	1,931,964	8%	768,309	9%
Cellnex Denmark	DKK	588,394	2%	348,822	4%
Contribution in foreign currency		**6,140,854**	**25%**	**2,943,973**	**33%**
Total Cellnex Group		**24,069,627**		**8,932,741**	

31 December 2019 restated

Company				Thousands of Euros	
	Functional currency	Total assets	%	Equity	%
Shere Group UK	GBP	268,975	2%	274,476	5%
Cellnex Switzerland	CHF	1,922,526	15%	792,959	16%
Contribution in foreign currency		**2,191,501**	**17%**	**1,067,435**	**21%**
Total Cellnex Group		**13,042,648**		**5,050,629**	

The estimated sensitivity of the consolidated income statement and of the consolidated equity to a 10% change in the exchange rate of the main currencies in which the Group operates with regard to the rate in effect at year-end is as follows:

	Thousands of Euros	
	2020	
Functional currency	Income	Equity [1]
10% change:		
GBP	(13,122)	(166,077)
CHF	(12,497)	(69,846)
DKK	-	(31,711)

[1] Impact on equity from translation differences arising in the consolidation process.

	Thousands of Euros	
	2019 restated	
Functional currency	Income	Equity [1]
10% change:		
GBP	(1,230)	(24,952)
CHF	(7,727)	(72,087)

[1] Impact on equity from translation differences arising in the consolidation process.

The effects on the Group's equity would be partially offset by the impact on equity from the net investment hedges, which were entered into for the initial investment amount.

II) Interest rate risk

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

Borrowings issued at floating rates expose the Group to cash flow interest rate risk, while fixed-rate borrowings expose the Group to fair value interest rate risk. Additionally any increase in interest rates would increase Group finance costs relating to variable-rate indebtedness and increase the costs of refinancing existing indebtedness and issuing new debt.

The aim of interest rate risk management is to strike a balance in the debt structure which makes it possible to minimise the volatility in the consolidated income statement in a multi-annual setting.

The Group can use derivative financial instruments to manage its financial risk, arising mainly from changes in interest rates. These derivative financial instruments are classified as cash flow hedges and recognised at fair value (both initially and subsequently). The

required valuations were determined by analysing discounted cash flows using assumptions mainly based on the market conditions at the reporting date for unlisted derivative instruments (see Note 11 of the accompanying consolidated financial statements).

As at 31 December 2020 there are financing granted from third parties covered by interest rate hedging mechanisms (see Note 11 of the accompanying consolidated financial statements).

III) Credit risk

Each of the Group's main business activities (Telecom Infrastructure Services, Broadcasting Infrastructure and Other Network Services) obtain a significant portion of revenues from a limited number of customers, many of which are long-term customers and have high-value contracts with the Group.

The mobile network operators are the Group's main customers in the Telecom Infrastructure Services; television and radio broadcasting operators are the main clients in the broadcasting infrastructure; and certain central, regional and local government authorities, emergency and security forces, the public service sector and telecommunications operators are the main customers in its activities relating to Other Network Services.

The Group is sensitive to changes in the creditworthiness and financial strength of its main customers due to the importance of these key customers to the overall revenues. The long-term nature of certain Group contracts with customers and the historically high renewal ratio of these contracts, together with geographic and customer diversification, and specially the greater relative weight of customers with higher credit quality, helps to mitigate this risk.

The Group depends on the continued financial strength of its customers, some of which operate with substantial leverage and some of them are not investment grade or do not have a credit rating.

Given the nature of the Group's business, it has significant concentrations of credit risk, since there are significant accounts receivable as a result of having a limited number of customers. To mitigate this credit risk, the Group has in place contractual arrangements to transfer this risk to third parties via non-recourse factoring of trade receivables in which case the Group would not retain any credit risk.

The credit risk also arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, and other debt, including unsettled receivables and committed transactions.

To mitigate this credit risk, the Group carries out derivative transactions and spot transactions mainly with banks with strong credit ratings as qualified by international rating agencies. The solvency of these institutions, as indicated in each institution's credit ratings, is reviewed periodically in order to perform active counterparty risk management.

The loss of significant customers, or the loss of all or a portion of the Group's expected services agreements revenues from certain customers and an increase in the Group's level of exposure to credit risk, or its failure to actively manage it, could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

IV) Liquidity risk

The Group carries out a prudent management of liquidity risk, which involves maintaining cash and having access to a sufficient amount of financing through established credit facilities as well as the ability to settle market positions. Given the dynamic nature of the Group's businesses, the policy of the Group is to maintain flexibility in funding sources through the availability of committed credit facilities. Due to this policy the Group has available liquidity c. EUR 17,6 billion, considering cash and available credit lines, as at 31 December 2020, and has no immediate debt maturities (the maturities of the Group's financial obligations are detailed in Note 15).

As a consequence of the aforementioned the Group considers that it has liquidity and access to medium and long-term financing that allows the Group to ensure the necessary resources to meet the potential commitments for future investments.

However, the Group may not be able to draw down or access liquid funds in a sufficient amount and at a reasonable cost to meet its payment obligations at all times. Failure to maintain adequate liquidity levels may materially and adversely affect the Group business, prospects, results of operations, financial conditions and/or cash flows, and, in extreme cases, threaten the Group future as a going concern and lead to insolvency.

V) Inflation risk

A significant portion of the Group's operating costs could rise as a result of higher inflation. Further, most of the Group's infrastructure services contracts are indexed to inflation. As a consequence, its results of operations could be affected by inflation and/or deflation.

VI) Risks Related to Group Indebtedness

The Group's indebtedness may increase, from time to time, due to potential new acquisitions, fundamental changes to corporate structure or joint ventures and issuances made in connection with any of the foregoing. The Group present or future leverage could have significant negative consequences, including:

- Placing the Group at a possible competitive disadvantage to less leveraged competitors and competitors that may have better access to capital resources, including with respect to acquisitions and forcing the Group to forego certain business opportunities.
- Requiring the dedication of a substantial portion of cash flow from operations to service the debt, thereby reducing the amount of cash flow available for other purposes, including, among others, capital expenditures and dividends.
- Requiring the Group to issue debt or equity securities or to sell some of its core assets, possibly not on the best terms, to meet payment obligations.
- Accepting financial covenants in the financing contracts such as: debt limitation, cash restriction, pledge of assets, amongst others.
- Affecting the Group current corporate rating with a potential downgrade from a rating agency, which can make obtaining new financing more difficult and expensive.
- Requiring the Group to early repay the outstanding debt in the event that the relevant change of control clause is triggered.

b) Fair value measurement

The measurement of the assets and liabilities at their fair value must be broken down by levels based on the hierarchy described in Note 3-e.iv. The breakdown at 31 December of the Group's assets and liabilities measured at fair value based on the aforementioned levels being as follows:

31 December 2020

				Thousands of Euros
	Level 1	Level 2	Level 3	2020
Assets				
Derivative financial instruments:				
Hedges of a net investment in a foreign operation	-	6,116	-	6,116
Total derivative financial instruments	**-**	**6,116**	**-**	**6,116**
Total assets	**-**	**6,116**	**-**	**6,116**
Liabilities				
Derivative financial instruments:				
Cash flow hedges	-	9,908	-	9,908
Total derivative financial instruments	**-**	9,908	**-**	9,908
Total liabilities	**-**	**9,908**	**-**	**9,908**

31 December 2019

			Thousands of Euros	
	Level 1	Level 2	Level 3	2019
Liabilities				
Derivative financial instruments:				
Cash flow hedges	-	3,593	-	3,593
Total derivative financial instruments	-	3,593	-	3,593
Total liabilities	-	3,593	-	3,593

In 2020 and 2019 there were no transfers between Levels 1 and 2.

As indicated in Notes 3-d and 3-e, the fair value of the financial instruments traded in active markets is based on the market prices at the reporting date. The quoted price used for financial assets is the current bid price.

The fair value of financial instruments not listed on an active market is determined using valuation techniques. The Group employs a variety of methods and uses assumptions based on the market conditions at each reporting date, including the concept of "transfer", as a result of which credit risk is taken into account.

For non-current borrowings observable market prices are used; the fair value of interest rate swaps is calculated as the present value of estimated future cash flows and the fair value of foreign currency forward contracts is determined using the forward exchange rates quoted in the market at the closing date. In this regard, the fair value based on the aforementioned hierarchies of the bond issues and other loans, and loans and credit facilities at 31 December 2020 and 2019 is detailed in Note 15.

c) Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern to deliver returns to its shareholders and to maintain an optimal capital structure and lower costs. In this regard, Group's management is continuously assessing different alternatives to maintain a flexible approach regarding the capital structure, these alternatives being issuing straight bonds, convertible bonds, reaching agreements with minority shareholders at the business unit level such as Cellnex Switzerland and Nexloop, or even executing a potential capital increase. In order to do so, the management of the Parent Company takes into consideration both market conditions, the M&A pipeline and the feasibility to sign or to have signed M&A deals in the previous/future weeks. Cellnex has the ambition to execute such pipeline (in part or entirely) in accordance with its strict financial M&A criteria and expand its existing portfolio of telecom infrastructures consistently with the Business Strategy of the Group.

The Group monitors capital using a leverage ratio along with other financial ratios (e.g. net debt as a multiple of EBITDA and recurring leveraged free cashflow), in line with standard industry practice.

One leverage ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings, as given in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as equity, as given in the consolidated balance sheet, plus net debt.

As stated in the previous section 4.a.VI, the Group's borrowings may increase and its impact on the leverage ratio can affect the current corporate rating. A potential downgrade from a rating agency could make it more difficult and costly to obtain new financing.

The leverage ratios at 31 December were as follows:

	Thousands of Euros	
	31 December 2020	31 December 2019 restated
Bank borrowings (Note 15)	1,854,488	1,636,450
Bonds issues (Note 15)	7,534,957	3,501,124
Lease liabilities (Note 16)	1,762,819	1,140,188
Cash and cash equivalents (Note 13)	(4,652,027)	(2,351,555)
Net Borrowings [1]	6,500,237	3,926,207
Net equity (Note 14)	8,932,741	5,050,629
Total capital [2]	15,432,978	8,976,836
Leverage ratio [1]/[2]	42%	44%

5. Matters arising from the completion of the business combinations of the 2019 year end

The comparative financial information for 2019 has been restated, in accordance with IFRS 3, as a result of the completion of the purchase price allocation for Iliad France Acquisition, Iliad Italy Acquisition, Swiss Infra Services Acquisition and Cignal subgroup Acquisition (see Note 6).

The reconciliation of the key figures of the Group's consolidated balance sheet, consolidated statement of changes in net equity, consolidated income statement and consolidated statement of cash flows for the year ended 31 December 2019, obtained before and after the completion of the purchase price allocation for the acquisitions mentioned above, is shown below:

Consolidated balance sheet at 31 December 2019

			Thousands of Euros
	31 December 2019 Approved	Impact of IFRS 3 (See Note 6)	31 December 2019 Restated
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	2,986,142	(86,603)	2,899,539
Goodwill	1,486,410	(195,407)	1,291,003
Other intangible assets	4,251,825	343,795	4,595,620
Right-of-use assets	1,251,117	(11,404)	1,239,713
Investments in associates	2,832	-	2,832
Financial investments	146,909	(6,000)	140,909
Trade and other receivables	18,427	-	18,427
Deferred tax assets	136,581	(2,858)	133,723
Total non-current assets	**10,280,243**	**41,523**	**10,321,766**
CURRENT ASSETS			
Inventories	2,149	-	2,149
Trade and other receivables	365,083	(4)	365,079
Receivables from associates	84	-	84
Financial investments	2,015	-	2,015
Cash and cash equivalents	2,351,555	-	2,351,555
Total current assets	**2,720,886**	**(4)**	**2,720,882**
TOTAL ASSETS	**13,001,129**	**41,519**	**13,042,648**

	Thousands of Euros		
	31 December 2019 Approved	Impact of IFRS 3 (See Note 6)	31 December 2019 Restated
NET EQUITY			
Share capital and attributable reserves			
Share capital	96,332	-	96,332
Treasury shares	(4,222)	-	(4,222)
Share premium	3,886,193	-	3,886,193
Reserves	191,871	(12)	191,859
Profit for the year	(9,245)	68	(9,177)
	4,160,929	**56**	**4,160,985**
Non-controlling interests	889,907	(263)	889,644
Total net equity	**5,050,836**	**(207)**	**5,050,629**
NON-CURRENT LIABILITIES			
Bank borrowings and bond issues	5,093,696	-	5,093,696
Lease liabilities	944,529	(11,194)	933,335
Derivative financial instruments	3,593	-	3,593
Provisions and other liabilities	401,720	24	401,744
Employee benefit obligations	17,972	-	17,972
Deferred tax liabilities	827,860	53,904	881,764
Total non-current liabilities	**7,289,370**	**42,734**	**7,332,104**
CURRENT LIABILITIES			
Bank borrowings and bond issues	48,426	-	48,426
Lease liabilities	207,498	(645)	206,853
Employee benefit obligations	22,975	-	22,975
Payables to associates	25	-	25
Trade and other payables	381,999	(363)	381,636
Total current liabilities	**660,923**	**(1,008)**	**659,915**
TOTAL NET EQUITY AND LIABILITIES	**13,001,129**	**41,519**	**13,042,648**

Consolidated income statement for the year ended 31 December 2019

			Thousands of Euros
	31 December 2019 Approved	Impact of IFRS 3 (See Note 6)	31 December 2019 Restated
Services	1,000,023	-	1,000,023
Other operating income	30,822	-	30,822
Operating income	**1,030,845**	**-**	**1,030,845**
Staff costs	(144,171)	-	(144,171)
Other operating expenses	(243,387)	-	(243,387)
Change in provisions	154	-	154
Losses on fixed assets	(135)	-	(135)
Depreciation and amortisation	(500,814)	(1,027)	(501,841)
Operating profit	**142,492**	**(1,027)**	**141,465**
Financial income	1,254	-	1,254
Financial costs	(127,430)	-	(127,430)
Interest expense on lease liabilities	(70,408)	645	(69,763)
Net financial profit/(loss)	**(196,584)**	**645**	**(195,939)**
Profit of companies accounted for using the equity method	82	-	82
Profit/(loss) before tax	**(54,010)**	**(382)**	**(54,392)**
Income tax	35,507	193	35,700
Consolidated net profit/(loss)	**(18,503)**	**(189)**	**(18,692)**
Attributable to non-controlling interests	(9,258)	(257)	(9,515)
Net profit attributable to the Parent Company	**(9,245)**	**68**	**(9,177)**
Earnings per share (in euros per share):			
Basic	(0.03)		(0.03)
Diluted	(0.03)		(0.03)

Consolidated statement of changes in net equity for the year ended 31 December 2019

							Thousands of Euros
Total Net Equity at 31/12/2019	Share capital	Treasury shares	Share premium	Reserves	Profit for the year	Non-controlling interests	Net equity
Net Equity before IFRS 3 impact	**96,332**	**(4,222)**	**3,886,193**	**191,871**	**(9,245)**	**889,907**	**5,050,836**
Impact of IFRS 3	-	-	-	(12)	68	(263)	**(206)**
Net Equity after IFRS 3 impact	**96,332**	**(4,222)**	**3,886,193**	**191,859**	**(9,177)**	**889,644**	**5,050,629**

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

Consolidated statement of cash flows for the year ended 31 December 2019

			Thousands of Euros
	31 December 2019 Approved	Impact of IFRS 3 (See Note 6)	31 December 2019 Restated
Profit/(loss) for the year before tax	(54,010)	(382)	(54,392)
Adjustments to profit-			
Depreciation	500,814	1,027	501,841
Gains/(losses) on derecognition and disposals of non-current assets	135	-	135
Changes in provisions	(154)	-	(154)
Interest and other income	(1,254)	-	(1,254)
Interest and other expenses	197,838	(645)	197,193
Share of results of companies accounted for using the equity method	(82)	-	(82)
Other income and expenses	2,290	-	2,290
Changes in current assets/current liabilities-			
Inventories	1,715	-	1,715
Trade and other receivables	(61,334)	-	(61,334)
Other current assets and liabilities	59,520	-	59,520
Cash flows generated by operations			
Interest paid	(147,932)	-	(147,932)
Interest received	599	-	599
Income tax received/(paid)	(25,262)	-	(25,262)
Current provisions and Employee benefit obligations	(53,326)	-	(53,326)
Total net cash flow from operating activities (I)	419,557	-	419,557

	Thousands of Euros		
	31 December 2019 Approved	Impact of IFRS 3 (See Note 6)	31 December 2019 Restated
Business combinations and changes in the scope of consolidation	(3,059,586)	-	(3,059,586)
Purchases of property, plant and equipment and intangible assets	(894,224)	-	(894,224)
Non-current financial investments	(3,235)	-	(3,235)
Dividends received	-	-	-
Total net cash flow from investing activities (II)	**(3,957,045)**	**-**	**(3,957,045)**
Acquisition of treasury shares	-	-	-
Issue of equity instruments	3,683,375	-	3,683,375
Proceeds from issue of bank borrowings	1,656,330	-	1,656,330
Bond issue	1,026,032	-	1,026,032
Repayment and redemption of bank borrowings	(651,344)	-	(651,344)
Repayment of bond issues and other loans	(62,835)	-	(62,835)
Net repayment of other borrowings	(26,978)	-	(26,978)
Net payment of lease liabilities	(174,151)	-	(174,151)
Dividends paid	(26,620)	-	(26,620)
Dividends to non-controlling interests	(808)	-	(808)
Others	109	-	109
Total net cash flow from financing activities (III)	**5,423,110**	**-**	**5,423,110**
Foreign exchange differences	**10,063**	**-**	**10,063**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS (I)+(II)+(III)	**1,895,685**	**-**	**1,895,685**
Cash and cash equivalents at beginning of year	455,870	-	455,870
Cash and cash equivalents at end of year	**2,351,555**	**-**	**2,351,555**

6. Business combinations

The Group typically acquires telecommunications infrastructures from telecommunications carriers or other infrastructure operators and subsequently integrates those infrastructures into its existing network. The financial results of the Group's acquisitions have been included in the accompanying consolidated financial statements for the year ended 31 December 2020 from the date of respective acquisition. The date of acquisition, and by extension the point at which the Group begins to recognise the results of an acquisition, may be dependent upon, among other things, the receipt of contractual consents, the commencement and extent of contractual arrangements, the timing of the transfer of title or rights to the assets as well as the customary regulatory approvals, which may be accomplished in phases.

As a result of the business combinations performed during 2020 and 2019, and following a prudent approach, the vast majority of the difference between the book value of the assets acquired and the purchase price paid has been assigned to assets subject to deprecation or amortization. Thus, the resulting goodwill corresponds in the vast majority to the net deferred tax recognised resulting from the higher fair value attributed to the net assets acquired in comparison with their tax bases. Furthermore, provision for other responsibilities captures mainly provisions for contingent liabilities made during the Purchase Price Allocation process which are a result of present obligations arising from past events, where the fair value can be reliably measured.

Business combinations for 2020

The main relevant business combinations for the 2020 year end are detailed below:

Omtel Acquisition

In the first half of 2020 Cellnex acquired 100% of the share capital of Belmont Infra Holding, S.A. from Belmont Infra Investments B.V. and PT Portugal SGPS, S.A. (sellers of 75% and 25%, of the share capital, respectively) and the credit rights under certain capital contributions (prestações acessórias) made by Belmont Infra Investments B.V. and PT Portugal SGPS, S.A. to Belmont Infra Holding, S.A. (the "Omtel Acquisition"). Cellnex entered into separate share purchase and assignment agreements with each of Belmont Infra Investments B.V. and PT Portugal SGPS, S.A. in connection with the Omtel Acquisition. The consideration for the acquisition was approximately EUR 800 million (equivalent Enterprise Value[2]), estimated as of the date of the transaction, subject to certain price adjustments, including in the event that Cellnex resells 100% of the share capital of Belmont Infra Holding, S.A. within three years from completion. On 2 January 2020, Cellnex paid EUR 300 million in cash and assumed EUR 233 million of debt of the acquired subgroup, which Cellnex fully repaid after closing of the Omtel Acquisition, and incorporated EUR 43 million of cash balances.

The remaining balance of the consideration (which, as of the date of signing, was approximately 50% of the total fair market value of Belmont Infra Holding, S.A., amounting to a deferred payment of EUR 570 million) will be paid on the earlier of 31 December 2027 or upon the occurrence of certain events of default (including certain defaults by Cellnex under unrelated indebtedness). The Group has financed the initial payment of this acquisition with available cash.

As a result of the Omtel Acquisition, Cellnex directly owns all the shares of Belmont Infra Holding, S.A. and, consequently, all the shares of its subsidiaries BIH and Omtel. Omtel currently operates a nationwide portfolio of approximately 3,000 sites in Portugal, with an initial tenancy ratio of c.1.25 per site.

Thus, following the Omtel Acquisition, this subgroup has been fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2020 the value of all of its assets and liabilities has been included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year ended on 31 December 2020. The operating income and net loss contribution since acquisition amounted to EUR 60 million and EUR 0.4 million, respectively, corresponding to the impact of 100% of the financial results of the Omtel Acquisition in the accompanying consolidated income statement.

Omtel agreements

Omtel and Serviços De Comunicações E Multimédia, S.A. ("MEO") entered into an MSA (as amended on 18 March 2019 and on 19 May 2020, (the "Omtel MSA") whereby Omtel agreed to provide certain services (including services for the hosting of MEO's equipment on Omtel's sites, fibre connection services and additional ancillary services) to MEO on certain sites owned by Omtel on a non-exclusive basis to support the electronic communication services provided by MEO to its customers. The fees under the Omtel MSA are CPI-linked. The initial term of the Omtel MSA is of 20 years, subject to automatic extensions for additional 5-year periods, unless cancelled. As part of the Omtel MSA, the parties have committed to deploy new sites under a build-to-suit program. The build-to-suit program, among other things, provides for the construction or incorporation of up to approximately 500 sites by 15 December 2023. Cellnex expects that this program could be increased by up to 250 additional sites by 2027. The Group estimates that the related capital expenditure for this build-to-suit program, including the expected 250 additional sites, is expected to amount to approximately EUR 140 million, which the Group expects to finance with cash generated by the portfolio. In the event the Omtel MSA is terminated by MEO for cause, MEO will have a buy-back right with respect to Omtel's sites.

[2] Equivalent Enterprise Value considering the initial payment and debt assumption plus deferred payment discounted at investment's internal return rate.

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

	Thousands of Euros
Total acquisition price [1]	762,384
Fair value of the net assets acquired	733,930
Resulting goodwill	**28,454**

[1] Relating to the payment of EUR 300,000 thousand made on the acquisition date plus EUR 462,384 thousand corresponding to the present value (at a market discount rate of 2.65%) at the acquisition date of the deferred purchase price of all the shares Belmont Infra Holding and its subsidiaries, amounting to EUR 570,000 thousand, payable in 2027 (see Note 19.b.i).

The initial accounting for the business combination involving the Omtel Acquisition described in Note 4 of the condensed consolidated interim financial statements for the period six-month period ended on 30 June 2020, is considered to have been completed as of the date of signing these consolidated financial statements, since one year has elapsed since the date of acquisition (in accordance with IFRS 3). The fair value at the date of acquisition of the assets and liabilities of the acquired business has been determined, for the most part, using valuation techniques. The main valuation methods used were the analysis of discounted cash flows generated by the identified assets, based on criteria similar to those mentioned in Note 3.c. With regards to the Omtel Acquisition, considering that IFRS 3 allows the reassessment of the allocation process during a period of one year and given the complexity of identifying the acquired intangible assets, the Group decided to perform a purchase price allocation with the participation of an independent third party expert. The potential value of the sites is mainly due to the characteristics and quality of the physical locations, which translates into a certain expectation of increasing their "customer ratio". This can be attributed to certain sets of intangible assets, of which each individual element is necessary to realise the full value. Thus, the fair value amount of the acquired net assets includes the valuation of the intangible assets identified that individually meet the identifiability criteria of IAS 38 (Intangible Assets), and consists of "Customer Network Services Contracts" and "Network Location" as defined in Note 3. b) ii), and also that provisions related with certain risks of the transaction and the acquired business that meet the recognition criteria according to IFRS3. The goodwill mainly includes the net recognition of any deferred taxes resulting from the higher fair value attributed to the net assets acquired in comparison with the tax bases. Among other effects, this transaction allows Cellnex to incorporate a new client, MEO, which is the market leader in Portugal and joins a rich and diversified mix of clients in Europe, covering the leading operators in the markets in which the Group operates. The timing of the transaction further coincides with the imminent arrival of 5G which will require network densification and an efficient roll-out that should allow Cellnex to propose an attractive solution to mobile operators both in terms of cost and speed of execution. The assets and liabilities arising from the Omtel Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	Carrying value	Revaluation
Other intangible assets	1,006,075	12,008	994,067
Right-of-use-assets	44,232	47,994	(3,762)
Property, plant and equipment	98,258	608,758	(510,500)
Financial investments long term	6	6	-
Trade and other receivables short term	12,261	12,261	-
Cash and cash equivalents	42,588	42,588	-
Bank borrowings and derivative financial instruments long term	(243,259)	(233,017)	(10,242)
Lease liabilities long term	(23,178)	(35,055)	11,877
Provisions and other liabilities long term	(56,724)	(15,724)	(41,000)
Lease liabilities short term	(16,975)	(10,265)	(6,710)
Trade and other payables	(8,303)	(8,303)	-
Net deferred tax assets /(liabilities)	(121,051)	-	(121,051)
Net assets acquired	**733,930**	**421,251**	**312,679**
Total acquisition price	762,384	762,384	
Deferred payment (see Note 19.b.I)	(462,384)	(462,384)	
Cash and cash equivalents	(42,588)	(42,588)	
Cash outflow in the acquisition	**257,412**	**257,412**	

Arqiva Acquisition

In the second half of 2019, Cellnex and Cellnex UK Limited entered into an agreement with Arqiva Holdings Limited, a company within the Arqiva group (the "Arqiva Group"), for the sale and purchase of 100% of the issued and paid up share capital of Arqiva Services Limited (the "Arqiva Acquisition"), a company to which the Arqiva Group has carved-out the UK telecoms towers business of the Arqiva Group following a reorganisation of assets, liabilities and activities. In the second half of 2020, the Group completed the Arqiva Acquisition, after all the conditions precedent were satisfied, and acquired full ownership of the share capital of Arqiva Services Limited, which is the owner of approximately 7,400 held sites and the rights to market approximately 900 sites located in United Kingdom. The Group paid an aggregate consideration of approximately GBP 2 billion, which was financed with available cash and bank financing.

Thus, following the Arqiva Acquisition, this subgroup has been fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2020 the value of all of its assets and liabilities has been included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year ended on 31 December 2020. The operating income and net loss contribution since acquisition amounted to EUR 128 million and EUR 13 million, respectively, corresponding to the impact of 100% of the financial results of the Arqiva Acquisition in the accompanying consolidated income statement. Otherwise, if the Arqiva Acquisition, had been completed on 1 January 2020, and consequently, it had been fully consolidated for the year ended 31 December 2020, it would have contributed an operating income and net loss for an amount of approximately EUR 265 million and EUR 15 million, respectively.

Arqiva agreements

Certain Cellnex and Arqiva group companies have entered into several agreements in the context of the Arqiva Acquisition, including:

- a sale and purchase agreement, for the sale and purchase of 100% of the entire issued share capital of Arqiva TowerCo, between Cellnex, Cellnex UK and Arqiva Holdings Limited (the "Arqiva SPA");
- a master site share agreement, entered into by Arqiva Limited (a company of the Arqiva Group) and Arqiva TowerCo, permitting Arqiva Limited rights of access to and use of the UK Tower Business sites for its broadcast and M2M businesses and regulating the provision by Arqiva TowerCo of related site services (the "Arqiva MSSA");
- master site share agreements with certain third parties, permitting such third parties rights of access to and use of certain sites and regulating the provision by the Group and Arqiva TowerCo, as applicable, of related site services (the "Third-Party MSSAs"); and
- a portfolio management agreement, entered into by Arqiva Limited and Arqiva TowerCo, permitting Arqiva TowerCo rights of access to and use of 1,492 sites for its customer's equipment and services and for certain exclusive rights to market site space to MNOs and to receive 100% of all revenues in relation thereto (the "Arqiva PMA").

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

	Thousands of Euros
Total acquisition price [1]	2,209,840
Fair value of the net assets acquired	1,590,624
Resulting goodwill	**619,216**

[1] Corresponds to the cash paid (GBP 1,987,041 thousand) with the impacts of natural hedge accounting as disclosed in Note 11, which has been treated as the hedge of a "transaction highly probable in accordance with the provisions of IAS 39, totalling an amount equivalent to EUR 2,209,840 thousand.

The fair value at the date of acquisition of the assets and liabilities of the acquired business has been determined, for the most part, using valuation techniques. The main valuation methods used were the analysis of discounted cash flows generated by the identified assets, based on criteria similar to those mentioned in Note 3.c. With regards to the Arqiva Acquisition, considering that IFRS 3 allows the reassessment of the allocation process during a period of one year and given the complexity of identifying the acquired intangible assets, the Group decided to perform a purchase price allocation with the participation of an independent third party expert. The potential value of the sites is mainly due to the characteristics and quality of the physical locations, which translates into a certain

expectation of increasing their "customer ratio". This can be attributed to certain sets of intangible assets, of which each individual element is necessary to realise the full value. Thus, the fair value amount of the acquired net assets includes the valuation of the intangible assets identified that individually meet the identifiability criteria of IAS 38 (Intangible Assets), and consists of "Customer Network Services Contracts" and "Network Location" as defined in Note 3. b) ii) and also that provisions related with certain risks of the transaction and the acquired business that meet the recognition criteria according to IFRS3. The goodwill mainly includes the net recognition of any deferred taxes resulting from the higher fair value attributed to the net assets acquired in comparison with the tax bases. The assets and liabilities arising from the Arqiva Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	Carrying value	Revaluation
Other intangible assets	2,059,624	-	2,059,624
Right-of-use assets	319,640	307,515	12,125
Property, plant and equipment	167,087	167,087	-
Trade and other receivables short term	37,113	37,113	-
Cash and cash equivalents	113	113	-
Lease liabilities long term	(188,152)	(200,337)	12,185
Provisions and other liabilities long term	(305,377)	(89,310)	(216,067)
Lease liabilities short term	(58,219)	(33,909)	(24,310)
Provisions and other liabilities short term	(80,548)	(80,548)	-
Trade and other payables	(28,706)	(28,706)	-
Net deferred tax assets /(liabilities)	(331,952)	59,377	(391,329)
Net assets acquired	**1,590,623**	**138,396**	**1,452,228**
Total acquisition price	2,209,840	2,209,840	
Cash and cash equivalents	(113)	(113)	
Cash outflow in the acquisition	**2,209,727**	**2,209,727**	

Finally, at the date of signing these consolidated financial statements for the year ended on 31 December 2020, Cellnex is in the process of finalizing the allocation of the fair value of the assets and liabilities acquired by means of the analysis of the discounted cash flows generated by the assets identified, and therefore, in accordance with IFRS 3, the Group has one year from the date of completion of the operation to complete the measurement process.

NOS Towering Acquisition

In the first half of 2020, Cellnex reached an agreement with the Portuguese mobile operator NOS, SGPS S.A. ("NOS"), for the acquisition from Nos Comunicações, S.A. of 100% of the share capital of NOS Towering Gestão de Torres de Telecomunicações, S.A. ("NOS Towering"), which following a carve out operates a nationwide portfolio of approximately 2,000 sites in Portugal, for a preliminary consideration (Enterprise Value) of approximately EUR 374 million (the "NOS Towering Acquisition"). Additionally, the Group agreed to acquire up to approximately 400 additional new or existing sites from the NOS group by 2026 (the Group treats this commitment as a build-to-suit program), and other agreed initiatives, with an estimated investment of approximately EUR 175 million. The transaction was completed in the second half of 2020 after all the conditions precedent were satisfied. The Group has financed this acquisition with available cash and expects to finance the deployment of new or existing additional sites using cash flows generated by the portfolio and other internal resources. The NOS Towering Acquisition strengthens the Group's industrial project in Portugal. Under the agreement, Cellnex and NOS as an anchor tenant have signed an inflation-linked MLA for an initial period of 15 years, to be automatically extended for additional 15-year periods, on an "all-or-nothing" basis, with undefined maturity, under which NOS will continue to use the sites that Cellnex will operate, locating its voice and data signal transmission equipment there.

Thus, following the NOS Towering Acquisition, this subgroup has been fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2020 the value of all of its assets and liabilities has been included in the consolidated balance sheet and the corresponding impact of operations in the consolidated income statement for the year ended on 31 December 2020. The operating income and net loss contribution since acquisition amounted to EUR 9 million and EUR 4 million, respectively,

corresponding to the impact of 100% of the financial results of the NOS Towering Acquisition in the accompanying consolidated income statement. Otherwise, if the NOS Towering Acquisition, had been completed on 1 January 2020, and consequently, it had been fully consolidated for the year ended 31 December 2020, it would have contributed an operating income and net loss for an amount of approximately EUR 36 million and EUR 17 million, respectively.

NOS Towering agreements

The Group entered into a share purchase agreement with NOS Comunicações, S.A. governing the terms and conditions of the NOS Towering Acquisition. In addition, the Group entered into an MLA with NOS as anchor tenant and certain entities of the NOS group setting forth, among other things, the terms and conditions of certain co-location services to be provided by NOS Towering on its sites to certain entities of the NOS group and the sale of up to approximately 400 new or existing sites to NOS Towering by certain entities of the NOS group by 2026 (the Group treats this commitment as a build-to-suit program) (the "NOS Towering MLA"). The fees under the NOS Towering MLA will be CPI-linked. The NOS Towering MLA will have an initial duration of 15 years, to be automatically extended for additional 15-year periods, on an "all-or-nothing" basis, with undefined maturity, under which NOS will continue to use the sites that Cellnex will operate, locating its voice and data signal transmission equipment in such sites.

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

	Thousands of Euros
Total acquisition price [1]	398,555
Fair value of the net assets acquired	313,762
Resulting goodwill	**84,793**

[1] Corresponds to the final consideration, in accordance with the NOS Towering SPA.

The fair value at the date of acquisition of the assets and liabilities of the acquired business has been determined, for the most part, using valuation techniques. The main valuation methods used were the analysis of discounted cash flows generated by the identified assets, based on criteria similar to those mentioned in Note 3.c. With regards to the NOS Towering Acquisition, considering that IFRS 3 allows the reassessment of the allocation process during a period of one year and given the complexity of identifying the acquired intangible assets, the Group decided to perform a purchase price allocation with the participation of an independent third party expert. The potential value of the sites is mainly due to the characteristics and quality of the physical locations, which translates into a certain expectation of increasing their "customer ratio". This can be attributed to certain sets of intangible assets, of which each individual element is necessary to realise the full value. Thus, the fair value amount of the acquired net assets includes the valuation of the intangible assets identified that individually meet the identifiability criteria of IAS 38 (Intangible Assets), and consists of "Customer Network Services Contracts" and "Network Location" as defined in Note 3. b) ii) and also that provisions related with certain risks of the transaction and the acquired business that meet the recognition criteria according to IFRS3. The goodwill mainly includes the net recognition of any deferred taxes resulting from the higher fair value attributed to the net assets acquired in comparison with the tax bases. The NOS Towering Acquisition strengthens the Group's industrial project in Portugal. The assets and liabilities arising from the NOS Towering Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	Carrying value	Revaluation
Other intangible assets	280,400	-	280,400
Right-of-use assets	26,498	29,053	(2,555)
Property, plant and equipment	96,942	96,942	-
Trade and other receivables short term	4,207	4,207	-
Cash and cash equivalents	45,030	45,030	-
Lease liabilities long term	(17,383)	(29,482)	12,099
Provisions and other liabilities long term	(15,188)	(15,188)	-
Lease liabilities short term	(8,470)	(6,761)	(1,709)
Trade and other payables	(24,563)	(24,563)	-
Net deferred tax assets /(liabilities)	(73,713)	4,799	(78,512)
Net assets acquired	**313,760**	**104,037**	**209,723**
Total acquisition price	398,555	398,555	
Cash and cash equivalents	(45,030)	(45,030)	
Cash outflow in the acquisition	**353,525**	**353,525**	

Finally, at the date of signing these consolidated financial statements for the ended on 31 December 2020, Cellnex is in the process of finalizing the allocation of the fair value of the assets and liabilities acquired by means of the analysis of the discounted cash flows generated by the assets identified, and therefore, in accordance with IFRS 3, the Group has one year from the date of completion of the operation to complete the measurement process.

CK Hutchison Holdings Transaction

In the second half of 2020, Cellnex announced it had reached agreement with CK Hutchison Networks Europe Investments S.à.r.L. ("Hutchison") for the acquisition of Hutchison's European tower business and assets in Austria, Denmark, Ireland, Italy, the United Kingdom and Sweden by way of six separate transactions (i.e. one transaction per country) (the "CK Hutchison Holdings Transactions"). See Note 21 of the accompanying consolidated financial statements.

The CK Hutchison Holdings Transactions in respect of Austria, Denmark and Ireland were completed at the end of December 2020 following satisfaction or waiver of all applicable conditions precedent (the "CK Hutchison Holdings 2020 Completed Transactions") and, consequently, as of the end of December 2020, the Group fully owns Networks Co Austria, On Tower Denmark and Networks Co Ireland. In addition, the CK Hutchison Holdings Transactions in respect of Sweden was completed on 26 January 2021 following satisfaction or waiver of all applicable conditions precedent (the "CK Hutchison Holdings Swedish Transaction"). Completion of the CK Hutchison Holdings Transactions in respect of Italy and the United Kingdom remains subject to certain remaining conditions precedent, including in connection with customary anti-trust and foreign investment clearances and, in the case of the United Kingdom, Group shareholder approval (the "CK Hutchison Holdings Pending Transactions"). In accordance with IFRS 3, given that the CK Hutchison Holdings Swedish Transaction and the CK Hutchison Holdings Pending Transactions had not been completed as of 31 December 2020, the relevant target businesses were not accounted for in the consolidated financial statements for the year ended 31 December 2020.

Agreements

Although the CK Hutchison Holdings Transactions comprise six separate transactions (i.e. one transaction per country), Cellnex and Hutchison entered into one purchase agreement in relation to the acquisition of the companies in continental Europe and a separate purchase agreement in relation to the acquisitions in the United Kingdom, as defined in Note 21 of the accompanying consolidated financial statements.

Hutchison Austria Acquisition

In the second half of 2020, Cellnex, by virtue of the CK Hutchison Holdings Transactions (through its fully owned subsidiary Cellnex Austria) acquired 100% of the share capital of CK Hutchison Networks (Austria) GmbH ("Networks Co Austria"), owner of approximately 4,500 sites located in Austria, (the "Hutchison Austria Acquisition"). Additionally, Cellnex has agreed to the deployment of 450 sites in Austria by 2026 (see Note 21). The actual cash outflow for Cellnex in relation to this transaction (Enterprise Value) has been EUR 1.2 billion. The transaction was completed in December 2020, following the settlement of several administrative authorizations. Thus, the Hutchison Austria Acquisition has been fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2020 the value of all of its assets and liabilities has been included in the consolidated balance sheet. In accordance to the aforementioned, there has been no contribution to the operating income and net profit in the accompanying consolidated income statement. Otherwise, if Hutchison Austria Acquisition, had been completed on 1 January 2020, and consequently, it had been fully consolidated for the year ended 31 December 2020, it would have contributed an operating income and net loss for an amount of approximately EUR 77 million and EUR 2 million, respectively.

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

	Thousands of Euros
Total acquisition price [1]	934,507
Fair value of the net assets acquired	659,453
Resulting goodwill	**275,054**

[1] In addition to the acquisition price paid for the shares of the acquired company (EUR 935 million), at the acquisition date, an additional EUR 224 million were paid to cancel the existing debt that Networks Co. Austria had with companies of the Hutchison Group at that date.

Given the date on which the Hutchison Austria Acquisition has been completed, at the date of preparation of these consolidated financial statements, Cellnex is in the process of finalizing the allocation of the resulting goodwill to the identified CGUs and the fair value of the assets and liabilities acquired at the acquisition date, through their valuation based on the analysis of the discounted cash flows generated by the identified assets, providing, as established by IFRS 3, of the term of one year from the formalization of the corresponding operation to complete the purchase price allocation process. In this context, the Group, based on its experience and the analysis performed during the purchase process, has carried out an internal preliminary purchase price allocation. Given the complexity in identifying the intangible assets acquired, an independent third party expert will be employed in the coming months. In this regard, as in previous business combinations, the potential value of the sites is mainly due to the characteristics and quality of the physical locations, which translates into a certain expectation of increasing their "customer ratio". This can be attributed to certain sets of intangible assets, of which each individual element is necessary to realise the full value. Thus, the fair value amount of the acquired net assets includes the valuation of the intangible assets identified that individually meet the identifiability criteria of IAS 38 (Intangible Assets), and consists of "Customer Network Services Contracts" and "Network Location" as defined in Note 3. b) ii) and also that provisions related with certain risks of the transaction and the acquired business that meet the recognition criteria according to IFRS3. The goodwill mainly includes the net recognition of any deferred taxes resulting from the higher fair value attributed to the net assets acquired in comparison with the tax bases. The assets and liabilities arising from the Hutchison Austria Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	Carrying value	Revaluation
Other intangible assets	883,962	547	883,415
Right-of-use assets	84,604	84,604	-
Property, plant and equipment	118,629	118,629	-
Trade and other receivables short term	2,160	2,160	-
Cash and cash equivalents	20,549	20,549	-
Loans from Group companies long term	(223,642)	(223,642)	-
Lease liabilities long term	(73,216)	(73,216)	-
Provisions and other liabilities long term	(55,037)	(837)	(54,200)
Lease liabilities short term	(23,052)	(23,052)	-
Provisions and other liabilities short term	(780)	(780)	-
Trade and other payables	(1,830)	(1,830)	-
Net deferred tax assets /(liabilities)	(72,894)	147,960	(220,854)
Net assets acquired	**659,453**	**51,092**	**608,361**
Total acquisition price	934,507	934,507	
Cash and cash equivalents	(20,549)	(20,549)	
Cash outflow in the acquisition	**913,958**	**913,958**	

Given the date on which the Hutchison Austria Acquisition has been completed, at the date of signing these consolidated financial statements for the ended on 31 December 2020, Cellnex is in the process of finalizing the allocation of the fair value of the assets and liabilities acquired by means of the analysis of the discounted cash flows generated by the assets identified, and therefore, in accordance with IFRS 3, the Group has one year from the date of completion of the operation to complete the measurement process.

Hutchison Ireland Acquisition

In the second half of 2020, Cellnex, by virtue of the CK Hutchison Holdings Transactions (through its fully owned subsidiary Cellnex Ireland) acquired 100% of the share capital of CK Hutchison Networks (Ireland) Limited ("Networks Co Ireland"), owner of approximately 1,120 sites located in Ireland, (the "Hutchison Ireland Acquisition"). Additionally, Cellnex has agreed to the deployment of 133 sites in Ireland by 2025 (see Note 21). The actual cash outflow for Cellnex in relation to this transaction (Enterprise Value) has been EUR 0.6 billion. The transaction was completed in December 2020, following the settlement of several administrative authorizations. Thus, the Hutchison Ireland Acquisition has been fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2020 the value of all of its assets and liabilities has been included in the consolidated balance sheet. In accordance to the aforementioned, there has been no contribution to the operating income and net profit in the accompanying consolidated income statement. Otherwise, if Hutchison Ireland Acquisition, had been completed on 1 January 2020, and consequently, it had been fully consolidated for the year ended 31 December 2020, it would have contributed an operating income and net loss for an amount of approximately EUR 40 million and EUR 9 million, respectively.

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

	Thousands of Euros
Total acquisition price	612,196
Fair value of the net assets acquired	383,188
Resulting goodwill	**229,008**

Given the date on which the Hutchison Ireland Acquisition has been completed, at the date of preparation of these consolidated financial statements, Cellnex is in the process of finalizing the allocation of the resulting goodwill to the identified CGUs and the fair value of the assets and liabilities acquired at the acquisition date, through their valuation through the analysis of the discounted cash flows generated by the identified assets, providing, as established by IFRS 3, of the term of one year from the formalization of the corresponding operation to complete the purchase price allocation process. In this context, the Group, based on its experience and

the analysis performed during the purchase process, has carried out an internal preliminary purchase price allocation. Given the complexity in identifying the intangible assets acquired, an independent third party expert will be employed in the coming months. In this regard, as in previous business combinations, the potential value of the sites is mainly due to the characteristics and quality of the physical locations, which translates into a certain expectation of increasing their "customer ratio". This can be attributed to certain sets of intangible assets, of which each individual element is necessary to realise the full value. Thus, the fair value amount of the acquired net assets includes the valuation of the intangible assets identified that individually meet the identifiability criteria of IAS 38 (Intangible Assets), and consists of "Customer Network Services Contracts" and "Network Location" as defined in Note 3. b) ii) and also that provisions related with certain risks of the transaction and the acquired business that meet the recognition criteria according to IFRS3. The goodwill mainly includes the net recognition of any deferred taxes resulting from the higher fair value attributed to the net assets acquired in comparison with the tax bases. The assets and liabilities arising from the Hutchison Ireland Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	Carrying value	Revaluation
Other intangible assets	481,109	64,194	416,915
Right-of-use assets	94,568	94,568	-
Property, plant and equipment	68,918	68,918	-
Trade and other receivables short term	989	989	-
Cash and cash equivalents	14	14	-
Lease liabilities long term	(82,931)	(82,931)	-
Provisions and other liabilities long term	(115,023)	(2,323)	(112,700)
Lease liabilities short term	(11,387)	(11,387)	-
Trade and other payables	(864)	(864)	-
Net deferred tax assets /(liabilities)	(52,205)	(91)	(52,114)
Net assets acquired	**383,188**	**131,087**	**252,101**
Total acquisition price	612,196	612,196	
Cash and cash equivalents	(14)	(14)	
Cash outflow in the acquisition	612,182	612,182	

Given the date on which the Hutchison Ireland Acquisition has been completed, at the date of signing these consolidated financial statements for the ended on 31 December 2020, Cellnex is in the process of finalizing the allocation of the fair value of the assets and liabilities acquired by means of the analysis of the discounted cash flows generated by the assets identified, and therefore, in accordance with IFRS 3, the Group has one year from the date of completion of the operation to complete the measurement process.

Hutchison Denmark Acquisition

In the second half of 2020, Cellnex, by virtue of the CK Hutchison Holdings Transactions (through its fully owned subsidiary Cellnex Denmark), acquired 100% of the share capital of HI3G Networks Denmark ApS ("Networks Co Denmark"), owner of approximately 1,300 sites located in Denmark (the "Hutchison Denmark Acquisition"). Additionally, Cellnex has agreed to the deployment of 564 sites in Denmark by 2024 (see Note 21). In December 2020, the acquired company changed its name to On Tower Denmark ApS ("On Tower Denmark"). The actual cash outflow for Cellnex in relation to this transaction (Enterprise Value) has been EUR 0.4 billion. The transaction was completed in December 2020, following the settlement of several administrative authorizations. Thus, the Hutchison Denmark Acquisition has been fully consolidated within the Cellnex Group as of the acquisition date, such that as at 31 December 2020 the value of all of its assets and liabilities has been included in the consolidated balance sheet. In accordance to the aforementioned, there has been no contribution to the operating income and net profit in the accompanying consolidated income statement. Otherwise, if Hutchison Denmark Acquisition, had been completed on 1 January 2020, and consequently, it had been fully consolidated for the year ended 31 December 2020, it would have contributed an operating income and net profit for an amount of approximately EUR 30 million and EUR 2 million, respectively. The breakdown of the net assets acquired and goodwill generated by the Hutchison Denmark Acquisition, at the completion date, is as follows:

	Thousands of Euros
Total acquisition price	437,777
Fair value of the net assets acquired	320,370
Resulting goodwill	**117,407**

Given the date on which the Hutchison Denmark Acquisition has been completed, at the date of preparation of these consolidated financial statements, Cellnex is in the process of finalizing the allocation of the resulting goodwill to the identified CGUs and the fair value of the assets and liabilities acquired at the acquisition date, through their valuation through the analysis of the discounted cash flows generated by the identified assets, providing, as established by IFRS 3, of the term of one year from the formalization of the corresponding operation to complete the purchase price allocation process. In this context, the Group, based on its experience and the analysis performed during the purchase process, has carried out an internal preliminary purchase price allocation. Given the complexity in identifying the intangible assets acquired, an independent third party expert will be employed in the coming months. In this regard, as in previous business combinations, the potential value of the sites is mainly due to the characteristics and quality of the physical locations, which translates into a certain expectation of increasing their "customer ratio". This can be attributed to certain sets of intangible assets, of which each individual element is necessary to realise the full value. Thus, the fair value amount of the acquired net assets includes the valuation of the intangible assets identified that individually meet the identifiability criteria of IAS 38 (Intangible Assets), and consists of "Customer Network Services Contracts" and "Network Location" as defined in Note 3. b) ii) and also that provisions related with certain risks of the transaction and the acquired business that meet the recognition criteria according to IFRS3. The goodwill mainly includes the net recognition of any deferred taxes resulting from the higher fair value attributed to the net assets acquired in comparison with the tax bases. The assets and liabilities arising from the Hutchison Denmark Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	Carrying value	Revaluation
Other intangible assets	326,847	-	326,847
Right-of-use assets	25,118	25,118	-
Property, plant and equipment	59,898	59,898	-
Trade and other receivables long term	1,446	1,446	-
Trade and other receivables short term	803	803	-
Cash and cash equivalents	718	718	-
Lease liabilities long term	(17,753)	(17,753)	-
Provisions and other liabilities long term	(45,576)	(76)	(45,500)
Lease liabilities short term	(8,033)	(8,033)	-
Trade and other payables	(3,954)	(3,954)	-
Net deferred tax assets /(liabilities)	(19,144)	52,763	(71,907)
Net assets acquired	**320,370**	**110,930**	**209,440**
Total acquisition price	437,777	437,777	
Cash and cash equivalents	(718)	(718)	
Cash outflow in the acquisition	**437,059**	**437,059**	

Given the date on which the Hutchison Denmark Acquisition has been completed, at the date of signing these consolidated financial statements for the ended on 31 December 2020, Cellnex is in the process of finalizing the allocation of the fair value of the assets and liabilities acquired by means of the analysis of the discounted cash flows generated by the assets identified, and therefore, in accordance with IFRS 3, the Group has one year from the date of completion of the operation to complete the measurement process.

Business combinations for 2019

The initial accounting for the business combinations involving Iliad France Acquisition, Iliad Italy Acquisition, Swiss Infra Services Acquisition and Cignal subgroup Acquisition described in Note 5 of the consolidated financial statements for the 2019 financial year, are now considered to have been completed, since one year has elapsed since the respective dates of acquisition (in accordance with IFRS 3). Therefore, the Group modified the values used in the 2019 consolidated financial statements, as further information became available, allowing it to carry out a more accurate evaluation of the purchase price allocation process (see Note 5).

Iliad France Acquisition

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

	Thousands of Euros
Total acquisition price [1]	2,005,142
Fair value of the net assets acquired	1,533,613
Resulting goodwill	**471,529**

[1] The amount that Cellnex France Groupe would have paid for 100% of On Tower France. The Group has a 70% stake in On Tower France (see Note 2.h).

The review of the purchase price allocation of the Iliad France Acquisition gave rise to a EUR 138,525 thousand decrease in goodwill following the recognition of a higher revaluation of other intangible assets ("Customer Network Services Contracts" and "Network Location") which ultimately amounted to EUR 1,701,000 thousand (EUR 1,473,400 thousand in the 2019 consolidated financial statements), and a step down in property plant, and equipment resulting from an accurate appraisal of fixed assets, which ultimately amounted to EUR 335,577 thousand (EUR 378,477 thousand in the 2019 consolidated financial statements).

The fair value at the date of acquisition of the assets and liabilities of the acquired business has been determined, for the most part, using valuation techniques. The main valuation methods used were the analysis of discounted cash flows generated by the identified assets, based on criteria similar to those mentioned in Note 3. b) ii) and also that provisions related with certain risks of the transaction and the acquired business that meet the recognition criteria according to IFRS3. With regards to the Iliad France Acquisition, given the complexity of identifying the acquired intangible assets, the Group decided to perform a purchase price allocation with the participation of an independent third party expert. The goodwill mainly includes the net recognition of any deferred taxes resulting from the higher fair value attributed to the net assets acquired in comparison with the tax bases. Among other effects, this transaction allows Cellnex to strengthen its footprint in the French market as the leading independent telecommunications infrastructures operator with a network of dense and capillary sites that will play a key role in the deployment of 5G in France. The assets and liabilities arising from the Iliad France Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	Carrying value	Revaluation
Other intangible assets	1,701,000	-	1,701,000
Right-of-use assets	267,569	256,974	10,595
Property, plant and equipment	335,577	386,977	(51,400)
Trade and other receivables long term	116	116	-
Trade and other receivables short term	3,439	3,439	-
Cash and cash equivalents	341	341	-
Lease liabilities long term	(189,205)	(179,805)	(9,400)
Provisions and other liabilities long term	(127,804)	(9,681)	(118,123)
Lease liabilities short term	(57,985)	(55,848)	(2,137)
Trade and other payables	(16,566)	(17,507)	941
Net deferred tax assets /(liabilities)	(382,869)	-	(382,869)
Net assets	**1,533,613**	**385,006**	**1,148,607**
Non-controlling interests	(460,084)	(115,502)	(344,582)
Net assets acquired	**1,073,529**	**269,504**	**804,025**
Total acquisition price	2,005,142	2,005,142	
Cash in from other shareholders	(601,542)	(601,542)	
Cash and cash equivalents	(341)	(341)	
Cash outflow in the acquisition	**1,403,259**	**1,403,259**	

Iliad Italy Acquisition

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

	Thousands of Euros
Total acquisition price [1]	600,000
Fair value of the net assets acquired	567,661
Resulting goodwill	**32,339**

[1] The acquisition price contains the amount paid by Cellnex Italia for the business unit containing approximately 2,200 sites in Italy.

The review of the purchase price allocation of the Iliad Italy Acquisition gave rise to a EUR 2,570 thousand decrease in goodwill following the recognition of a higher revaluation of other intangible assets ("Customer Network Services Contracts" and "Network Location") which ultimately amounted to EUR 388,100 thousand (EUR 383,700 thousand in the 2019 consolidated financial statements).

The fair value at the date of acquisition of the assets and liabilities of the acquired business has been determined, for the most part, using valuation techniques. The main valuation methods used were the analysis of discounted cash flows generated by the identified assets, based on criteria similar to those mentioned in Note 3. b) ii) and also that provisions related with certain risks of the transaction and the acquired business that meet the recognition criteria according to IFRS3. With regards to the Iliad Italy Acquisition, given the complexity of identifying the acquired intangible assets, the Group has decided to perform a purchase price allocation with the participation of an independent third party expert. The goodwill mainly includes the net recognition of any deferred taxes resulting from the higher fair value attributed to the net assets acquired in comparison with the tax bases. Among other effects, this transaction decisively allows Cellnex to strengthen its footprint in the Italian market. The assets and liabilities arising from the Iliad Italy Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	Carrying value	Revaluation
Other intangible assets	388,100	-	388,100
Right-of-use assets	81,720	-	81,720
Property, plant and equipment	94,400	-	94,400
Non-current financial investments	114,000	-	114,000
Provisions and other liabilities long term	(37,700)	-	(37,700)
Lease liabilities long term	(68,969)	-	(68,969)
Lease liabilities short term	(12,751)	-	(12,751)
Net deferred tax assets /(liabilities)	8,861	-	8,861
Net assets acquired	**567,661**	**-**	**567,661**
Total acquisition price	600,000	600,000	
Cash and cash equivalents	-	-	
Cash outflow in the acquisition	**600,000**	**600,000**	

Swiss Infra Services Acquisition

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

	Thousands of Euros
Total acquisition price [1]	919,678
Fair value of the net assets acquired	766,553
Resulting goodwill	**153,125**

[1] The amount paid by Swiss Towers for 100% of Swiss Infra. The Group has a 65% stake in Swiss Infra (see Note 2.h.).

The review of the purchase price allocation of the Swiss Infra Acquisition gave rise to a EUR 39,295 thousand decrease in goodwill following the recognition of a higher revaluation of other intangible assets ("Customer Network Services Contracts" and "Network Location") which ultimately amounted to EUR 892,867 thousand (EUR 844,946 thousand in the 2019 consolidated financial statements).

The fair value at the date of acquisition of the assets and liabilities of the acquired business has been determined, for the most part, using valuation techniques. The main valuation methods used were the analysis of discounted cash flows generated by the identified assets, based on criteria similar to those mentioned in Note 3. b) ii) and also that provisions related with certain risks of the transaction and the acquired business that meet the recognition criteria according to IFRS3. With regards to the Swiss Infra Services Acquisition, given the complexity of identifying the acquired intangible assets, the Group has decided to perform a purchase price allocation with the participation of an independent third party expert. The goodwill mainly includes the net recognition of any deferred taxes resulting from the higher fair value attributed to the net assets acquired in comparison with the tax bases. Among other effects, this transaction allows Cellnex to strengthen its footprint in the Swiss market. The assets and liabilities arising from the Swiss Infra Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	Carrying value	Revaluation
Other intangible assets	892,867	-	892,867
Right-of-use assets	135,449	135,529	(80)
Property, plant and equipment	68,702	72,730	(4,028)
Trade and other receivables long term	640	640	-
Cash and cash equivalents	92	92	-
Lease liabilities long term	(116,663)	(104,542)	(12,121)
Provisions and other liabilities long term	(41,695)	(35,800)	(5,895)
Lease liabilities short term	(11,007)	(23,208)	12,201
Provisions and other liabilities short term	(2,171)	(2,171)	-
Trade and other payables	(731)	(731)	-
Net deferred tax assets /(liabilities)	(158,930)	-	(158,930)
Net assets	**766,553**	**42,539**	**724,014**
Non-controlling interests [1]	(330,538)	(18,343)	(312,195)
Net assets acquired	**436,015**	**24,196**	**411,819**
Total acquisition price	919,678	919,678	
Cash in from other shareholders	(91,968)	(91,968)	
Cash and cash equivalents	(92)	(92)	
Deferred payment	(57,835)	(57,835)	
Cash outflow in the acquisition	**769,783**	**769,783**	

[1] Corresponding to the stake in Swiss Infra Services at the date of acquisition, different from that hold at 2019 year-end (See Note 2.h.).

Cignal subgroup Acquisition

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

	Thousands of Euros
Total acquisition price	111,928
Fair value of the net assets acquired	71,862
Resulting goodwill	**40,066**

The review of the purchase price allocation of the Cignal subgroup Acquisition gave rise to a EUR 14,875 thousand decrease in goodwill following the recognition of a higher revaluation of other intangible assets ("Customer Network Services Contracts" and "Network Location") which ultimately amounted to EUR 145,100 thousand (EUR 79,300 thousand in the 2019 consolidated financial statements), and a step down in property plant, and equipment resulting from an accurate appraisal of fixed assets, which ultimately amounted to EUR 49,023 thousand (EUR 97,823 thousand in the 2019 consolidated financial statements).

The fair value at the date of acquisition of the assets and liabilities of the acquired business has been determined, for the most part, using valuation techniques. The main valuation methods used were the analysis of discounted cash flows generated by the identified assets, based on criteria similar to those mentioned in Note 3. b) ii) and also that provisions related with certain risks of the transaction and the acquired business that meet the recognition criteria according to IFRS3. With regards to the Cignal subgroup Acquisition, given the complexity of identifying the acquired intangible assets, the Group has decided to perform a purchase price allocation with the participation of an independent third party expert. The goodwill mainly includes the net recognition of any deferred taxes resulting from the higher fair value attributed to the net assets acquired in comparison with the tax bases. The assets and liabilities arising from the Cignal subgroup Acquisition are as follows:

Debit/(Credit)			Thousands of Euros
			Value acquired
	Fair value	Carrying value	Revaluation
Other intangible assets	148,191	3,091	145,100
Property, plant and equipment	49,023	97,823	(48,800)
Cash and cash equivalents	2,485	2,485	-
Provisions and other liabilities long term	(10,000)	-	(10,000)
Loans from Group companies long term	(106,991)	(106,991)	-
Trade and other payables	(58)	(58)	-
Net deferred tax assets /(liabilities)	(10,788)	-	(10,788)
Net assets acquired	**71,862**	**(3,650)**	**75,512**
Total acquisition price	111,928	111,928	
Cash and cash equivalents	(2,485)	(2,485)	
Cash outflow in the acquisition	**109,443**	**109,443**	

7. Property, plant and equipment

The changes in this heading in the consolidated balance sheet during 2020 and 2019 were as follows:

				Thousands of Euros
	Land and buildings	Plant and machinery and other fixed assets	Property, plant and equipment under construction	Total
At 1 January 2020 restated				
Cost	2,967,951	697,550	153,243	**3,818,744**
Accumulated depreciation	(540,661)	(378,544)	-	**(919,205)**
Carrying amount	**2,427,290**	**319,006**	**153,243**	**2,899,539**
Carrying amount at beginning of year	2,427,290	319,006	153,243	**2,899,539**
Changes in the consolidation scope (Note 6)	497,975	109,071	21,039	**628,085**
Additions	633,297	104,680	249,415	**987,391**
Disposals (net)	(1,689)	(1,379)	(3,516)	**(6,584)**
Transfers	70,489	1,341	(71,830)	**-**
Foreign exchange differences	(4,286)	(3,957)	(433)	**(8,676)**
Depreciation charge	(247,046)	(54,882)	-	**(301,928)**
Carrying amount at close	**3,376,032**	**473,880**	**347,915**	**4,197,827**
At 31 December 2020				
Cost	4,163,739	907,306	347,915	**5,418,960**
Accumulated depreciation	(787,707)	(433,426)	-	**(1,221,133)**
Carrying amount	**3,376,032**	**473,880**	**347,915**	**4,197,827**

	Thousands of Euros			
	Land and buildings	Plant and machinery and other fixed assets	Property, plant and equipment under construction	Total
At 1 January 2019				
Cost	1,933,140	588,350	88,995	**2,610,485**
Accumulated depreciation	(387,832)	(318,911)	-	**(706,743)**
Carrying amount	**1,545,308**	**269,439**	**88,995**	**1,903,742**
Carrying amount at beginning of year	1,545,308	269,439	88,995	**1,903,742**
Changes in the consolidation scope (Note 5)	552,696	3,353	6,213	**562,262**
Additions	406,104	97,910	136,041	**640,055**
Disposals (net)	(1,221)	(233)	(319)	**(1,773)**
Transfers	69,969	7,716	(77,768)	**(83)**
Foreign exchange differences	7,263	454	81	**7,798**
Depreciation charge	(152,829)	(59,633)	-	**(212,462)**
Carrying amount at close	**2,427,290**	**319,006**	**153,243**	**2,899,539**
At 31 December 2019 restated				
Cost	2,967,951	697,550	153,243	**3,818,744**
Accumulated depreciation	(540,661)	(378,544)	-	**(919,205)**
Carrying amount	**2,427,290**	**319,006**	**153,243**	**2,899,539**

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

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

"Property, plant and equipment under construction" includes the investment carried out mainly in relation to the "built-to-suit" programs reached by the Group for the construction of mobile telecommunications infrastructures, as well as the investment for the roll-out of the optic fibre network, among others.

Movements in 2020

Changes in the scope of consolidation and business combinations

The movements in 2020 due to changes in the scope of consolidation and business combinations mainly correspond to the impact of:

- the Omtel Acquisition (EUR 98,258 thousand, see Notes 2.h and 6).
- the Arqiva Acquisition (EUR 167,087 thousand, see Notes 2.h and 6).
- the NOS Towering Acquisition (EUR 96,942 thousand, see Notes 2.h and 6).
- the Hutchison Austria Acquisition (EUR 118,629 thousand, see Notes 2.h and 6).
- the Hutchison Ireland Acquisition (EUR 68,918 thousand, see Notes 2.h and 6).
- the Hutchison Denmark Acquisition (EUR 59,898 thousand, see Notes 2.h and 6).

Signed acquisitions and commitments

France

As detailed in Note 2.h., in the first half of 2020 Cellnex France Groupe and Bouygues Telecom reached a strategic agreement through which they became shareholders of Nexloop, a newly incorporated company (49% owned by Bouygues Telecom and 51% owned by Cellnex, although, taking into account both the signed shareholders' agreement and the financing structure agreed for the new company, Cellnex will have in practice an effective right to 100% of the expected cash flows generated after debt service up until 2055, subject to certain limitations, either through shareholder loan remuneration or through preferred dividends). This company will deploy a national fibre optic network in France to provide mobile and fixed fibre based connectivity and especially accelerate the roll-out of 5G in the country. The agreement comprises the roll out of a network of up to 31,500 km., interconnecting the telecommunications rooftops and towers providing service to Bouygues Telecom (approximately 5,000 of which belong to and are operated by Cellnex) with the network of "metropolitan offices" for housing data processing centres (Edge Computing). The agreement covers the deployment of up to 90 new "Metropolitan Offices". The estimated investment up to 2027, amounts to up to EUR 1.1 billion.

Bouygues Telecom will be the anchor tenant of the new company, with whom Nexloop signed an MSA, with an initial term of 30 years, to be automatically extended for an additional five year period, on an all or nothing basis, and with a 1% fixed fee escalator.

The optic fibre network and the new sites are expected to contribute up to an estimated EUR 80 million of annual Adjusted EBITDA, once the network and all the sites have been built or acquired, as applicable. "Adjusted EBITDA" is an APM (as defined in section "Economic performance" of the accompanying Consolidated Management Report).

As of 31 December 2020, in accordance with the agreements reached with Bouygues Telecom during the period 2016 - 2020, Cellnex, through its subsidiaries Cellnex France, Towerlink France and Nexloop, has committed to acquire or for Bouygues Telecom to build, as applicable, up to 5,400 sites that will be gradually transferred to Cellnex until 2027, of which 4,078 have been transferred to Cellnex as of 31 December 2020, as well as to the roll-out of a network of up to 31,500 km., interconnecting the telecommunications rooftops and towers providing service to Bouygues Telecom (approximately 5,000 of which belong to and are operated by Cellnex) with the network of "metropolitan offices" for housing data processing centres (Edge Computing). During the year ended on 31 December 2020, 572 sites were acquired, and optic fibre network was deployed, in relation to the aforementioned agreements, for an amount of approximately EUR 160 million. In addition, the investment in fixed assets in progress corresponding to those sites and fibre network which were under construction during 2020, amounted to EUR 203 million. Therefore, the total investment during 2020, in relation to the agreements described above, amounted to EUR 363 million, approximately.

Additionally, in accordance with the agreement reached with Free Mobile in 2019 (see Note 6), Cellnex, through its subsidiary On Tower France, has committed to acquire or for Free Mobile to build, as applicable, a minimum of 2,500 sites that will be gradually transferred to Cellnex until 2026, of which 548 have been transferred to Cellnex as of 31 December 2020 for an amount of approximately EUR 125 million.

Therefore, the total investment in France during 2020, in relation to the agreements described above, amounted to EUR 488 million, approximately.

Spain

On 3 December 2019, Cellnex (through its fully owned subsidiary On tower Telecom Infraestructuras, S.A.U.) reached an agreement with Orange Espagne, S.A.U. ("Orange Spain") for the acquisition of 1,500 telecom sites in Spain for a total amount of EUR 260 million. As of 31 December 2019, 1,067 sites were transferred to Cellnex for an amount of EUR 185 million, while the remaining 433 sites have been transferred during January 2020 for the remaining amount.

Orange Spain will be the main customer of this portfolio of telecom sites, with whom Cellnex has signed an inflation-linked Master Lease Agreement for an initial period of 10 years that can be extended by one subsequent period of 10 years and subsequent undefined periods of 1 year on an all-or-nothing basis, and which presents an initial tenancy ratio of c.1.8x.

This project is fully aligned with Cellnex's growth strategy and is also fully compliant with the Group's strict value creation criteria.

Italy

During 2020, in the context of the Iliad Italy Acquisition (see Note 5 of the 2019 consolidated financial statements), part of the sites that were pending transfer at the end of 2019, have been transferred to Cellnex for an amount of EUR 114 million, approximately (see Note 10).

In addition to the movements described above, during 2020 investments have also been carried out by the Group in relation to "built-to-suit" agreements reached with several anchor tenants in Italy, Switzerland, Portugal and Ireland, and other additions related to the business expansion and maintenance of the Group's operations, for a total amount of approximately EUR 146 million.

Furthermore, during 2020 investments have also been carried out by the Group in relation to engineering services that have been agreed with different clients, including ad-hoc capex eventually required (such as adaptation, engineering and design services).

Movements in 2019

Changes in the scope of consolidation and business combinations (restated)

The movements in 2019 due to changes in the scope of consolidation and business combinations mainly correspond to the impact of the acquisition of:

- On Tower France (EUR 335,577 thousand, see Notes 2.h and 6).
- Swiss Infra (EUR 68,701 thousand, see Notes 2.h and 6).
- business unit containing approximately 2,200 sites in Italy (EUR 94,400 thousand, see Note 7).
- Cignal subgroup (EUR 49,023 thousand, see Notes 2.h and 6).
- On tower Netherlands subgroup (EUR 14,139 thousand, see Note 2.h.).

Signed acquisitions and commitments

France

At 31 December 2019, in accordance with the agreements reached with Bouygues during 2016, 2017 and 2019, Cellnex, through its subsidiaries Cellnex France and Towerlink France, committed to acquire and build up to 5,250 sites that will be gradually transferred to Cellnex until 2024 (see Note 6 of the 2019 consolidated financial statements). Of the proceeding 5,250 sites, a total of 3,504 sites have been transferred to Cellnex as at 31 December 2019.

During 2019, 701 sites were acquired in relation to the aforementioned agreements, for an amount of approximately EUR 135 million. In addition, the fixed assets in progress corresponding to those sites which were under construction at the end of 2019, amounted to EUR 138 million. Thus, the total investment in France in 2019, amounted to EUR 273 million, approximately.

Spain

On 3 December 2019, Cellnex (through its fully owned subsidiary On Tower Telecom Infraestructuras, S.A.U.) reached an agreement with Orange Espagne, S.A.U. ("Orange Spain") for the acquisition of 1,500 telecom sites in Spain for a total amount of EUR 260 million. As of 31 December 2019, 1,067 sites had been transferred to Cellnex for an amount of EUR 185 million, while the remaining 433 sites were transferred during January 2020.

Orange Spain is the main customer of this portfolio of telecom sites, with whom Cellnex has signed an inflation-linked Master Lease Agreement for an initial period of 10 years that can be extended by one subsequent period of 10 years and subsequent undefined periods of 1 year on an all-or-nothing basis, and which presents an initial tenancy ratio of c.1.8x. Thus, at 31 December 2019, in accordance with the agreement reached in 2019, Orange Spain is the anchor tenant of a total portfolio of 1,875 sites.

This project is fully aligned with Cellnex's growth strategy and is also fully compliant with the Group's strict value creation criteria.

Switzerland

At 31 December 2019, in accordance with the agreement reached with Sunrise during 2019, Cellnex, through its subsidiaries Swiss Towers, acquired 133 sites in Switzerland for an amount of CHF 39 million (EUR 34 million).

Italy

During 2019, the agreement with Wind Tre dated 27 February 2015 was extended, through an increase of the built-to-suit project up to 800 additional sites to be built (increasing the agreement to build sites from up to 400 to up to 1.200 sites, with a total investment of up to EUR 70 million).

The Group typically acquires telecommunications infrastructures from telecommunications carriers or other tower operators and subsequently integrates those sites into its existing network. The date of acquisition, and by extension the point at which the Group begins to recognise the results of an acquisition, may be dependent upon, among other things, the receipt of contractual consents, the commencement and extent of contractual arrangements and the timing of the transfer of title or rights to the assets, which may be accomplished in phases.

At 31 December 2020 and 2019 the Group had not entered into additional relevant framework agreements with other customers.

In addition, during 2020 and 2019 there were additions associated with the business expansion and maintenance of the Group's operations.

Property, plant and equipment abroad

At 31 December 2020 and 2019 the Group had the following investments in property, plant and equipment located abroad:

	Thousands of Euros	
	Net book value	
	31 December 2020	31 December 2019 restated
Italy	507,655	358,065
France	1,815,502	1,402,572
United Kingdom	198,107	11,443
Portugal	222,457	-
Switzerland	193,190	185,403
Austria	118,820	-
Others	276,777	135,911
Total	3,332,508	2,093,394

Fully depreciated assets

At 31 December 2020, fully depreciated property, plant and equipment amounted to EUR 630 million (EUR 594 million at 31 December 2019).

Change of control clauses

With regards to the Group's acquisitions of infrastructures from mobile telecommunications operators, certain material contracts entered into by the Group, including most of the Group's agreements with anchor customers, could be modified or terminated if a change of control clause is triggered. With regards to the material contracts entered into by the Group with anchor customers, a change of control clause may be triggered (and is generally limited to) in the event where a competitor of the anchor customer, either alone or in conjunction with others, obtains "significant influence" and/or "control" (which is generally defined as having (i) more than 50% of shares with voting rights (except in a few exceptional cases where this threshold is defined as having 29% or more of shares with voting rights), or (ii) the right to appoint or dismiss the majority of the members of the board of directors of the relevant Group company). In such circumstances, the anchor customer may be granted an option to buy back assets (generally the infrastructures where they are being serviced). In addition, such buy back option can also be granted in the event that a direct competitor of the anchor customer acquires a significant portion of the shares or obtains voting or governance rights which can be exercised in a way that can negatively affect the anchor customer's interests. A change of control clause may be triggered at the level of Cellnex or only at the level of the relevant subsidiary that has entered into the relevant contract. In certain contracts, the definition of control, and therefore of a change of control, makes specific reference to the applicable law in the relevant jurisdiction. Finally, in relation with recent transaction with Hutchison in the United Kingdom (see Note 21, the "CK Hutchison Holdings Transaction") and the portion of the price that Hutchison shall receive in Cellnex shares, if as a result of a takeover bid prior to closing of CKH UK transaction a third party (alone or in concert with another shareholder) acquires the majority of the votes in Cellnex, Cellnex shall procure that Hutchison receives at closing such equivalent consideration as Hutchison would have received had it been a shareholder of Cellnex at the time of the takeover bid.

Purchase commitments at year-end

At 2020 year-end the Group held purchase agreements for property, plant and equipment assets amounting to EUR 5,992 million (EUR 2,582 million in 2019).

Impairment

At 2020 and 2019 year-end, the Directors of the Parent Company have not identified any indications of impairment related to the property, plant and equipment.

Despite this, and in view of the relevance of the recently acquired assets related to telecom infrastructures (those not related to business combinations), the Directors of the Parent Company have decided to disclose the hypotheses used to evaluate any loss due to impairment. This evaluation is based on the calculation of the fair value, which has been determined in accordance with the general criteria and assumptions described in Notes 3.c and 8 of the accompanying consolidated financial statements, of the corresponding cash generating unit prepared. The carrying amount of these assets stands at approximately EUR 2,968 million at 2020 year-end (EUR 1,742 million at 2019 year-end).

The impairment tests carried out demonstrate that the unit to which the assets are allocated is deemed capable of recovering the net carrying value recognised at 31 December 2020 and 2019. Consequently, there is no need to recognise any provision for impairment.

Sensitivity to changes in the key assumptions

With regards to the impairment tests carried out on the business of On Tower Telecom Infraestructuras, Cellnex France, Swiss Towers, On Tower France, Cellnex Italia and Swiss Infra, the recoverable amount obtained (determined based on the fair value as indicated previously) exceeds the carrying value of the assigned assets to such an extent that even if the hypothesis used were changed there would be no significant risk of impairment.. In accordance with the sensitivity analysis performed, any changes in the discount rates of +50 basis points; in terminal growth rate "g" of -50 basis points; and in activity of -500 basis points could be made without recognising any impairment in the assets recognised by the Group at 31 December 2020 and 2019. Thus, the recoverable amount obtained exceeds the carrying amount of the fixed assets, although the sensitivity analyses conducted on the projections evidence clearly a high tolerance (above 20%) to changes in the key assumptions used.

Asset revaluation pursuant to Act 16/2012, of 17 December

With regard to assets located in Spain, in 2012 several Spanish Group companies took advantage of Act 16/2012, of 27 December, resulting in an increase in the value of the assets through an accounting revaluation for EUR 41 million in the separate financial statements of the Spanish companies, which is not included in the cost of the assets for IFRS purposes. The tax effect of this revaluation has been recorded as a deferred tax asset in the accompanying consolidated financial statements (Note 18).

Insurance

The Group takes out all insurance policies considered necessary to cover possible risks which might affect its property, plant and equipment. At 31 December 2020 and 2019, the Group's Directors considered that the insurance coverage was sufficient to cover the risks relating to its activities.

Other disclosures

At 31 December 2020 and 2019, the Group did not have significant property, plant and equipment subject to restrictions or pledged as collateral on liabilities.

8. Intangible assets

The changes in this heading in the consolidated balance sheet during 2020 and 2019 were as follows:

				Thousands of Euros
	Goodwill	Intangible assets for telecom infrastructure services	Computer software and other intangible assets	Total
At 1 January 2020 restated				
Cost	1,291,003	4,684,036	248,841	**6,223,880**
Accumulated amortisation	-	(297,591)	(39,666)	**(337,257)**
Carrying amount	**1,291,003**	**4,386,445**	**209,175**	**5,886,623**
Carrying amount at beginning of year	1,291,003	4,386,445	209,175	**5,886,623**
Changes in the scope of consolidation (Note 6)	1,384,941	5,114,417	2,094	**6,501,452**
Additions	-	-	21,902	**21,902**
Disposals (net)	-	-	(346)	**(346)**
Transfers	-	-	-	**-**
Foreign exchange differences	(56)	(510)	(1,860)	**(2,426)**
Amortisation charge	-	(337,806)	(28,104)	**(365,910)**
Carrying amount at close	**2,675,888**	**9,162,546**	**202,861**	**12,041,295**
At 31 December 2020				
Cost	2,675,888	9,797,943	270,631	**12,744,462**
Accumulated amortisation	-	(635,397)	(67,770)	**(703,167)**
Carrying amount	**2,675,888**	**9,162,546**	**202,861**	**12,041,295**

	Thousands of Euros			
	Goodwill	Intangible assets for telecom infrastructure services	Computer software and other intangible assets	Total
At 1 January 2019				
Cost	582,454	1,498,235	48,637	2,129,326
Accumulated amortisation	-	(198,618)	(26,376)	(224,994)
Carrying amount	582,454	1,299,617	22,261	1,904,332
Carrying amount at beginning of year	582,454	1,299,617	22,261	1,904,332
Changes in the scope of consolidation (Note 6)	710,146	3,161,056	3,091	3,874,293
Additions	-	-	190,284	190,284
Transfers	(6,209)	5,815	237	(157)
Foreign exchange differences	4,612	18,930	6,592	30,134
Amortisation charge	-	(98,973)	(13,290)	(112,263)
Carrying amount at close	1,291,003	4,386,445	209,175	5,886,623
At 31 December 2019 restated				
Cost	1,291,003	4,684,036	248,841	6,223,880
Accumulated amortisation	-	(297,591)	(39,666)	(337,257)
Carrying amount	1,291,003	4,386,445	209,175	5,886,623

Intangible assets for telecom infrastructure services

The breakdown of the net book value of intangible assets for telecom infrastructure services is set out below:

	Thousands of Euros	
	31 December 2020	31 December 2019 restated
Concession intangible assets	71,527	75,634
Customer network services contracts	7,430,566	3,734,905
Network location	1,660,454	575,906
Total	9,162,547	4,386,445

Goodwill

Gross goodwill and the accumulated losses in value recognised at 31 December 2020 and 2019, respectively, are detailed as follows:

	Thousands of Euros	
	31 December 2020	31 December 2019 restated
Gross goodwill	2,675,888	1,291,003
Accumulated valuation adjustments	-	-
Net goodwill	2,675,888	1,291,003

The detail of goodwill, classified by cash-generating unit, at 31 December 2020 and 2019 is as follows:

	Thousands of Euros	
	31 December 2020	31 December 2019 restated
Cellnex Italia SpA	224,551	210,456
Tradia Telecom	42,014	42,014
Commscom	-	11,835
Towerlink Netherlands	35,307	35,307
Shere Masten	66,089	66,089
Shere Group UK [(1)]	28,038	29,405
Swiss Towers [(1)]	156,329	152,615
Infracapital Alticom subgroup	60,019	60,019
On Tower Netherlands BV	10,525	10,525
Swiss Infra Services [(1)]	154,371	153,670
Cignal Infrastruscture subgroup	40,066	40,066
On Tower France	471,528	471,528
On Tower UK subgroup [(1)]	620,243	-
Metrocall	14,923	-
On Tower Portugal	84,793	-
Omtel	28,455	-
On Tower IE	229,008	-
On Tower DK [(1)]	117,407	-
On Tower AT	275,054	-
Others	17,168	7,474
Goodwill	**2,675,888**	**1,291,003**

[(1)] This goodwill is related to assets in a non-euro currency thus its value in Euros is affected by the variations in the prevailing exchange rate.

The main variations in the 2020 and 2019 financial year are due to changes in the scope of consolidation and business combinations, as detailed in Note 6, which mainly corresponds to the effect of the deferred tax on intangible assets acquired.

Movements

Changes in the scope of consolidation and business combinations

The movements in 2020 and 2019 due to changes in the scope of consolidation and business combinations in intangible assets for telecom infrastructure services mainly correspond to the impact of:

2020

- the Omtel Acquisition (EUR 1,006,075 thousand, see Notes 2.h and 6).
- the Arqiva Acquisition (EUR 2,059,624 thousand, see Notes 2.h and 6).
- the NOS Towering Acquisition (EUR 280,400 thousand, see Notes 2.h and 6).
- the Hutchison Austria Acquisition (EUR 883,962 thousand, see Notes 2.h and 6).
- the Hutchison Ireland Acquisition (EUR 481,109 thousand, see Notes 2.h and 6).
- the Hutchison Denmark Acquisition (EUR 326,847 thousand, see Notes 2.h and 6).

2019 restated

- the acquisition of On Tower France (EUR 1,701,000 thousand, see Notes 2.h and 6).
- the acquisition of Swiss Infra (EUR 892,867 thousand, see Notes 2.h and 6).
- the acquisition of business unit containing approximately 2,200 sites in Italy (EUR 388,100 thousand, see Notes 2.h and 6).
- the acquisition of Cignal subgroup (EUR 148,191 thousand, see Notes 2.h and 6).
- the acquisition of On tower Netherlands subgroup (EUR 26,952 thousand, see Note 2.h).

Signed acquisitions and commitments

During 2020, the Group had not entered into additional relevant framework agreements with customers, other than those included in the Business Combinations. During 2019, the main additions corresponded to the agreements described below:

Agreement with British Telecommunications PLC ("BT") in the UK

In June 2019, Cellnex Telecom (through its subsidiary Cellnex Connectivity Solutions Limited) and BT signed a long-term strategic agreement according to which Cellnex acquired the rights to operate and market 220 high towers located throughout the United Kingdom for a period of 20 years. The acquisition price amounted to GBP 70 million, approximately, (with a Euro value of EUR 79 million). The aforementioned rights were totally transferred to Cellnex as of 31 December 2019.

The agreement additionally included a commitment to explore further opportunities between the two companies in the UK, which consists of the pre-emptive right of acquisition of up to 3,000 sites from BT during the next six years (The "Right of First Offer"). In addition, according to the agreement, Cellnex will have a period of time in which to make a further and final offer, to match with a third party offer (The "Right to Match"), that BT could receive regarding these 3,000 sites. The corresponding value assigned by Cellnex in relation to both Right of First Offer and Right to Match, amounted to GBP 30 million, approximately (with a Euro value of EUR 34 million).

Agreement with El Corte Inglés ("ECI") in Spain

In the last quarter of 2019, Cellnex Telecom (through its subsidiary Ontower Telecom Infraestructuras) and ECI signed a long-term strategic agreement according to which Cellnex acquired the rights to operate and market the connectivity infrastructure of approximately 400 buildings located mainly throughout Spain for a period of 50 years. The acquisition price amounted to approximately EUR 60 million, approximately. The aforementioned rights were totally transferred to Cellnex as of 31 December 2019.

Intangible assets abroad

At 31 December 2020 and 2019, the Group had the following net book value of intangible assets located in the following countries:

	Thousands of Euros	
	Net book value	
	31 December 2020	31 December 2019 restated
Italy	1,045,363	1,094,505
Netherlands	533,923	556,572
France	2,088,353	2,172,532
United Kingdom	2,851,975	247,760
Portugal	1,345,563	-
Switzerland	1,418,587	1,469,777
Ireland	889,161	185,813
Austria	1,159,017	-
Others	471,404	-
Total	11,803,346	5,726,959

Fully depreciated assets

At 31 December 2020, fully depreciated intangible assets amounted to EUR 33,923 thousand (EUR 31,694 thousand at 31 December 2019).

Purchase commitments at the end of the year

At 31 December 2020, the Group held purchase agreements for intangible assets, excluding those intangible assets that may arise as a result of business combinations (see Note 21.b), amounting to EUR 333 thousand (EUR 1,130 thousand at 31 December 2019).

Impairment

As indicated in Notes 3.b and 3.c, at the end of each reporting period goodwill is assessed for impairment based on a calculation of the fair value of their respective cash-generating unit or their market value (price of similar, recent transactions in the market), if the latter is higher.

Prior to preparing revenue and expense projections, those projections made as part of the impairment tests for the prior year were reviewed to assess possible variances. In the review of the 2019 impairment tests with regard to the 2020 results, no significant variances were detected.

The fair value was calculated as follows:

- The period over which the related investment is expected to generate cash flows was determined.
- The respective revenue and expense projections were made using the following general criteria and assumptions:

    - For revenue, trends were forecast assuming a different increase for each cash-generating unit of the consumer price index (CPI) in each country (with the exception of 2% fix escalator in France) in which the assets are used or the business operates.

    - For expenses, trends were considered in light of expected changes in the respective CPIs and the projected performance of the business.

    - In addition, the Group considered the impact of infrastructure maintenance and expansion to be carried out, using the best estimates available based on the Group's experience and taking into account the projected performance of the activity. Current Market guidance given in relation to the ratio of maintenance and expansion capex to revenues amounts to c.3% and c.5-10%, respectively.

    - Taxes have been also considered in the projections in a country by country basis.

The cash inflow projections based on the revenue and expense projection made as set forth above were discounted at the rate resulting from adding, to the long-term cost of money, the risk premium assigned by the market to each country where the activity takes place and the risk premium assigned by the market to each business (over the long term in both cases).

Projections for the first years are generally based on the closing 2020 and on the most recent medium-term projection and, after approximately year ten, on the activity growth rate evident from the service contracts. Projections covers a period higher than five years of cash flows after closing, due to the duration of the existing service contracts with customers.

The most significant assumptions used in determining the fair value of the main cash-generating units in 2020 and 2019 with the most relevant intangible assets and goodwill were as follows:

2020

The discount rate considered for Tradia Telecom, Towerco, Cellnex Italia, Towerlink Netherlands, Shere Group UK, Shere Masten, Swiss Towers, Infracapital Alticom, On Tower France, Swiss Infra and Cignal was 5.9%, 6.2%, 6.2%, 4.9%, 5.5%, 4.9%, 4.5%, 4.9%, 5.0%, 4.5% and 5.3%, respectively.

The activity growth rate considered for all CGUs was 3.0% per annum, apart from Tradia Telecom which was 1.5% per annum.

The 'terminal g', considered for all CGUs was 2.5% apart from Tradia Telecom, which represented 1.0% due to the broadcasting component, which was in line with a general inflation rate.

All CGUs apart from TowerCo have been projected until 2040 in line with the duration of the service contracts in the Telecom Infrastructure Services business segment. As the TowerCo business is based on a concession agreement with Autoestrade Per l'Italia S.p.A., this CGU has been projected until the end of the concession in 2038.

2019

The discount rate considered for Tradia Telecom, Towerco, Cellnex Italia, Commscon, Towerlink Netherlands, Shere Group UK, Shere Masten, Swiss Towers and Infracapital Alticom was 6.6%, 7.5%, 7.5%, 7.5%, 5.4%, 6.0%, 5.4%, 5.2% and 5.4% respectively.

The activity growth rate for Tradia Telecom was 1.5% per annum, for Swiss Towers, Towerco, Cellnex Italia, Towerlink Netherlands, Shere Group UK, Shere Masten and Infracapital Alticom was 3.0% per annum. The Commscon's growth rate was determined at 11.9% per annum due to the highly dynamic market and growth opportunities.

The 'terminal g', considered for all CGUs was 2.5% apart from Tradia Telecom, which represented 1.0% due to the broadcasting component, which was in line with a general inflation rate.

All CGUs apart from TowerCo and Commscon have been projected until 2040 in line with the duration of the service contracts in the Telecom Infrastructure Services business segment. As the TowerCo business is based on a concession agreement with Autoestrade Per l'Italia S.p.A., this CGU has been projected until the end of the concession in 2038. Commscon's business has different market dynamics, as a result, this CGU has been projected until 2028.

The impairment tests carried out demonstrate that the unit to which the recognised goodwill or intangible assets in telecom infrastructures are allocated is deemed capable of recovering the net value recognised at 31 December 2020 and 2019. Consequently, there is no need to recognise any provision for impairment.

Sensitivity to changes in the key assumptions

With regards to the impairment tests performed both on the goodwill the recoverable amount obtained (determined based on the fair value as indicated previously) exceeds the carrying value of the goodwill and assigned assets to such an extent that even if the hypothesis used were changed significantly there would be no significant risk of impairment. In accordance with the sensitivity analysis performed, any changes in the discount rates of +50 basis points; in terminal growth rate "g" of -50 basis points; and in activity of -500 basis points could be made without recognising any impairment to goodwill recognised by the Group at 31 December 2020 and 2019. Thus, the recoverable amount obtained exceeds the carrying amount of the assets, although the sensitivity analyses conducted on the projections evidence clearly a high tolerance (above 20%) to changes in the key assumptions used.

Other disclosures

At 31 December 2020 and 2019, the Group did not have significant intangible assets subject to restrictions or pledged as collateral on liabilities.

9. Investments in associates

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

	Thousands of Euros	
	2020	2019
At 1 January	2,832	2,803
Profit for the year	52	82
Changes in perimeter	172	302
Others	375	(355)
At 31 December	3,431	2,832

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

	Thousands of Euros	
	Value of the shareholding	
	31 December 2020	31 December 2019
Torre Collserola, S.A.	1,957	1,958
Consorcio de Telecomunicaciones Avanzadas, S.A. (COTA)	792	659
Nearby Sensors, S.L.	314	162
Nearby Computing, S.L.	368	53
Total	**3,431**	**2,832**

In addition to the impairment tests referred to above, the Group carried out impairment tests to determine the recoverability of the investments in associates. To carry out these tests, the Group considered future cash flow projections in a manner similar to that indicated in Note 7. No indication was found of a need to recognise any provision for impairment in the consolidated income statement for the 2020 financial year.

10. Current and non-current financial investments

The breakdown of this heading in the accompanying consolidated balance sheet at 31 December 2020 and 2019 is as follows:

	Thousands of Euros					
	31 December 2020			31 December 2019 restated		
	Non-current	Current	Total	Non-current	Current	Total
Advances to customers	28,042	2,067	30,109	26,909	2,015	28,924
Other advance payments	-	-	-	114,000	-	114,000
Current and non-current financial investments	**28,042**	**2,067**	**30,109**	**140,909**	**2,015**	**142,924**

Advances to customers

The changes in "advances to customers" during 2020 and 2019 were as follows:

	Thousands of Euros		
	2020		
	Non-current	Current	Total
At 1 January	26,909	2,015	28,924
Additions	4,914	-	4,914
Charge to the consolidated income statement	-	(2,909)	(2,909)
Transfer	(2,909)	2,909	-
Others	(872)	52	(820)
At 31 December	28,042	2,067	30,109

	Thousands of Euros		
	2019		
	Non-current	Current	Total
At 1 January	25,314	1,378	26,692
Additions	4,438	-	4,438
Charge to the consolidated income statement	-	(2,290)	(2,290)
Transfer	(2,290)	2,290	-
Others	(553)	637	84
At 31 December	26,909	2,015	28,924

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

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

Additions

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

Charge to the consolidated income statement

During 2020 and 2019, in line with the terms of the services agreements entered into with the operators, the corresponding amount of the total paid for the purchase of telecommunications infrastructure, treated as prepayment for the subsequent service agreements, was taken to the accompanying consolidated income statement. At 31 December 2020 and 2019 this amount was recorded as a reduction to revenues amounting to EUR 2,909 thousand and EUR 2,290 thousand, respectively.

Transfers

The transfers from the 2020 and 2019 financial years are due to the classification under "Current financial investments" of the part that is expected to be charged during the next financial year to the consolidated income statement.

Other advance payments

The changes in "other advance payments" during 2020 and 2019 were as follows:

	Thousands of Euros
	2020
	Non-current
At 1 January restated	114,000
Transfer	(114,000)
At 31 December	-

	Thousands of Euros
	2019
	Non-current
At 1 January	-
Additions restated	114,000
At 31 December restated	114,000

This caption included payments made to Iliad Italy, S.p.A. in the context of the Iliad Italy Acquisition (see Note 6) which related to those sites in the business unit not yet transferred as at 2019 year-end. The transfer took place in some tranches during 2020 (see Note 7).

11. Derivative financial instruments

The detail of the fair value of the derivative financial instruments at 31 December 2020 and 2019 is as follows:

	Thousands of Euros			
	31 December 2020		31 December 2019	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps:				
Cash flow hedges	-	9,908	-	3,593
Interest rate and/or cross currency swaps:				
Hedges of a net investment in a foreign operation	6,116	-	-	-
Derivative financial instruments	6,116	9,908	-	3,593
Interest rate and/or cross currency swaps:				
Cash flow hedges	-	9,743	-	-
Hedges of a net investment in a foreign operation	6,116	-	-	-
Non-current	6,116	9,743	-	3,593
Current	-	165	-	-

The Group has used interest rate swaps and interest rate and/or cross currency swaps, in accordance with the financial risk management policy described in Note 4.

The detail of the derivative financial instruments at 31 December 2020 and 2019, by type of swap, showing their notional or contractual values, expiry dates and fair values, is as follows:

	Thousands of Euros							
	31 December 2020							
	Notional amount	2021	2022	2023	2024	2025	Subsequent years	Net fair value
Interest rate swaps:								
Cash flow hedges	131,097	(1,447)	(1,684)	(1,847)	(1,972)	(1,921)	(1,341)	(9,908)
Interest rate and/or cross currency swaps:								
Hedges of a net investment in a foreign operation	450,000	(5,930)	(4,549)	(4,517)	(5,077)	(4,762)	31,436	6,116
Total	**581,097**	**(7,377)**	**(6,233)**	**(6,365)**	**(7,050)**	**(6,682)**	**30,095**	**(3,792)**

	Thousands of Euros							
	31 December 2019							
	Notional amount	2020	2021	2022	2023	2024	Subsequent years	Net fair value
Interest rate swaps:								
Cash flow hedges	80,000	(838)	(779)	(687)	(574)	(456)	(549)	(3,593)
Total	**80,000**	**(838)**	**(779)**	**(687)**	**(574)**	**(456)**	**(549)**	**(3,593)**

Interest rate swaps

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

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

Cross currency interest rate swaps

During 2020, the following transactions were performed:

i) Cellnex Telecom, S.A. arranged a CCS for EUR 450 million and an equivalent sterling value of GBP 382 million which has been designated together with the bond issue of EUR 450 million described in Note 15 as a natural hedge of the net investment made in United Kingdom Group's subsidiaries.
ii) Cellnex Telecom, S.A. arranged three CCS for a total amount of USD 328 million and an equivalent total euro value of EUR 300 million to hedge three deposits amounting to a total of USD 328 million. As at 31 December 2020, these three CCS were cancelled.

Additionally, Cellnex designated the cash maintained in pounds sterling (GBP) (See Note 13) amounting to GBP 1,200 million, to hedge the disbursement envisaged in relation to the investment commitment acquired in October 2019 in relation to the Arqiva Acquisition (See Note 6) which became effective on 8 July 2020. It should be noted that available cash in GBP was classified as a hedge since the requirements for such classification were met given, inter alia, that the aforementioned investment commitment was considered to constitute a highly probable transaction. Consequently, exchange differences EUR-GBP amounting to EUR 3.316 thousand were recognised in the total acquisition price of the business combination (see Notes 6 and 14.c.iii).

Finally, the amount recognised as a financial asset/liability with a balancing entry in the consolidated income statement for the period corresponding to the ineffective portion of the cash flow hedges and hedges of a net investment in a foreign operation amounted to EUR 3.788 thousands.

12. Trade and other receivables

The breakdown of this heading in the accompanying consolidated balance sheet at 31 December 2020 and 2019 is as follows:

						Thousands of Euros
	31 December 2020			31 December 2019 restated		
	Non-current	Current	Total	Non-current	Current	Total
Trade receivables (gross)	-	354,702	354,702	-	267,573	267,573
Allowances for doubtful debts (impairments)	-	(19,424)	(19,424)	-	(13,609)	(13,609)
Trade receivables	-	**335,278**	**335,278**	-	**253,964**	**253,964**
Current tax assets	-	136,508	**136,508**	-	89,156	**89,156**
Receivables with other related parties (Note 24.d)	-	207	**207**	-	324	**324**
Other receivables	35,671	30,077	**65,748**	18,427	21,635	**40,062**
Trade and other receivables	**35,671**	**502,070**	**537,741**	**18,427**	**365,079**	**383,506**

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

Trade receivables

"Trade receivables" includes outstanding amounts from customers. At 31 December 2020 and 2019, the account had no significant past-due balances that were not provided for.

The balance of public-sector debtors as at 31 December 2020 and 2019, amounted to EUR 17,421 thousand and EUR 16,867 thousand, respectively.

At 2020 year-end there is no balance drawn down under non-recourse factoring agreements (EUR 9.9 million as at 2019 year-end). In this regard, the Group derecognises the receivables sold on a non-recourse basis as it considers that it has substantially transferred the risks and rewards inherent to their ownership to banks. As at 31 December 2020 the limit under the non-recourse factoring agreements stood at EUR 238 million (EUR 210 million as at 2019 year-end).

Allowances for doubtful debts (write-downs)

The changes in the allowance for doubtful debts during 2020 and 2019 were as follows:

	Thousands of Euros	
	2020	2019
At 1 January	**13,609**	**14,283**
Disposals	(466)	(1,027)
Net changes	5,339	353
Changes in scope of consolidation	942	-
At 31 December	**19,424**	**13,609**

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

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

Current tax assets

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

	Thousands of Euros	
	31 December 2020	31 December 2019
Corporate income tax	22,236	7,228
VAT receivable	111,878	80,217
Other taxes	2,394	1,711
Current tax assets	136,508	89,156

At 31 December 2020, this line mainly included VAT receivable derived from the acquisition of mobile telecom infrastructures in France (see Note 7) for an amount of EUR 62 million, as well as the VAT receivable amounting to EUR 34 million corresponding to the payment in advance in consideration for the cancellation of certain outstanding lease payments. At 31 December 2019, this line mainly included VAT receivable derived from the acquisition of mobile telecom infrastructures in Spain and France (see Note 7), that amounted to EUR 39 million and EUR 21 million respectively, as well as, the VAT receivable amounting to EUR 12 million derived from the acquisition of rights to operate and market 950 buildings located mainly throughout Spain (see Note 8).

Other receivables

At 31 December 2020 and 2019 "Other receivables" comprises:

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

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

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

13. Cash and cash equivalents

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

	Thousands of Euros	
	31 December 2020	31 December 2019
Cash on hand and at banks	1,478,027	2,271,555
Deposits at credit institutions	3,174,000	80,000
Total	4,652,027	2,351,555

14. Net equity

a) Share capital and treasury shares

Share capital

At 31 December 2019, the share capital of Cellnex Telecom, S.A. amounted to EUR 96,332 thousand, represented by 385,326,529 cumulative and indivisible ordinary registered shares of EUR 0.25 par value each, fully subscribed and paid.

At 31 December 2020, in accordance with the capital increase detailed below, the share capital of Cellnex Telecom increased by EUR 25,345 thousand to EUR 121,677 thousand, represented by 486,708,669 cumulative and indivisible ordinary registered shares of EUR 0.25 par value each, fully subscribed and paid.

Changes in 2020

July 2020 Capital Increase

On 21 July 2020, the Parent Company's Board of Directors, in accordance with the authorization granted by the Annual General Shareholders' Meeting of Cellnex, held on 21 July 2020, approved a capital increase (hereinafter, the "Capital Increase") through cash contributions and recognising the preferential subscription right of the Cellnex's shareholders, as detailed below:

- The Capital Increase was carried out through the issuance and sale of 101,382,140 ordinary registered shares (hereinafter, "New Shares") at a subscription price (nominal plus share premium) of EUR 39.45 per each new share. Thus, the Capital Increase amounted to approximately EUR 4,000 million, which has been fully subscribed.

- Preferential subscription rights were assigned to all Cellnex shareholders who acquired shares up to 24 July 2020 and whose transactions were registered in Iberclear up to 28 July 2020 (both inclusive). Each share in circulation at that time granted the right to receive a preferential subscription right (19 rights were required to subscribe 5 new shares). The pre-emptive subscription period ended on 6 August 2020.

The New Shares offer the same political and economic rights as the ordinary shares of the Parent Company.

The funds from the capital increase will be used to support the acquisition of Cellnex's active projects pipeline.

On 14 August 2020, the public deed for the Capital Increase, was duly registered.

On 19 August 2020, the 101,382,140 New Shares were admitted to trading on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia.

Changes in 2019

October 2019 Capital Increase

On 7 October 2019, the Parent Company's Board of Directors, in accordance with the authorization granted by the Annual General Shareholders' Meeting of Cellnex, held on 9 May 2019, approved a capital increase (hereinafter, the "Capital Increase") through cash contributions and recognising the preferential subscription right of the Cellnex's shareholders, as detailed below:

- The Capital Increase was carried out through the issuance and sale of 86,653,476 ordinary registered shares (hereinafter, "New Shares") at a subscription price (nominal plus share premium) of EUR 28.85 per each new share. Thus, the Capital Increase amounted to approximately EUR 2,500 million, which has been fully subscribed.

- Preferential subscription rights were assigned to all Cellnex shareholders who acquired shares up to 10 October 2019 and whose transactions were registered in Iberclear up to 14 October 2019 (both inclusive). Each share in circulation at that time granted the right to receive a preferential subscription right (31 rights were required to subscribe 9 new shares). The pre-emptive subscription period ended on 25 October 2019.

The New Shares offer the same political and economic rights as the ordinary shares of the Parent Company.

The funds from the capital increase will be used to support the acquisition of the Arqivas's Telecoms division (as detailed below), as well as Cellnex's active projects pipeline.

On 5 November 2019, the public deed for the Capital Increase, granted on 4 November 2019, was duly registered.

On 7 November 2019, the 86,653,476 New Shares were admitted to trading on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia.

March 2019 Capital Increase

On 27 February 2019, the Parent Company's Board of Directors, in accordance with the authorization granted by the Annual General Shareholders' Meeting of Cellnex, held on 31 May 2018, approved a capital increase (hereinafter, the "Capital Increase") through monetary contributions and recognising the preferential subscription right of the Cellnex's shareholders, as detailed below:

- The Capital Increase was carried out through the issuance and sale of 66,989,813 ordinary registered shares (hereinafter, "New Shares") at a subscription price (nominal plus share premium) of EUR 17.89 per each new share. Thus, the Capital Increase amounted to EUR 1,198 million, which has been fully subscribed.

- Preferential subscription rights were assigned to all Cellnex shareholders who acquired shares up to 1 March 2019 and whose transactions were registered in Iberclear as at 5 March 2019. Each share in circulation at that time granted the right to receive a preferential subscription right (38 rights were required to subscribe 11 new shares). The pre-emptive subscription period ended on 16 March 2019.

The New Shares offer the same political and economic rights as the ordinary shares of the Parent Company.

On 25 March 2019, the public deed for the Capital Increase, granted on 22 March 2019, was duly registered.

On 26 March 2019, the 66,989,813 New Shares were admitted to trading on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia.

Significant shareholders

In accordance with the notifications concerning the number of shares held made to the National Securities Market Commission, the shareholders who hold significant shareholdings in the share capital of the Parent Company, both directly and indirectly, greater than 3% of the share capital at 31 December 2020 and 2019, are as follows:

Company	% ownership 31 December 2020	% ownership 31 December 2019
ConnecT, S.p.A. [1]	-	29.90%
Edizione, S.r.l. [2]	13.03%	-
GIC Private Limited [3]	7.03%	-
Abu Dhabi Investment Authority [4]	6.97%	-
Criteria Caixa, S.A.U.	4.77%	5.00%
Wellington Management Group LLP [5]	4.28%	4.28%
Blackrock, Inc. [6]	3.80%	4.98%
GQG Partners, LLC.	3.22%	-
Canada Pension Plan Investment Board	3.16%	3.16%
FMR, LLC. [7]	3.05%	-
Norges Bank	3.03%	-
Capital Research and Management Company [8]	3.02%	-
	55.36%	47.32%

Source: Comisión Nacional del Mercado de Valores ("CNMV").

[1] Full spin-off and dissolution of ConnecT S.p.A. ("Connect") and incorporation of ConnecT Due S.r.l.
[2] Edizione S.r.l. ("Edizione") controls Sintonia S.p.A. ("Sintonia") which in turn controls ConnecT Due S.r.l.
[3] GIC Private Limited holds directly 100% of the share capital of GIC Special Investments Private Limited ("GICSI"). GICSI provides direction and management to GIC Infra Holdings Private Limited, which in turn holds 100% of the share capital of Lisson Grove Investment Private Limited.
[4] Azure Vista C 2020, S.r.l. ("Azure") is a wholly owned subsidiary of Infinity Investments S.A. ("Infinity") which is, in turn, a wholly owned subsidiary of Silver Holdings S.A., which is a wholly owned subsidiary of Abu Dhabi Investment Authority.
[5] Wellington Management Company LLP is a direct controlled undertaking of Wellington Investment Advisors Holdings LLP, which, in turn, is a direct controlled undertaking of Wellington Group Holdings LLP, which in turn, is a direct controlled undertaking of Wellington Management Group LLP.
[6] Corresponds to managed collective institutions with a percentage lower than 5%. In addition, there is a total holding of 0.398% through financial instruments connected to shares in the Parent Company.
[7] At the end of 2020, FMR, LLC. controlled 3.05% of the rights to vote across several investment funds and other accounts. None of the above mentioned funds and/or accounts had a shareholding higher than 3%.
[8] Capital Research and Management Company controlled 3.005% of the total rights to vote and the remaining collective institutions had a shareholding lower than 3%.

Additionally to the significant shareholdings detailed above, Atlantia, S.p.A. holds a shareholding through financial instruments amounting to 4.73% (5.98% at 2019 year-end).

At 31 December 2020, Edizione is positioned as a reference shareholder in Cellnex Telecom, S.A., holding a 13.03% stake in its share capital. At 31 December 2019, ConnecT,S.p.A. was positioned as a reference shareholder in Cellnex Telecom, S.A., holding a 29.9% stake in its share capital.

Changes in 2020

Shareholders' agreement entered into between Sintonia, Infinity and Raffles

On 22 May 2020, Edizione announced that Sintonia, Infinity and Raffles Infra Holdings Limited ("Raffles") had entered into a framework agreement (the "Shareholders' Agreement") in relation to the full non-proportional spin-off of ConnecT resulting in the allocation of the shares of Cellnex formerly held by ConnecT to ConnecT Due, Azure and Prisma Holdings, S.r.L. ("Prisma"). As provided in the Shareholders' Agreement, the term "Raffles" includes any affiliates of Raffles holding the shares of Cellnex assigned through the spin-off of ConnecT. Following the execution of the Shareholders' Agreement, Prisma sold its 6.730% stake in the share capital of Cellnex

to Lisson, who is the current holder of the stake as of the date of these consolidated financial statements. Each of Raffles, Prisma and Lisson are 100% owned by GIC Infra Holdings Private Limited.

The Shareholders Agreement regulates, among other matters, certain obligations in relation to the initial appointment of their respective proprietary directors in Cellnex following completion of ConnecT spin-off in order to allow a proportional representation in the Board of Directors.

On 10 June 2020, Edizione published certain clauses of the Shareholders' Agreement which qualify as a disclosable shareholder agreement (pacto parasocial) under Spanish law. In accordance with the information made public by Edizione, the Shareholders' Agreement foresees, among other matters:

- Once Raffles informs Infinity and Sintonia of its request to have a person nominated by it appointed as a proprietary director of Cellnex, the obligation of Infinity and Sintonia to formally request, and do their best efforts to cause, any proprietary director of Cellnex nominated by them to, subject to their fiduciary duties as members of the Board of Directors, support the appointment of the person nominated by Raffles as a new director of Cellnex.

- Sintonia's obligation to have ConnecT Due to attend, either by being present or by proxy, the shareholders' meeting of Cellnex where the person nominated by Raffles will be appointed or (if appointed by the Board of Directors as director by co-optation) re-elected as a director of Cellnex and cast its votes for the appointment or re-election, as appropriate, of the person nominated by Raffles as a director of Cellnex, subject to certain conditions.

- Infinity's obligation, at the request of Raffles and provided that a proprietary director of Raffles has been appointed in accordance with the above, upon the appointment as a proprietary director of Cellnex of the person nominated by Raffles, to formally request, and do its best efforts to cause, its proprietary director to resign from his current position as member of Cellnex's Nominations and Remuneration Committee on 9 May 2022 and each of Sintonia, ConnecT Due, Infinity and Azure to formally request, and do its best efforts to cause, any proprietary director of Cellnex nominated by them to, subject to their fiduciary duties, support the appointment of the proprietary director nominated by Raffles as a new member of Cellnex's Nominations and Remuneration Committee.

The above obligations will cease to be effective and applicable as soon as the provisions regarding the appointment of the person nominated by Raffles as new proprietary director of Cellnex (or, as the case may be, his/her ratification and re-election) by the shareholders' meeting of Cellnex has been complied with or on the date on which the 2021 ordinary general shareholders' meeting of Cellnex is held, whatever occurs first. By way of exception, the provisions described on the last bullet will survive until 30 June 2022.

Shareholders' agreement entered into between Edizione, Atlantia, Sintonia and ConnecT Due

On 17 July 2020, Edizione announced the amendment of the Co-investment Agreement entered into on 24 July 2018 in relation to Cellnex between Edizione, Atlantia, Sintonia and ConnecT (the "Co-investment Agreement"). The amendments made to the Co-investment Agreement are: (i) the replacement of Connect by Connect Due as a consequence of the spin-off of the former; (ii) the extension of the term for exercising the co-investment option (extended for a further 12 months and, therefore, until 12 July 2021) on a stake of 5.98% in Cellnex; (iii) the option of exercising the ROFO and the Right to Match provided in the original Co-investment Agreement for no more than 10% of Cellnex's issued capital until 12 July 2025, rather than the entire stake in Cellnex indirectly held by Edizione; and (iv) the grant to Atlantia of a right of first refusal on all or part of the (unexercised) options attributed to Connect Due resulting from any future rights issues approved by Cellnex until 12 July 2025 (the "ROFR").

According to the public announcement, the combined result of Atlantia's exercise of its ROFO and Right to Match, on the one hand, and of the co-investment option, on the other, may not lead to Atlantia acquiring a stake in Cellnex in excess of 10% of its issued share capital.

Changes in 2019

On 11 July 2019, Edizione sold a 5% stake of ConnecT (which holds 29.9% of Cellnex) to Abu Dhabi Investment Authority ("ADIA") and Singapore's sovereign wealth fund ("GIC").

As a result of the above, at 31 December 2019, Edizione remained ConnecT's largest shareholder with a 55% stake, while ADIA and GIC each hold 22.5% stake in ConnecT.

Pre-emptive subscription rights in offers for subscription of securities of the same class

On 9 May 2019, the ordinary general shareholder's meeting of Cellnex, pursuant to article 297.1.(b) of the Law of Corporations, resolved to delegate in favour of the Parent Company's Board of Directors the faculty to increase the share capital, whether through one or more issuances, up to an amount equivalent to 50% of the Parent Company's share capital on 9 May 2019 (the date of such resolution), until May 2024 (i.e. the authorization has a term of 5 years). This authorization includes the power to exclude the pre-emptive subscription rights of shareholders, in accordance with the provisions of article 506 of the Spanish Companies Act; however, under these circumstances the Board of Directors has the authority to issue up to 10% of the Parent Company's share capital (this limit being included within the maximum limit of 50% referred above).

Furthermore, the ordinary general shareholder's meeting of Cellnex resolved to delegate in favour of the Parent Company's Board of Directors (also with a term of 5 years, i.e., until May 2024) the faculty to issue debentures, bonds and other similar fixed-income securities, convertible (including contingently) into shares of the Parent Company, preference shares (if legally permissible) and warrants (options to subscribe to new shares of the Parent Company) up to a limit of 10% of the Parent Company's share capital on 9 May 2019 (this limit being also included within the maximum limit of 50% referred above).

Treasury shares

Pursuant to the authorisation granted by the Board of Directors in its meeting of 26 May 2016, Cellnex has made various purchases and sales of treasury shares.

On 31 May 2018 the ordinary general shareholder's meeting of Cellnex resolved to delegate in favour of the Parent Company's Board of Directors the faculty to purchase treasury shares up to a limit of 10% of the share capital of the Parent Company.

During 2020, Cellnex carried out discretional purchases of treasury shares for an amount of EUR 6,509 thousand (EUR 0 thousand in 2019). In addition, at 31 December 2020 and 2019, 125,623 and 63,912 treasury shares have been transferred to employees in relation to employee remuneration payable in shares, respectively. At 31 December 2020, the Parent Company has registered a profit of EUR 3,236 thousand (a profit of EUR 316 thousand at the end of 2019), net of fees and commissions, as a result of these operations and this has been taken as a reserve movement in the consolidated balance sheet. The number of treasury shares as at 31 December 2020 and 2019 amounts to 200,320 and 199,943 shares, respectively and represents 0.041% of the share capital of Cellnex Telecom, S.A. (0.052% as at 31 December 2019).

The use of the treasury shares held at 31 December 2020 will depend on the agreements reached by the Corporate Governance bodies.

The movement in the portfolio of treasury shares during 2020 and 2019 has been as follows:

2020

	Number (Thousands of Shares)	Average Price	Purchases/Sales (Thousands of Euros)
At 1 January	200	21.117	4,222
Purchases	126	51.658	6,509
Sales/Others	(126)	21.120	(2,653)
At 31 December	200	40.326	8,078

2019

	Number (Thousands of Shares)	Average Price	Purchases/Sales (Thousands of Euros)
At 1 January	264	21.117	5,572
Purchases	-	-	-
Sales/Others	(64)	21.117	(1,350)
At 31 December	200	21.117	4,222

b) Share premium

As at 31 December 2020 the share premium of Cellnex Telecom increased by EUR 3,884 million to EUR 7,770 million (EUR 3,886 million at the end of 2019) mainly due to the capital increase described in Note 14.a. During 2019 the share premium of Cellnex Telecom increased by EUR 3,572 million to EUR 3,886 million (EUR 315 million at the end of 2018) mainly due to the two capital increases described in Note 14.a.

During 2020, a cash pay out to shareholders of EUR 29,281 thousand (26,620 thousand at 31 December 2019) was declared from the share premium account (See Note 14.d).

c) Reserves

The breakdown of this account is as follows:

	Thousands of Euros	
	31 December 2020	31 December 2019 restated
Legal reserve	19,000	11,584
Reserves from retained earnings	263,646	131,719
Reserves of consolidated companies	12,807	49,618
Hedge reserves	(19,553)	(2,965)
Foreign exchange differences	(8,098)	1,903
Reserves	267,802	191,859

I) Legal reserve

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

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

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

At 31 December 2020 and 2019, because of the capital increases carried out during 2020 and 2019, the legal reserve had not reached the legally established minimum.

II) Reserves from retained earnings and other reserves

This line mainly includes the convertible bond reserve, which amounts to EUR 230,692 thousand and EUR 129,947 thousand as of 31 December 2020 and 2019, respectively.

During 2020 the convertible bond reserve increased by EUR 100,745 thousand to EUR 230,692 thousand due to the issuance of a new convertible bond in November 2020. During 2019 the convertible bond reserve increased by EUR 67,467 thousand to EUR 129,947 thousand due to two issuances of convertible bonds in November 2020 in January and July of 2019 (see Note 15).

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

III) Hedge reserve

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

IV) Foreign exchange differences

The detail of this line item at 31 December 2020 and 2019 is as follows:

	Thousands of Euros	
	31 December 2020	31 December 2019 restated
Cellnex Switzerland subgroup (CHF)	10,847	(1,980)
Cellnex UK subgroup (GBP)	(19,662)	3,883
Cellnex Denmark (DKK)	718	-
Total	(8,097)	1,903

d) Interim dividend and proposed dividends

The determination of the distribution of dividends is carried out based on the individual statutory financial statements of Cellnex Telecom, S.A., and within the framework of the legislation in force in Spain.

The dividends to distribute to the shareholders are recorded as liabilities in the consolidated financial statements as soon as the dividends are approved by the Annual General Meeting (or by the Board of Directors in the case of interim dividends) and until their payment.

On 31 May 2018, the Annual Shareholders' Meeting approved the distribution of a dividend charged to the share premium reserve to a maximum of EUR 63 million, payable in one or more instalments during the years 2018, 2019 and 2020. It was also agreed to delegate to the Board of Directors the authority to establish, if this is the case, the amount and the exact date of each payment during said period, always attending to the maximum overall amount stipulated.

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

According to the aforementioned Shareholders' Remuneration Policy, the shareholder remuneration corresponding to the fiscal year 2020 will be equivalent to that of 2019 (EUR 26.6 million) increased by 10% (to EUR 29.3 million); the shareholder remuneration corresponding to the fiscal year 2021 will be equivalent to that of 2020, increased by 10% (to EUR 32. 2 million); and (iii) the shareholder remuneration corresponding to the fiscal year 2022 will be equivalent to that of 2021, increased by 10% (to EUR 35.4 million).

During 2020, in compliance with the Parent Company´s dividend policy, the Board of Directors, pursuant to the authority granted by resolution of the Annual Shareholders' Meeting of 31 May 2018, approved the distribution of a cash pay-out charged to the share premium reserve of EUR 11,818 thousand, which represented EUR 0.03067 for each existing and outstanding share with the right to receive such cash pay-out. In addition, on 3 November 2020, the Board of Directors, pursuant to the authority granted by resolution of the Annual Shareholders' Meeting of 21 July 2020, approved the distribution of a cash pay-out charged to the share premium reserve of EUR 17,463 thousand, which represented EUR 0.03588 for each existing and outstanding share with the right to receive such cash pay-out.

Thus, the total cash pay-out to shareholders distributed for the 2019 financial year was EUR 0.06909 gross per share, which represents EUR 26,622 thousand (EUR 24,211 thousand corresponding to the distribution for the 2018 financial year).

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

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

Thus, the Directors of Cellnex Telecom, S.A. will submit for approval of the Annual General Meeting (AGM) the following proposal for the distribution of the results of the year ended 31 December 2020:

	Thousands of Euros
Basis of distribution (Profit and Loss)	**(69,195)**
Distribution:	
Reserves from retained earnings	(69,195)
Total	**(69,195)**

e) Earnings per share

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

	Thousands of Euros	
	2020	2019 restated
Profit/(loss) attributable to the Parent Company	(133,100)	(9,177)
Weighted average number of shares outstanding (Note 14.a)	385,191,395	296,092,308
Basic EPS attributable to the Parent Company (euros per share)	(0.35)	(0.03)
Diluted EPS attributable to the Parent Company (euros per share) (*)	(0.35)	(0.03)

(*) Note that, as of 31 December 2020, the effect of the conversion of convertible bonds (Note 15) would not dilute the earnings per share attributable to the Parent Company. Additionally, the share-based remuneration (Note 19 b) ii)) has no significant impact on the diluted earnings per share attributable to the Parent Company.

f) Non-controlling interests

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

The detail of the non-controlling interests at 31 December 2020 and 2019 is as follows:

				Thousands of Euros	
	Country	%(*) owned by Cellnex as of 31/12/2020	%(*) owned by Cellnex as of 31/12/2019	31 December 2020	31 December 2019 restated
Cellnex Switzerland	Switzerland	72%	72%	206,894	206,227
Swiss Towers	Switzerland	72%	72%	(10,806)	(8,692)
Swiss Infra	Switzerland	65%	65%	80,291	88,450
Grid Tracer	Switzerland	40%	-	63	-
Adesal Telecom	Spain	60%	60%	2,350	2,117
On Tower France (1)	France	70%	70%	592,552	601,542
Nexloop	France	51%	-	14,609	-
Metrocall	Spain	60%	-	28,551	-
Total				914,504	889,644

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

(1) In relation to the agreement between Cellnex and Illiad, S.A. to purchase the 70% of On Tower France (see Note 6), the shareholder agreement sets out the conditions for Iliad, S.A.'s right to sell its 30% (and not less than 30%) non-controlling interest in Iliad7 (currently On Tower France) to Cellnex France Groupe, at a price to be calculated pursuant to said agreement. The price of this acquisition is uncertain and will undoubtedly be inflationary given the favourable performance of such assets. According to the shareholders agreement terms, as of 31 December 2020 and 2019, Cellnex France Groupe has the right, but not the obligation to purchase this non-controlling interest, and therefore, no liability has been recorded in the accompanying consolidated balance sheet as of 31 December 2020. This situation will be revaluated in subsequent reporting periods.

The changes in this heading were as follows:

	Thousands of Euros	
	2020	2019 restated
At 1 January	889,644	137,476
Profit/(loss) for the year	(17,636)	(9,515)
Changes in the scope of consolidation	43,223	753,508
Exchange differences	(727)	6,651
Others	-	1,524
At 31 December	914,504	889,644

As regards the main non-controlling interest, the summarised financial information in relation to the assets, liabilities, operating results and cashflow relating to the corresponding company/subgroup incorporated in the consolidation process is as follows:

31 December 2020

				Thousands of Euros	
	Cellnex Switzerland	Swiss Towers	Swiss Infra	On Tower France	Nexloop [1]
Non-current assets	722,944	1,031,216	213,352	713,802	130,154
Current assets	5,631	28,524	57,724	116,345	35,580
Total assets	**728,575**	**1,059,740**	**271,076**	**830,147**	**165,734**
Non-current liabilities	1,373	682,577	161,623	229,657	118,365
Current liabilities	3,474	56,155	37,319	174,386	21,037
Total liabilities	**4,847**	**738,732**	**198,942**	**404,043**	**139,402**
Net assets	**723,729**	**321,008**	**72,134**	**426,104**	**26,333**
Income	3,572	69,674	75,038	173,158	3,829
Expenses	(4,151)	(7,537)	(8,404)	(13,385)	(1,072)
Gross operating profit	**(579)**	**62,137**	**66,634**	**159,773**	**2,757**
Profit attributable to the shareholders	**(550)**	**4,705**	**27,783**	**40,516**	**(685)**
Operating activities	1,021	44,299	65,076	121,220	(21,317)
Investment activities	(26)	(68,231)	(21,722)	(42,094)	(86,680)
Financing activities	599	23,610	(11,787)	-	92,508
Cash flows	**1,594**	**(322)**	**31,567**	**79,126**	**(15,489)**

[1] Company which was incorporated in May 2020 (see Note 2.h); hence, only seven months of the aggregates of its income and cash flows have been included in the consolidated statement of profit or loss and the consolidated statement of cash flows for the year, respectively.

31 December 2019

	Thousands of Euros			
	Cellnex Switzerland	Swiss Towers	Swiss Infra [1]	On Tower France [2]
Non-current assets	739,897	1,039,330	199,338	642,480
Current assets	3,714	26,774	24,420	8,058
Total assets	**743,611**	**1,066,104**	**223,758**	**650,538**
Non-current liabilities	337	622,751	146,656	189,487
Current liabilities	919	105,890	31,587	75,758
Total liabilities	**1,256**	**728,641**	**178,243**	**265,245**
Net assets	**742,355**	**337,463**	**45,515**	**385,293**
Income	67	65,150	20,755	-
Expenses	(1,327)	(11,107)	(1,761)	-
Gross operating profit	**(1,260)**	**54,043**	**18,994**	**-**
Profit attributable to the shareholders	**8,175**	**5,871**	**3,383**	**-**
Operating activities	(4,135)	50,420	8,835	(192)
Investment activities	(297,901)	(811,151)	(26)	-
Financing activities	279,355	745,538	-	-
Cash flows	**(22,681)**	**(15,193)**	**8,809**	**(192)**

[1] Company over which control was obtained in August 2019 (see Note 2.h); hence, only five months of the aggregates of its income and cash flows have been included in the consolidated statement of profit or loss and the consolidated statement of cash flows for the year, respectively.

[2] Company over which control was obtained at the end of December 2019 (see Note 2.h); hence, only the period since the acquisition date of the aggregates of its income and cash flows have been included in the consolidated statement of profit or loss and the consolidated statement of cash flows for the year, respectively.

g) Profit/(loss) for the year

The contribution of each company in the scope of consolidation to consolidated profit/(loss) is as follows

	Thousands of Euros	
	2020	2019 restated
Cellnex Telecom, S.A.	(137,932)	(114,734)
Cellnex Telecom España, S.L.U.	(3,834)	(1,984)
Retevisión-I, S.A.U.	83,179	86,286
Tradia Telecom, S.A.U.	21,384	24,024
On Tower Telecom Infraestructuras, S.A.U.	1,548	16,767
Towerco, S.p.A.	1,739	2,819
Cellnex Italia, S.p.A.	18,369	(1,261)
Cellnex Italia, S.r.L.	-	(695)
Commscon Italia, S.r.L.	-	1,172
Cellnex Netherlands, Group	551	17,483
Cellnex France, S.A.S.	(14,940)	(17,510)
Cellnex UK subgroup (formerly Shere Group subgroup)	(17,900)	(5,632)
Cellnex Switzerland AG	(343)	(1,780)
Swiss Towers AG	(6,070)	(4,719)
Cellnex France Groupe, S.A.S.	1,668	(4,279)
Xarxa Oberta de Comunicació i Tecnología de Catalunya, S.A.	2,266	2,274
Swiss Infra Services AG	(11,012)	(5,788)
Cignal subgroup	578	(2,825)
On Tower Netherlands subgroup	1,902	1,103
On Tower France	(21,186)	-
OMTEL, Estruturas de Comunicaçoes	(417)	-
On Tower Portugal	(3,942)	-
CLNX Portugal	(24,732)	-
Nexloop France, S.A.S.	(349)	-
On Tower UK subgroup	(13,237)	-
Finland subgroup	(779)	-
Cellnex Finance Company, S.A.	(3,712)	-
Metrocall, S.A.	(202)	-
Spanish companies accounted using equity method	52	82
Others	(5,749)	20
Net profit attributable to the Parent Company	**(133,100)**	**(9,177)**

15. Borrowings

The breakdown of borrowings at 31 December 2020 and 2019 is as follows:

						Thousands of Euros
	31 December 2020			31 December 2019		
	Non-current	Current	Total	Non-current	Current	Total
Bond issues and other loans	7,478,501	56,456	**7,534,957**	3,460,798	40,326	**3,501,124**
Loans and credit facilities	1,835,135	19,353	**1,854,488**	1,630,027	6,423	**1,636,450**
Other financial liabilities	2,194	1,132	**3,326**	2,871	1,677	**4,548**
Borrowings	**9,315,830**	**76,941**	**9,392,771**	**5,093,696**	**48,426**	**5,142,122**

During the year ended at 31 December 2020, the Group increased its borrowings from bond issues and loans and credit facilities (which do not include any debt held by Group companies registered using the equity method of consolidation, "Derivative Financial Instruments" or "Other financial liabilities") by EUR 4,251,871 thousand to EUR 9,389,445 thousand.

The increase in "Bond issues and other loans" is mainly due to the six issuances of straight bonds that have been carried out during 2020, together with the issuance of a new convertible bond in November 2020, as detailed in section "Bond issues and other loans" below.

The increase in "Loans and credit facilities" corresponds mainly to the GBP 600,000 thousand 5-year term loan facility entered into by Cellnex UK and guaranteed by Cellnex, which was fully drawn to partially finance the Arqiva Acquisition, and to the EUR 620,000 thousand financing entered into by Nexloop and a pool of banks on 29 May 2020, of which EUR 73,359 thousand had been drawn down as at 31 December 2020. This increase was partially offset with the repayment of loans and credit facilities with the proceeds from the bonds issuances.

In addition, during the year ended 31 December 2020, the Group amended a credit facility for a total of EUR 100,000 thousand to extend its maturity, increased by net EUR 40,000 thousand the limits from other credit facilities in aggregate, and cancelled a bridge loan for GBP 1,400,000 thousand and term loans for EUR 50,000 thousand and CHF 450,000 thousand, respectively.

Moreover, on 13 November 2020, the Group signed a EUR 10 billion financing agreement consisting of i) a EUR 7,500,000 thousand bridge loan facility with a maturity of up to 3 years; ii) a EUR 1,250,000 thousand term loan facility with a 3-year bullet maturity; and iii) another EUR 1,250,000 thousand term loan facility with a 5-year bullet maturity (the "M&A Financing"). The purpose of such facility is to partially finance the CK Hutchison Holdings Pending Transactions (see Note 21.b), as well as other M&A opportunities. As of 31 December 2020, no drawdowns had been made.

Finally, on 9 December 2020, all Cellnex's loans and credit facilities were transferred to Cellnex Finance with exactly the same conditions, and incorporating the guarantee by Cellnex. The bonds issued under the EMTN Programme and the Convertible Bonds were not transferred and continue to be held by Cellnex. Furthermore, any facilities held at a subsidiary level were similarly not transferred and will continue to be held by the corresponding subsidiaries.

As of 31 December 2020 and 2019, the average interest rate of all available borrowings would have been 1.1% and 1.5% respectively, in the event they had been entirely drawn down. The average weighted interest rate as of 31 December 2020 of all available borrowings drawn down was 1.6% (1.7% at the end of 2019).

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

31 December 2020

Thousands of Euros

	01/01/2020	Cash flows	Changes in the scope of consolidation (1)	Exchange rate	Transfers to liabilities held for sale	Other (2)	31/12/2020
Bond issues	3,501,124	3,982,682	-	(3,349)	-	54,500	7,534,957
Loans and credit facilities and other financial liabilities	1,640,998	(44,069)	243,259	(3,943)	-	21,569	1,857,814
Borrowings	**5,142,122**	**3,938,613**	**243,259**	**(7,292)**	**-**	**76,069**	**9,392,771**

(1) It corresponds to the repayment, during 2020, by Cellnex of the financial debt initially incorporated in the net assets acquired on the acquisition date, in relation to the Omtel Acquisition (see Note 6).

(2) It mainly includes arrangement expenses accrued and change in interest accrued not paid.

31 December 2019

Thousands of Euros

	01/01/2019	Cash flows	Changes in the scope of consolidation	Exchange rate	Transfers to liabilities held for sale	Other (1)	31/12/2019
Bond issues	2,510,176	963,197	-	-	-	27,751	3,501,124
Loans and credit facilities and other financial liabilities	618,685	978,008	-	37,541	-	10,357	1,640,998
Borrowings	**3,128,861**	**1,941,205**	**-**	**37,541**	**-**	**38,108**	**5,142,122**

(1) It mainly includes arrangement expenses accrued and change in interest accrued not paid.

The Group's loans and credit facilities were arranged under market conditions and, therefore, their fair value does not differ significantly from their carrying amount. In the case of bond issues, which are traded in active markets, their fair value amounts to EUR 8,426 thousand (based on the market prices at the reporting date).

In accordance with the foregoing and with regard to the financial policy approved by the Board of Directors, the Group prioritizes securing sources of financing at Parent Company level. The aim of this policy is to secure financing at a lower cost and longer maturities while diversifying its funding sources. In addition, this encourages access to capital markets and allows greater flexibility in financing contracts to promote the Group's growth strategy.

As of 31 December 2020 and 2019, the breakdown, by maturity, type of debt and by currency of the Group's borrowings (excluding debt with companies accounted for using the equity method of consolidation) is as follows:

Borrowings by maturity

The maturities of the Group's borrowings based on the repayment schedule as of 31 December 2020 and 2019 are shown in the table below:

31 December 2020

Thousands of Euros

	Current				Non-current			
	Limit	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	More than 5 years	Total
Bond issues and other loans (*)	7,729,340	69,534	602,358	2,394	752,431	593,189	5,603,452	**7,623,358**
Arrangement expenses	-	(13,078)	(12,856)	(12,392)	(11,134)	(10,242)	(28,699)	**(88,401)**
Loans and credit facilities (*)	12,920,485	24,481	169,347	2,500	171,913	669,885	847,656	**1,885,782**
Arrangement expenses	-	(5,128)	(6,351)	(6,078)	(5,004)	(4,274)	(4,459)	**(31,294)**
Other financial liabilities	-	1,132	643	483	472	323	273	**3,326**
Total	**20,649,825**	**76,941**	**753,141**	**(13,093)**	**908,678**	**1,248,881**	**6,418,223**	**9,392,771**

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

31 December 2019

Thousands of Euros

	Current				Non-current			
	Limit	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	More than 5 years	Total
Bond issues and other loans (*)	3,600,500	47,039	-	600,000	-	750,000	2,142,687	**3,539,726**
Arrangement expenses	-	(6,713)	(6,962)	(6,629)	(6,051)	(4,677)	(7,570)	**(38,602)**
Loans and credit facilities (*)	5,877,303	9,715	32,500	223,374	116,169	1,076,758	192,125	**1,650,641**
Arrangement expenses	-	(3,292)	(3,335)	(2,943)	(2,836)	(1,564)	(221)	**(14,191)**
Other financial liabilities	-	1,677	694	707	509	531	430	**4,548**
Total	**9,477,803**	**48,426**	**22,897**	**814,509**	**107,791**	**1,821,048**	**2,327,451**	**5,142,122**

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

Borrowings by type of debt

Thousands of Euros

	Notional as of 31 December 2020 (*)			Notional as of 31 December 2019 (*)		
	Limit	Drawn	Undrawn	Limit	Drawn	Undrawn
Bond issues and other loans	7,729,340	7,729,340	-	3,600,500	3,600,500	-
Loans and credit facilities	14,783,431	1,864,215	12,919,216	5,877,303	1,643,971	4,233,332
Total	**22,512,771**	**9,593,555**	**12,919,216**	**9,477,803**	**5,244,471**	**4,233,332**

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

As of 31 December 2020, the total limit of loans and credit facilities available was EUR 14,783,431 thousand (EUR 5,877,303 thousand as of 31 December 2019), of which EUR 3,324,205 thousand in credit facilities and EUR 11,459,225 thousand in loans (EUR 2,290,227 thousand in credit facilities and EUR 3,587,076 thousand in loans as of 31 December 2019).

Furthermore, of the EUR 14,783,431 thousand of loans and credit facilities available (EUR 5,877,303 thousand as of 31 December 2019), EUR 3,811,306 thousand (EUR 5,472,678 thousand as of 31 December 2019) can be drawn down either in Euros (EUR) or in other currencies, such as Pound Sterling (GBP), Swiss franc (CHF) and U.S. dollar (USD).

As of 31 December 2020 the total amount drawn down of the loans and credit facilities was EUR 1,864,215 thousand (EUR 1,643,971 thousand drawn down as of 31 December 2019).

Borrowings by currency

	Thousands of Euros	
	31 December 2020 (*)	31 December 2019 (*)
Euro	7,698,417	3,780,528
GBP	840,443	331,631
CHF	973,606	1,082,756
Borrowings	9,512,466	5,194,915

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

As described in Note 4.a, the foreign exchange risk on the net investment of operations of the Group companies denominated in non-Euro currencies is managed by means of borrowings denominated in the corresponding foreign currency.

In this regard, during 2020, Cellnex Telecom, S.A. arranged a Cross Currency Swap ("CCS") with strong financial counterparties for EUR 450 million and an equivalent sterling value of GBP 382 million which has been designated together with the bond issue of EUR 450 million executed in January 2020 as a natural hedge of the net investment made in United Kingdom Group's subsidiaries. As of 31 December 2019, the Group maintained debts in GBP, which acted as a natural hedge of net investments. These borrowings amounted to GBP 282,152 thousand with a Euro value of EUR 331,631 thousand and were held by means of various credit facilities denominated in GBP. These non-derivative financial instruments were assigned as net investment hedges against the net assets of the Cellnex UK Group. The maturities of these borrowings were between 2022 and 2023.

In addition, as of 31 December 2020, the Group maintained bonds and borrowings in CHF, which act as a natural hedge of the net investment in Cellnex Switzerland. On 29 January 2020, Cellnex successfully completed the pricing of a CHF-denominated bond for an amount of CHF 185 million, maturing in February 2027. Moreover, on 17 July 2020, Cellnex successfully completed the pricing of another CHF-denominated bond for an amount of CHF 100 million, maturing in July 2025.The borrowings amounted to CHF 183,000 thousand with a Euro value of EUR 169,413 thousand (CHF 639,525 thousand with a Euro value of EUR 589,207 thousand as of 31 December 2019) and are held by means of various facilities denominated in CHF. These non-derivate financial instruments are assigned as net investment hedges against the net assets of Swiss subsidiaries. The maturity of these borrowings are in 2024.

Furthermore, the Group also maintained through its subsidiary Swiss Towers additional borrowings in CHF amounting to CHF 535,669 thousand with a Euro value of EUR 502,928 thousand (CHF 535,698 thousand with a Euro value of EUR 493,549 thousand as of 31 December 2019).

Bond issues and other loans

The detail of the bonds and other financing instruments at 31 December 2020 and 2019 is as follows:

	Thousands of Euros	
	31 December 2020	31 December 2019
Bond issues	7,534,953	3,501,090
Promissory notes and commercial paper	4	34
Bond issues and other loans	**7,534,957**	**3,501,124**

I) EMTN Programme

In May 2015, the Group established a Euro Medium Term Note Programme (the "EMTN Programme") through the Parent Company. This EMTN Programme is registered on the Irish Stock Exchange plc, trading as Euronext Dublin, is renewed annually and its latest renewal date was May 2020. As of 31 December 2020, the EMTN Programme allowed for the issue of bonds up to an aggregate amount of EUR 10,000 million.

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 May 2015, under the aforementioned EMTN Programme, Cellnex has issued the bonds described in the table below, all of them addressed to qualified investors:

31 December 2020

Issue	Initial duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Initial Notional (Thousands of Euros)	Notional as of 31 December 2020 (Thousands of Euros)
27/07/2015	7 years	27/07/2022	BBB-/BB+	XS1265778933	3.13%	600,000	600,000
10/08/2016	8 years	16/01/2024	BBB-/BB+	XS1468525057	2.38%	750,000	750,000
16/12/2016	16 years	20/12/2032	BBB-/NA	XS1538787497	3.88%	65,000	65,000
18/01/2017	8 years	18/04/2025	BBB-/BB+	XS1551726810	2.88%	335,000	335,000
07/04/2017	9 years	07/04/2026	BBB-/NA	XS1592492125	Eur 6M+2.27%(1)	80,000	80,000
03/08/2017	10 years	03/08/2027	BBB-/NA	XS1657934714	Eur 6M+2.20%	60,000	60,000
31/07/2019	10 years	31/07/2029	BBB-/NA	XS2034980479	1.90%	60,500	60,500
20/01/2020	7 years	20/04/2027	BBB-/BB+	XS2102934697	1.0%	450,000	450,000
29/01/2020	7 years	18/02/2027	BBB-/NA	CH0506071148	0.775%	171,265	171,265
26/06/2020	5 years	18/04/2025	BBB-/BB+	XS2193654386	2.88%	165,000	165,000
26/06/2020	9 years	26/06/2029	BBB-/BB+	XS2193658619	1.88%	750,000	750,000
17/07/2020	5 years	17/07/2025	BBB-/BB+	CH0555837753	1.1%	92,575	92,575
23/10/2020	10 years	14/10/2030	BBB-/BB+	XS2247549731	1.75%	1,000,000	1,000,000
Total						**4,579,340**	**4,579,340**

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

Bond issuances during 2020

On 9 January 2020, the Group completed the pricing of an Euro-denominated bond issuance (with ratings of BBB- by Fitch Ratings and BB+ by Standard&Poor's) aimed at qualified investors for an amount of EUR 450,000 thousand, maturing in April 2027 and with a coupon of 1.0%. Simultaneously, the Group entered into several cross-currency swap agreements with reputable financial counterparties by which Cellnex lent the EUR 450,000 thousand received and borrowed the equivalent amount in GBP at an agreed exchange rate, enabling Cellnex to obtain approximately GBP 382,455 thousand at a cost of 2.2%. In addition, on 29 January 2020,

the Group completed the pricing of a CHF-denominated bond issuance (with a rating of BBB- by Fitch Ratings) for an amount of CHF 185,000 thousand, maturing in February 2027 and with a coupon of 0.775%. On 16 June 2020, the Group completed the pricing of a dual-tranche Euro-denominated bond issuance (with ratings of BBB- by Fitch Ratings and BB+ by Standard&Poor's) aimed at qualified investors, including a tap of the bond maturing in April 2025 for an amount of EUR 165,000 thousand, and with an equivalent coupon of 1.4%; and a new bond for an amount of EUR 750,000 thousand, maturing in June 2029 and with a coupon of 1.875%. In addition, on 22 June 2020, the Group completed the pricing of a CHF-denominated bond issuance (with a rating of BBB- by Fitch Ratings) for an amount of CHF 100,000 thousand, maturing in July 2025 and with a coupon of 1.1%. On 14 October 2020, the Group completed the pricing of a Euro-denominated bond issuance (with ratings of BBB- by Fitch Ratings and BB+ by Standard&Poor's) for an amount of EUR 1,000,000 thousand, maturing in October 2030 and with a coupon of 1.75%.

The bond issuances in Swiss francs are listed on the Swiss Stock Exchange (SIX) and the euro issuances are listed on the Irish Stock Exchange (ISE)

In December 2020, Cellnex Finance established a Guaranteed Euro Medium Term Note Programme, guaranteed by Cellnex, registered on the Irish Stock Exchange plc, trading as Euronext Dublin, and allowing for the issue of bonds up to an aggregate amount of EUR 10,000 million. From 2021 onwards, it is envisaged that Cellnex Finance will be the main debt financing entity of the Group.

31 December 2019

Issue	Initial duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Initial Notional (Thousands of Euros)	Notional as of 31 December 2019 (Thousands of Euros)
27/07/2015	7 years	27/07/2022	BBB-/BB+	XS1265778933	3.13%	600,000	600,000
10/08/2016	8 years	16/01/2024	BBB-/BB+	XS1468525057	2.38%	750,000	750,000
16/12/2016	16 years	20/12/2032	BBB-/NA	XS1538787497	3.88%	65,000	65,000
18/01/2017	8 years	18/04/2025	BBB-/BB+	XS1551726810	2.88%	335,000	335,000
07/04/2017	9 years	07/04/2026	BBB-/NA	XS1592492125	Eur 6M+2.27%[1]	80,000	80,000
03/08/2017	10 years	03/08/2027	BBB-/NA	XS1657934714	Eur 6M+2.20%	60,000	60,000
31/07/2019	10 years	31/07/2029	BBB-/NA	XS2034980479	1.90%	60,500	60,500
Total						1,950,500	1,950,500

[2] Coupon rate hedged by Interest Rate Swaps (see Note 11).

The bond issues have certain associated costs, customary in this type of transactions such as arrangement expenses and advisors' fees, which amounted to EUR 59,175 thousand as of 31 December 2020 (EUR 16,321 thousand as of 31 December 2019), which the Group defers over the life of the bonds and are taken to the consolidated income statement following a financial criteria. In this regard, an amount of EUR 88,401 thousand and EUR 38,602 thousand was deducted from bond issues in the consolidated balance sheet as of 31 December 2020 and 2019, respectively. The arrangement expenses and advisors' fees accrued in the consolidated income statement for the year ended 31 December 2020 in relation to the bond issues amounted to EUR 9,376 thousand (EUR 5,619 thousand as of 31 December 2019).

II) Convertible Bonds

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

31 December 2020

Issue	Initial Duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Balance as at 31 December 2020 (Thousands of Euros)
16/01/2018	8 years	16/01/2026	BBB-/NA	XS1750026186	1.50%	558,469
21/01/2019	7 years	16/01/2026	BBB-/NA	XS1750026186	1.50%	183,964
25/06/2019	9 years	25/07/2028	BBB-/NA	XS2021212332	0.50%	823,711
20/11/2020	11 years	20/11/2031	BBB-/NA	XS2257580857	0.75%	1,400,343
Total						2,966,487

The 2020 Convertible Bond

In November 2020, Cellnex issued new senior unsecured convertible bonds (the "2020 Convertible Bond") and together with the Original Convertible Bonds and the 2019 Convertible Bond, the "Convertible Bonds"). The underlying number of Shares of the 2020 Convertible Bond is equivalent to c.3.2% of the Company's share capital as of the issue date. Bondholders may request Cellnex to repurchase the 2020 Convertible Bond (i) in the event of a change of control of the Company; or (ii) in the event that a tender offer is made with respect to the Shares which leads to a change of control of Cellnex.

The 2020 Convertible Bond has a coupon of 0.75% per annum of the notional amount payable annually in arrears. Cellnex may opt to redeem all (but not part) of the 2020 Convertible Bonds on or after 11 December 2028, if the market value of the underlying Shares per EUR 100,000 of principal amount of the Convertible Bonds exceeds 150% of the accreted principal amount of the 2020 Convertible Bonds during a specific period of time or, at any time, if more than 85% of the aggregate principal amount of the 2020 Convertible Bonds has been converted and/or redeemed and/or purchased and cancelled. The 2020 Convertible Bonds will reach maturity in November 2031, and are rated BBB- by Fitch. Any 2020 Convertible Bonds which have not been previously converted, redeemed or repurchased and cancelled by then, will be redeemed in full at a redemption price equal to 107.37% of their principal amount, implying a yield to maturity of 1.375% per annum.

The initial conversion price of the 2020 Convertible Bond was EUR 97.07, which represented a premium of 70% over the placement price per existing Share, determined pursuant to a simultaneous placement of existing Shares on behalf of certain subscribers of the 2020 Convertible Bond, who wished to sell these existing Shares to purchasers in order to hedge their market risk with respect to the 2020 Convertible Bonds, and was subject to customary adjustments. As a result of the agreed redemption price, the effective conversion price is EUR 104.2241.

These convertible bonds have been treated as a compound instrument and have been split into its two components: a debt component amounting EUR 1,398 million euros, corresponding to the present value of the coupons and principal discounted at the interest rate of a bond, with same nominal amount and maturity, without the convertibility option; and an equity component, for the remaining amount, due to the bondholder option to convert into shares, included in the heading "Reserves from retained earnings and other reserves".

31 December 2019

Issue	Initial Duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Balance as at 31 December 2019 (Thousands of Euros)
16/01/2018	8 years	16/01/2026	BBB-/NA	XS1750026186	1.50%	550,940
21/01/2019	7 years	16/01/2026	BBB-/NA	XS1750026186	1.50%	181,079
25/06/2019	9 years	25/07/2028	BBB-/NA	XS2021212332	0.50%	810,168
Total						1,542,187

Convertible bond issuances during 2019

In January 2019, Cellnex resolved to carry out an additional tap issuance of senior unsecured convertible bonds, under the same terms and conditions applicable to the 2018 Convertible Bond, which consolidated and currently forms a single series with it (the "Additional Convertible Bond" and, together with the 2018 Convertible Bond, the "Original Convertible Bonds"). The underlying number of Shares of the Original Convertible Bonds is equivalent to c.5.2% of the Company's share capital adjusted to take into account the share capital increases executed on 25 March 2019, 5 November 2019 and 17 August 2020.

The Original Convertible Bonds carry a coupon of 1.5% of the notional amount payable annually in arrears (resulting in an implied yield to maturity of approximately 1.45%). Cellnex may opt to redeem all (but not part) of the Original Convertible Bonds on or after 18 July 2022, if the market value of the underlying Shares per EUR 100,000 of principal amount exceeds EUR 130,000 during a specified period of time, or, at any time, if more than 85% of the aggregate principal amount of the Original Convertible Bonds has been converted and/or redeemed and/or purchased and cancelled. The Original Convertible Bonds will reach maturity in January 2026, and are rated BBB- by Fitch. Any Original Convertible Bonds which have not been previously converted, redeemed or repurchased and cancelled by then, will be redeemed in full at a redemption price equal to 100% of their principal amount, implying a yield to maturity of 1.5% per annum. Bondholders may request Cellnex to repurchase the Original Convertible Bonds (i) in the event of a change of control of the Company; or (ii) in the event that a tender offer is made with respect to the Shares which leads to a change of control of Cellnex.

Furthermore, in July 2019, Cellnex issued additional senior unsecured convertible bonds (the "2019 Convertible Bond"). The underlying number of Shares of the 2019 Convertible Bond is equivalent to c.3.5% of the Company's share capital adjusted to take into account the share capital increase executed on 5 November 2019 and 17 August 2020. Bondholders may request Cellnex to repurchase the 2019 Convertible Bond (i) in the event of a change of control of the Company; (ii) in the event that a tender offer is made with respect to the Shares which leads to a change of control of Cellnex; or (iii) on 5 January 2027.

The 2019 Convertible Bond has a coupon of 0.5% of the notional amount payable annually in arrears. Cellnex may opt to redeem all (but not part) of the 2019 Convertible Bonds on or after 26 July 2026, if the market value of the underlying Shares per EUR 100,000 of principal amount of the Convertible Bonds exceeds 150% of the accreted principal amount of the 2019 Convertible Bonds during a specific period of time or, at any time, if more than 85% of the aggregate principal amount of the Original Convertible Bonds have been converted and/or redeemed and/or purchased and cancelled. The 2019 Convertible Bonds will reach maturity in July 2028, and are rated BBB- by Fitch. Any 2019 Convertible Bonds which have not been previously converted, redeemed or repurchased and cancelled by then, will be redeemed in full at a redemption price equal to 108.57% of their principal amount, implying a yield to maturity of 1.40% per annum.

These convertible bonds have been treated as a compound instruments and have been split into its two components: a debt component amounting EUR 982 million euros, corresponding to the present value of the coupons of discounted at the interest rate of a bond, with same nominal amount and maturity, without the convertibility option; and an equity component, for the remaining amount, due to the bondholder option to convert into shares, included in the heading "Reserves from retained earnings and other reserves".

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

Clauses regarding changes of control

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

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

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

Bonds obligations and restrictions

As at 31 December 2020, Cellnex had no restrictions regarding the use of proceeds from its bond offerings, had not provided any collateral for any obligations in connection with its outstanding bonds and the bonds ranked pari passu with the rest of Cellnex's unsecured and unsubordinated borrowings.

III) ECP Programme

In June 2018 Cellnex established an Euro-Commercial Paper Programme (the "ECP Programme") with the Irish Stock Exchange, plc. trading as Euronext Dublin, which was renewed in June 2020. The ECP Programme has a limit of EUR 500 million or its equivalent in GBP, USD and CHF. As of 31 December 2020 and 2019, there were no amounts drawn down in euros under the ECP Programme nor in GBP or CHF.

Bonds obligations and restrictions

As at 31 December 2020 and 2019, the Parent Company and Cellnex Finance had no restrictions regarding the use of capital resources nor had it guarantees and the bonds rank *pari passu* with the rest of the unsecured and unsubordinated borrowings.

Loans and credit facilities

As of 31 December 2020, the total limit of loans and credit facilities available was EUR 14,783,431 thousand (EUR 5,877,303 thousand as of 31 December 2019), of which EUR 3,324,205 thousand in credit facilities and EUR 11,459,225 thousand in loans (EUR 2,290,227 thousand and EUR 3,587,076 thousand respectively as of 31 December 2019).

On 29 May 2020 Nexloop signed the Nexloop Senior Facility, a EUR 620,000 thousand financing with a pool of banks, consisting of a EUR 600,000 thousand term loan facility with a 8-year bullet maturity, to partially finance the deployment of the fibre network by Nexloop, and a EUR 20,000 thousand revolving credit facility with a 7-year-and-10-months bullet maturity to finance or reimburse VAT amounts related to Nexloop's project costs (See Note 7) (the "Nexloop Senior Facility"). Nexloop also entered into several floating-to-fixed IRS (see Note 11). As of 31 December 2020, the total amount drawn down in relation to these facilities was EUR 73,359 thousand.

In addition, during the year ended 31 December 2020, the Group amended a credit facility for a total of EUR 100,000 thousand to extend its maturity, increased by net EUR 40,000 thousand the limits from other credit facilities, and cancelled a bridge loan for GBP 1,400,000 thousand and term loans for EUR 50,000 thousand and CHF 450,000 thousand, respectively.

On 5 November 2019, the Group signed a GBP 2 billion financing consisting of a GBP 1,400,000 thousand term loan facility in favor of Cellnex with a maturity of up to 3 years and a GBP 600,000 thousand term loan facility entered into by Cellnex UK and guaranteed by Cellnex, with a 5-year bullet maturity, to partially finance the Arqiva Acquisition (the "GBP Facilities") (see Note 6). As of 31 December

2020, the GBP 600,000 thousand term loan facility was completely drawn and the GBP 1,400,000 thousand term loan facility was cancelled.

In addition, on 13 November 2020, the Group signed a EUR 10 billion financing agreement consisting of i) a EUR 7,500,000 thousand bridge loan facility with a maturity of up to 3 years; ii) a EUR 1,250,000 thousand term loan facility with a 3-year bullet maturity; and iii) another EUR 1,250,000 thousand term loan facility with a 5-year bullet maturity. The purpose of such facility is to partially finance the CK Hutchison acquisitions and finance other M&A opportunities. As of 31 December 2020, no drawdowns had been made.

Clauses regarding changes of control

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

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

As at 31 December 2020 most of Cellnex's outstanding loans and credit facilities do not impose restrictions on the use of available funds. However, certain of the Group's outstanding loans and credit facilities, including the Nexloop Senior Facility and the EUR 10 billion, impose restrictions on the use of drawn amounts. For example, the latter can only be utilized to pay for acquisitions.

Security interests and other covenants and undertakings

As of 31 December 2020, most of the outstanding loans and credit facilities entered into by Cellnex and its subsidiaries are unsecured and unsubordinated and rank pari passu with the rest of the Group's unsecured and unsubordinated borrowings. However, from time to time, the Group may enter into senior and secured loans and credit facilities, such as the Nexloop Facilities, under which the Group granted a security package in favour of several creditors and hedge counterparties consistent with certain agreed security principles, including pledges over the Group's shares in Nexloop and certain receivables including any debt instruments held by the Group in Nexloop (such as the Group's credit rights under the Nexloop Shareholder Facility, as defined herein).

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

Other financial liabilities

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

Corporate rating

At 31 December 2020, Cellnex holds a long-term "BBB-" (Investment Grade) with stable outlook according to the international credit rating agency Fitch Ratings Ltd as confirmed by a report issued on 15 April 2020 and a long-term "BB+" with stable outlook according to the international credit rating agency Standard & Poor's Financial Services LLC as confirmed by a report issued on 17 November 2020.

16. Leases

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

Amounts recognised in the consolidated balance sheet

As of 31 December 2020 and 2019, the amounts recognized in the consolidated balance sheet related to lease agreements are:

Right of use

	Thousands of euros	
	Net book value	
	31 December 2020	31 December 2019 restated
Right of use		
Sites	2,044,816	1,214,858
Offices	10,904	16,180
Satellites	72,998	3,396
Vehicles	1,802	1,971
Concessions	3,040	3,308
Total	2,133,560	1,239,713

The additions of rights of use during 2020 amounted to EUR 1,192,425 thousand (EUR 323,721 thousand in 2019), of which EUR 323,826 thousand (EUR 174,322 thousand in 2019) related to reassessments of existing lease contracts at the year end, and EUR 596,399 thousand corresponded to changes in the scope of consolidation during 2020 (see Notes 2.h and 6).

Lease liabilities

	Thousands of euros	
	31 December 2020	31 December 2019 restated
Maturity analysis – Contractual undiscounted cash flows		
Less than one year	401,098	284,039
One to five years	1,478,048	739,669
More than five years	956,349	734,011
Total undiscounted lease liabilities at 31 December	2,835,496	1,757,719
Lease liabilities included in the statement of financial position		
Current	284,060	206,853
Non-Current	1,478,759	933,335
Total	1,762,819	1,140,188

Amounts recognised in the consolidated income statement

As of 31 December 2020 and 2019, the amounts recognized in the consolidated income statement related to lease agreements are:

	Thousands of euros	
	2020	2019 restated
Depreciation and amortisation		
Depreciation Right of Use:		
Sites	(288,780)	(163,823)
Offices	(3,671)	(3,345)
Satellites	(12,153)	(8,145)
Vehicles	(1,354)	(1,591)
Concessions	(268)	(212)
Total	**(306,226)**	**(177,116)**
Financial costs		
Interest expense on lease liabilities	**(142,523)**	**(69,762)**
Other operating expenses		
Expense related to contracts with low value asset	(3,008)	(4,507)
Expense related to variable lease payments	(7,410)	(6,595)
Total	**(10,418)**	**(11,102)**

During 2020 and 2019, the Group has not recognized in the consolidated income statement, income from subleasing right-of-use assets, nor gains or losses arising from sale and leaseback transactions by a significant amount.

Amounts recognised in the statement of cash flows

The total amount of cash outflows in relation to lease agreements during the year ended on 31 December 2020 amounts to EUR 629,601 thousand (EUR 244,559 thousand in 2019), of which EUR 264,118 thousand (EUR 52,521 thousand in 2019) relates to cash advances to landlords, EUR 142,523 thousand (EUR 70,408 thousand in 2019) relates to interest payments on lease liabilities and EUR 222,960 thousand (EUR 121,630 thousand in 2019) relates to payments of lease instalments in the ordinary course of business.

Lease agreements. Cellnex Group as lessee

i) Real estate leases

All of the amounts recognized in the balance sheet correspond to lease agreements in which Cellnex Group acts as lessee. Cellnex Group manages and operates almost all of the sites where it locates its telecommunications infrastructure using lease agreements. In addition to these sites, the Group has lease agreements related mainly to offices, car parks, vehicles and satellites.

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

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

Extension options

Regarding the lease term considered for each contract, in relation to the leases of land and buildings in which the Group locates its infrastructures, the term considered for the leases depends mainly on whether the lease contract contains or not unilateral termination clauses and / or renewal (or similar legal rights deriving from the legislation of the countries in which it operates) that grant the Group the right to terminate early or to extend the contracts, as well as the term of the contracts with customers associated with the leases and whether these contracts allow the early termination of the lease or not. The most common types of contracts and the main criteria for determining their term are detailed in Note 2.b of the 2018 annual consolidated financial statements.

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

In the majority of areas in which the Group operates, the lease term reflected in measuring the lease liability includes unilateral options to extend the contract, since the customer contracts have the same or a longer term and do not allow the early termination of the lease. In those cases where the customer contract does allow early termination and the Group is required to assess whether it is reasonably certain to exercise an extension or termination option, the effect of revising lease terms to reflect the exercise of extension options or not exercising termination options would be to increase recognised lease liabilities by a maximum of EUR 132 million as at 31 December 2020 (EUR 150 million as at 31 December 2019). It should be noted that Group management consider it highly improbable that these maximum terms would be reached.

Discount rates

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

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

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

ii) Other leases

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

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

iii) Sale-and-leaseback

During 2020 and 2019, no significant sale-and-leaseback transactions have been performed.

17. Trade and other payables

The detail of this heading at 31 December 2020 and 2019 is as follows:

	Thousands of Euros	
	31 December 2020	31 December 2019 restated
Trade payables	306,745	219,626
Current tax liabilities	101,023	43,737
Other payables to related parties (Note 24.d)	1,107	702
Other payables	274,235	117,571
Trade and other payables	**683,110**	**381,636**

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

At 31 December 2020 and 2019, "Trade payables" included mainly the amounts payable for trade purchases made by the Group and their related costs.

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

Lastly, "Other payables" is formed mainly of deferred revenues and payables to non-current asset suppliers. At 31 December 2019, this item additionally included, in the context of the Swiss Infra Acquisition (see Note 6) and according with the relevant contractual clauses, the amount to be paid by Swiss Towers to the seller one year after the completion of the transaction (august 2020), which amounted to EUR 59 million, linked to the BTS program, and which has been paid to the seller by Cellnex during 2020.

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) 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 consolidated report with regard to the average supplier payment period for commercial transactions, is set up below:

	Thousands of Euros	
	2020	2019
Total payments in the year	380,650	253,408
Total payments outstanding	30,634	9,460
Average payment period to suppliers (days)	24 days	39 days
Ratio of transactions paid (days)	25 days	39 days
Ratio of transactions outstanding (days)	5 days	34 days

In accordance with the AAI resolution, only the delivery of goods and services from the date Law 31/2014 of 3 December came into force have been taken into account, and only with regard to the Group companies situated in Spain and fully consolidated.

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 heading 'Trade and other payables' in the short term liabilities of the

consolidated balance sheet. Moreover, only amounts relating to those Spanish entities included in the consolidated entity are considered for these purposes.

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.

18. Income tax and tax situation

a) Tax information

The sole shareholder of Cellnex Telecom, S.A. up until 7 May 2015, Abertis Infraestructuras, S.A., completed the flotation (IPO) of the aforementioned company on that date. Thus, Cellnex Telecom, S.A. became the parent company of a new consolidated tax group for the purposes of Corporation tax in Spain in the 2015 financial year.

Cellnex files consolidated tax returns as the Parent Company of the tax group, the subsidiaries of which are composed of investees at least 75%-owned by it and with tax residence in Spain. The Group companies resident in Italy file consolidated Italian corporation tax returns from 2016 onwards. In addition, the Group companies resident in the Netherlands file consolidated Dutch tax returns. The UK companies file Group Relief claims and surrenders as appropriate. Cellnex France Group files consolidated tax returns as the Parent Company of the tax group, the subsidiaries of which are composed of investees at least 95%-owned. The Irish companies file Group Relief claims and surrenders as appropriate. The Group companies resident in Portugal file consolidated Portuguese corporation tax returns except for companies acquired during 2020. The remaining companies included in the consolidation scope file individual corporation tax returns.

Tax inspections and litigations

At 31 December 2020, in general, the Group companies' returns for all applicable taxes which are not statute-barred at that date are open to inspection in each of the jurisdictions in which they are based.

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

On 3 July 2018 general inspection proceedings were initiated in relation to consolidated corporate income tax for 2015 and 2016 and VAT for the periods April to December 2015 (individual) and 2016 (group entities).

On 12 June 2020 agreed tax reassessments were issued in relation to corporate income tax for the years 2015 to 2018. For 2015 and 2016, the reassessments are definitive. For 2017 and 2018, the proposals are provisional, given that the inspection proceedings were limited to basically verifying the correct application of the reduction in income from the assignment of certain intangible assets. The total resulting amount in respect of tax payable amounted to EUR 3,072 thousand. The Directors of Cellnex have estimated that the criteria applied by the tax authorities do not have a material impact on the years open to inspection.

Also, on 9 June 2020 unaccepted tax reassessments were communicated in respect of VAT. The proposed assessment amounted to EUR 2,413 thousand. The reason for the reassessment was the different interpretation of the financial activity carried out and how this affects the deductibility of certain items.

The allegations put forward by Cellnex were not accepted and on 22 December 2020 final assessments were communicated. In January 2021 Cellnex has appealed the final assessments before the Economic-Administrative Court and requested for the adjournment of the assessments by granting a bank guarantee to the Spanish Tax Authorities.

In all cases, the inspection authorities have considered that the Group's approach was reasonable and they have expressly stated that no penalties will be proposed.

On 28 January 2020 the Irish Tax Authorities notified the initiation of a tax audit in relation to corporate income tax and VAT for 2016, 2017 and 2018. The first visit at the Cellnex Ireland's offices should have been on 3 March 2020. However, due to the Covid-19 situation it was postponed *sine die.*

Cellnex considers that no material impacts shall derive from this tax audit.

At the beginning of 2020 the Swiss Tax Authorities notified the initiation of a tax audit in relation to corporate income tax for 2017 and 2018. In January 2021 the Swiss Tax Authorities has closed the audit process with no relevant impact for the Swiss companies.

b) Corporation tax expense

The standard corporation tax rate in the main countries in which Cellnex conducts its operations is as follows:

	2020	2019
Spain	25%	25%
Italy [(1)]	28.82%	28.82%
Netherlands [(2)]	25%	25%
United Kingdom	19%	19%
Finland	20%	n/a
Portugal [(6)]	21%	n/a
France [(3)]	28%/31%	28%/31%
Switzerland [(4)]	20.40%	20.40%
Ireland [(5)]	12.5%/25%	12.5%/25%
Austria	22%	n/a
Denmark	25%	n/a

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

[(2)] On 15 December 2020, the Senate approved the 2021 Tax Plan package, approving a progressive decrease of the Dutch lower CIT rate from 19% to 16,5% by 2020 and 15% by 2021. The Dutch standard CIT rate of 25% remains unchanged. .. The lower CIT rate for 2020 is 16,5% (2019: 19%) for taxable income up to EUR 200 thousand (EUR 245 thousand for 2021 and EUR 395 thousand for 2022) and the standard rate of 25% (2019: 25%) applies to taxable income exceeding the referred thresholds.

[(3)] The French Parliament in December 2020 approved the Finance Law for 2021 which does not modify the delayed implementation of reduced corporate income tax rate for large entities previously enacted in 2019 consisting in a progressive decrease of the French standard corporate income tax (CIT) rate from 33.3% to 25% by 2022. For fiscal years starting on or after 1 January 2019, a 28% CIT rate applied on the first EUR 500 thousand of taxable income of all entities. Taxable income in excess of EUR 500 thousand was subject to a 31% CIT rate or 33.3% CIT rate for companies with revenues beyond EUR 250 million. For financial years beginning on or after 1 January 2020, a 28% CIT rate applied, except for larger entities for which a 28% CIT rate applied on the first EUR 500 thousand of taxable income and a 31% rate applied on the taxable income in excess of EUR 500 thousand. For financial years beginning on or after 1 January 2021, a 26.5% CIT rate will apply for entities with revenues lower than EUR 250 million or a 27.5% rate for larger entities. For financial years beginning on or after 1 January 2022, a 25% CIT rate will apply for all entities.

[(4)] The standard income tax rate was 18.4% in Switzerland, which is made up of federal, cantonal and communal (municipal) taxes. Lower rates are available for privileged companies.

[(5)] The standard trading profit tax rate is 12.5% and the standard passive profit rate is 25%.

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

The reconciliation of the theoretical tax and the tax expense recorded in the consolidated income statement for the year is as follows:

	Thousands of Euros	
	2020	2019 restated
Consolidated profit/(loss) before tax	(199,461)	(54,392)
Theoretical tax [1]	34,448	11,485
Impact on tax expense from (permanent differences):		
Non-deductible expenses	(6,509)	(8,864)
Other deductions	11,273	3,229
Income from transfer of know-how	2,087	1,904
Income tax (expense)/credit for the year	**41,299**	**7,754**
Tax loss carryforwards	8,635	6,727
Changes in tax rates	(8,241)	19,153
Other tax effects	7,031	2,066
Other tax effects	**7,425**	**27,946**
Income tax (expense)/credit	**48,724**	**35,700**

[1] The theoretical tax charge is a blended rate calculated by applying the individual corporation tax rate in each country to the profit before tax of each individual Group company.

"Non-deductible expenses" in 2020 and 2019 include items that, in accordance with the tax legislation of the respective consolidated companies, are not taxable or deductible.

"Income from transfer of know-how" for the 2020 and 2019 financial years includes the reduction of income from certain intangible assets (Patent Box) in accordance with the provisions of Law 27/2014, of 27 November, regarding Corporation Tax.

"Changes in tax rate" in 2020 included the impact of updating the tax rate in certain subsidiaries, which has resulted in a negative impact of EUR 8 million (positive impact of EUR 19 million in 2019), in the accompanying consolidated income statement.

The main components of the income tax expense for the year (for fully consolidated companies) are:

	Thousands of Euros	
	2020	2019 restated
Current tax	(31,828)	(14,555)
Deferred tax	77,458	51,076
Tax from prior years / other	3,094	(821)
Income tax expense	**48,724**	**35,700**

"Deferred tax" in 2020 and 2019 mainly relates to the impact of the deferred tax liabilities associated with the business combinations detailed below (Note 18.d).

Tax withholdings and payments on account totalled EUR 29,816 thousand (EUR 21,903 thousand in 2019).

c) Current tax liabilities

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

	Thousands of Euros	
	31 December 2020	31 December 2019
VAT payable	45,276	25,123
Corporate income tax	44,195	9,235
Social security payable	3,455	2,023
Personal income tax withholdings	3,406	3,618
Other taxes	4,691	3,738
Current tax liabilities	**101,023**	**43,737**

d) Deferred taxes

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

	Thousands of Euros			
	2020		2019 restated	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
At 1 January	133,723	(881,764)	55,322	(333,306)
Debits/(credits) in income statement	64,804	58,077	34,339	25,973
Debits/(credits) due to incorporation into scope and business combinations	274,105	(969,648)	40,701	(591,967)
Debits/(credits) to equity	(8,655)	-	2,617	-
Transfers	2,818	(1,601)	-	-
Changes in tax rates	-	8,241	-	19,162
Others	(2,264)	(4,135)	744	(1,626)
At 31 December	464,531	(1,790,830)	133,723	(881,764)

Deferred tax assets

The breakdown of the deferred tax assets is as follows:

	Thousands of Euros	
	31 December 2020	31 December 2019 restated
Deferred tax assets:		
Business combinations [1]	52,191	40,700
Provision for third-party liabilities	10,219	9,534
Limit on depreciation and amortisation of fixed assets	3,686	4,684
Employee benefit obligations	7,636	6,550
Other provisions	69,405	4,732
Timing differences in revenue and expense recognition	7,050	1,625
Asset revaluation	208,185	4,864
IFRS 16	11,788	18,542
Tax credits recognised:		
Tax loss carry forwards	68,319	24,996
Limit on depreciation and amortisation of fixed assets	1,134	1,134
Asset revaluation	1,908	553
Limit on deductibility of financial expenses	23,010	15,809
Total	**464,531**	**133,723**

[1] Tax effect associated with recognising, at fair value, the net assets and liabilities acquired in various business combinations and/or changes in the scope of consolidation (Note 6).

Provision for third-party liabilities

The Group has yet to fully utilise the tax credit recognised in 2019 for the collective redundancy procedure, which at year-end 2019 was only partially paid.

Limit on depreciation and amortisation of fixed assets

Act 16/2012, limiting the deductibility of the depreciation and amortisation expenses, was approved on 27 December 2012. In general, only 70% of the amortisation and depreciation for accounting purposes on property, plant and equipment, intangible assets and investment property for tax periods beginning in 2013 and 2014, which would have been tax deductible, will be deducted from the tax base. The amortisation and depreciation for accounting purposes that was not tax deductible is deducted on a straight-line basis over a 10-year period or over the useful life of the asset from the first tax period that begins in 2015.

This heading also includes the limit on the amortisation of the asset revaluation given that it is amortised for tax purposes, from the first tax period beginning on or after 1 January 2015, over the tax periods in the remaining useful lives of the revalued asset, under the same terms and conditions related to renewals and extensions.

Asset revaluation

On 27 December 2012, Act 16/2012 was approved, which allowed the carrying amount of the assets to be recalculated in order to adjust such values for the effect of inflation and bring them closer to their actual value for Spanish companies. The Group adjusted the carrying amount of its assets in companies on an individual basis, initially assumed the tax cost of all assets and generated a future income tax savings which translated into deferred tax assets. This revaluation has not been included in these consolidated financial statements and only the future tax saving is reflected.

Deferred tax assets include unused tax credits and the temporary differences recognised at year-end.

The deferred tax assets indicated above were recognised in the consolidated balance sheet because the Parent Company's Directors considered that, based on their best estimate of the Group's future earnings, it is probable that these assets will be recovered.

Tax losses carry forwards

As at 31 December 2020 and 2019 the Group had tax losses from UK companies available for carry forward against future profits, as detailed below:

- Non-trade loan relationship deficit of EUR 10.9 million (EUR 10.5 million at 2019 year-end) which related to GBP 9.8 million (GBP 9.8 million at 2019 year-end), which is available to offset future non-trade income and capital gains of the company that incurred the loss, and

- Trading losses of EUR 6.9 million (EUR 13.3 million at 2019 year-end) which related to GBP 6.2 million (GBP 11.3 million at 2019 year-end) which is available to offset against future trading profits generated by the same company that incurred the loss.

In addition, tax losses from Spanish, French, Dutch, Irish, Portuguese and Finish companies available for carry forward against future profits, amounted to EUR 184.1 million, EUR 75.5 million, EUR 0.8 million, EUR 13.0 million, EUR 4.6 million and EUR 18 million. As at 31 December 2019, tax losses from Spanish, French, Dutch and Irish companies available for carry forward against future profits, amounted to EUR 45.3 million, EUR 45.3 million, EUR 0.7 million and EUR 10.2 million.

The potential deferred tax asset arising on the losses carried forward in the Group companies detailed above has not been recognized yet in the accompanying consolidated balance sheet, except for the tax losses in Spain and France recognized at 31 December 2020 amounting to EUR 46 million and EUR 22,3 million, respectively (EUR 11.3 million and EUR 13,6 million, respectively at 2019 year-end) as they will be recovered in less than 10 years according to the business plan prepared by the Management. The aforementioned tax losses do not have an expiration date.

Limit on deductibility of financial expenses

Act 4/2004, limiting the deductibility of the net financial expenses, for the periods beginning on 1 January 2012. This act established that the net financial expenses will be deductible from the tax base with the limit of the 30% of the operating profit of the year. The net financial expenses that have not been deducted, may be deducted in the tax periods ending in the immediate and subsequent 18 years, together with those of the corresponding tax period and with the limit established above. As of 1 January 2015, the temporary deduction limit has been eliminated.

Deferred tax liabilities

The breakdown of the deferred tax liabilities is as follows:

	Thousands of Euros	
	31 December 2020	31 December 2019 restated
Deferred tax liabilities:		
Business combinations [1]	(1,785,692)	(876,197)
Accelerated depreciation and amortisation	(5,342)	(5,255)
Amortization goodwill in Spanish companies and others	204	(312)
Total	**(1,790,830)**	**(881,764)**

[1] Tax effect associated with recognising, at fair value, the net assets and liabilities acquired in various business combinations and/or changes in the scope of consolidation (Note 6).

Business combinations

The detail of the deferred tax liabilities recorded at 31 December 2020 and 2019 relating to the tax effect associated with recognising, at fair value, the net assets and liabilities acquired in the main business combinations and/or changes in the scope of consolidation, is as follows:

Acquisitions	Incorporation	31 December 2020	31 December 2019 restated
Towerco	2014	20,262	21,446
Cellnex Italia	2015	106,508	111,712
Commscon	2016	-	2,837
Cellnex Netherlands subgroup	2016	60,480	63,858
Shere Group subgroup	2016	16,442	16,824
Swiss Towers	2017	55,577	55,682
Infracapital Alticom subgroup	2017	11,280	11,968
Xarxa Oberta de Catalunya	2019	5,177	5,670
Zenon Digital Radio	2019	594	627
On Tower Netherlands	2019	5,111	5,387
Cignal subgroup	2019	11,235	11,837
Swiss Infra Services	2019	149,911	155,949
On Tower France	2019	391,780	412,400
Edzcom	2020	3,540	-
On Tower UK	2020	382,181	-
Omtel	2020	128,472	-
On Tower Portugal	2020	77,531	-
Metrocall	2020	14,737	-
Networks Co Austria	2020	220,854	-
Networks Co Ireland	2020	52,114	-
Networks Co Denmark	2020	71,906	-
Total		1,785,692	876,197

Accelerated depreciation and amortisation

On 3 December 2010, Act 13/2010 was approved, which allowed for the accelerated depreciation of new items of property, plant and equipment and investment property used in business activities, and made available to the taxpayer in tax periods beginning in 2011, 2012, 2013, 2014 and 2015. This measure gave rise to a temporary difference between depreciation for accounting and for tax purposes.

Expected schedule for reversal of the deferred tax assets and liabilities

In most cases, the use of the Group's deferred tax assets and liabilities is conditional upon the future performance of the business activities carried out by its various subsidiaries, the tax regulations of the different countries in which they operate, and the strategic decisions to which they may be subject.

Under the assumption used, it is estimated that the deferred tax assets and liabilities recognised in the consolidated balance sheet at 31 December 2020 and 2019 will be used as follows:

	Thousands of Euros		
	31 December 2020		
	Less than one year	More than one year	Total
Deferred tax assets	72,982	391,549	**464,531**
Deferred tax liabilities	86,010	1,704,820	**1,790,830**

	Thousands of Euros		
	31 December 2019 restated		
	Less than one year	More than one year	Total
Deferred tax assets	17,620	116,103	**133,723**
Deferred tax liabilities	(52,618)	(829,146)	**(881,764)**

The deferred tax assets indicated above were recognised in the attached consolidated balance sheet as the Parent's Directors consider that, based on their best estimated of the tax group's future earnings it is probable that these assets will be recovered.

19. Employee benefit obligations and provisions and other liabilities

a) Current and non-current employee benefit obligations

The detail of "Employee benefit obligations" at 31 December 2020 and 2019 is as follows:

						Thousands of Euros
	31 December 2020			31 December 2019		
	Non-current	Current	Total	Non-current	Current	Total
Defined benefit obligations	6,114	49	**6,163**	4,421	150	**4,571**
Employee benefit obligations	11,080	26,811	**37,891**	13,551	22,825	**36,376**
Employee benefit obligations	**17,194**	**26,860**	**44,054**	**17,972**	**22,975**	**40,947**

I) Current and non-current defined benefit obligations

The pension commitments and obligations are covered using insurance policies/separate entities, with the amounts not included in the balance sheet. Nevertheless, this heading includes the hedges (relevant obligations and assets) for which there is a continued legal obligation or implied obligation to meet the agreed benefits.

Together with the above obligations, the liability side of the accompanying balance sheet includes EUR 6,114 thousand (EUR 4,421 thousand in 2019) under "Non-current provisions" and EUR 49 thousand (EUR 150 thousand in 2019) under "Current provisions", relating to the measurement of the main employee commitments arising from certain non-current obligations related to employees' length of service with the Group. The amounts recognised in 2020 and 2019 for these obligations as a decrease in staff costs were EUR 1,726 thousand and EUR 842 thousand and, as a finance cost, were EUR 10 thousand and EUR 15 thousand, respectively.

In relation to the Group's defined benefit obligations with employees, the reconciliation of the opening and ending balances of the actuarial value of these obligations is as follows:

	Thousands of Euros	
	2020	2019
At 1 January	4,571	3,396
Current service cost	876	473
Interest cost	10	16
Actuarial losses/(gains)	850	369
Benefits paid	(144)	(172)
Changes in the consolidation scope	-	489
At 31 December	6,163	4,571

The reconciliation of opening and ending balances of the actuarial fair value of the assets tied to these obligations is as follows:

	Thousands of Euros	
	2020	2019
At 1 January	1,237	62
Sponsor contributions	1,736	858
Benefits paid	(144)	(172)
Changes in the consolidation scope	-	489
At 31 December	2,829	1,237

The actuarial assumptions (demographic and financial) used constitute the best estimates on the variables that will determine the ultimate cost of providing post-employment benefits.

The main actuarial assumptions used at the reporting date are as follows:

	2020	2019
Annual discount rate	0.10%-0.25%	0.25%-0.30%
Salary increase rate	2.00%	0.75%-2.00%

II) Current and non-current employee benefit obligations

Long Term Incentive Plan ("LTIP")

Rolling Long-term Incentive Plan (2017-2019)

On 27 April 2017 the Board of Directors approved the 2017-2019 LTIP, and decided to make the LTIP a rolling plan going forward to further incentivise the retention of the beneficiaries, which included the CEO, the Senior Management and some of the Group's key employees (up to a maximum of 50 employees).

The 2017-2019 LTIP was divided into two phases: (i) 2017-2018, and (ii) 2018-2019. Its objectives were as follows:

Phase I 2017-2018 accrued from 1 January 2017 until 31 December 2018 and was payable once the Group's financial statements corresponding to the 2018 financial year were approved.

The amount to be received by the beneficiaries of this Phase I (2017-2018) was determined by the degree of fulfilment of three objectives, each with the following weight:

4. 50%; the attainment of certain RLFCF per share figures according to the market consensus and at a constant scope of consolidation. The scale of attainment is: 50% if the figure is 5% below the target, 100% if figure matches the target, and 125% if the target is beaten by 5% or more;
5. 30%; the share price appreciation calculated between the initial starting price of the period and the average price in the last quarter of 2018, weighted by the volume ("vwap"). The scale of attainment is from 75% to 125% depending on the share price performance compared to IBEX 35 and certain European and American peers; and
6. 20%; the attainment of certain Adjusted EBITDA figure according to the market consensus and the constant scope of consolidation. The scale of attainment is: 50% if the figure is 5% below the target, 100% if figure matches the target, and 125% if the target is beaten by 5% or more;

With regards to this Phase I (2017-2018) the weighted average degree of fulfilment of the three objectives was 125%. For the first objective, which was related to the RLFCF per share, the percentage of attainment was 125%, for the second objective, which was related the share price appreciation, the percentage of attainment was 125%, and for the third objective, which was related to the Adjusted EBITDA, the percentage of attainment was 125%.

In accordance with the attainment above, the cost of Phase I (2017-2018) of the LTIP (2017-2019) for Cellnex was EUR 5 million, which was paid during 2019.

Phase II (2018-2019) accrued from 1 January 2018 until 31 December 2019 and has been payable once the Group's financial statements corresponding to the 2019 financial year have been approved.

The amount to be received by the beneficiaries of this Phase II (2018-2019) was determined by the degree of fulfilment of two objectives, each with a weight of 50%:

- 50%; the attainment of a certain RLFCF per share figure according to the market consensus and a constant scope of consolidation. The scale of attainment is: 50% if the figure is 5% below the target, 100% if figure matches the target, and 125% if the target is beaten by 5% or more; and
- 50%; the share price appreciation calculated between the initial starting price of the period and the average price in the last quarter of 2019, weighted by the volume ("vwap"). The scale of attainment is from 75% to 125% depending on the share price performance compared to IBEX 35 and certain European and American peers.

As at 31 December 2019, the cost of the Phase II (2018-2019) was EUR 9.9 million, which has been paid during the second half of 2020.

For the LTIP (2017 – 2019) all Senior Management and certain employees must receive a minimum of 30% of their LTIP remuneration in Cellnex shares and for the CEO and Deputy CEO the minimum amount is 40% of their LTIP remuneration. For the rest of the beneficiaries, this minimum percentages varies depending on the position of the employee. The share based compensation of this LTIP has been grossed up to partially offset the tax impact on the beneficiaries.

Based on the best possible estimation of the related liability and taking into consideration all the available information, the Group recognised a provision of EUR 6.1 million and EUR 3.1 million in the short-term employee benefit obligations and reserves; respectively, of the accompanying consolidated balance sheet as at 31 December 2019. The impact on the accompanying consolidated income statement for the 2019 year-end amounted to EUR 6.3 million.

Rolling Long-term Incentive Plan (2018-2020)

On 27 September 2018 Cellnex's Board of Directors approved the LTIP (2018-2020). The beneficiaries of this Plan are the CEO, the Deputy CEO, the Senior Management and key employees (approximately 55 employees). This plan had similar characteristics to the LTIP 2017-2019. This plan accrued from 1 January 2018 until 31 December 2020 and will be payable once the Group's financial statements corresponding to the 2020 financial year have been approved.

The amount to be received by the beneficiaries was determined by the degree of fulfilment of two objectives, each with a weight of 50%:

- 50%; the attainment of a certain RLFCF per share figure according to the market consensus and a constant scope of consolidation. The scale of attainment is: 50% if the figure is 5% below the target, 100% if figure matches the target, and 150% if the target is beaten by 5% or more; and
- 50%; the share price increase calculated using the initial starting price of the period and the average price in the last quarter of 2020, weighted by the volume ("vwap"). The scale of attainment is from 75% to 125% depending on the share price performance compared to IBEX 35 and certain European and American peers.

As at 31 December 2020, the cost of the LTIP (2018-2020) was EUR 7.3 million, which will be paid once the Group's financial statements corresponding to the 2020 financial year are approved.

For the 2018–2020 LTIP, the CEO and Deputy CEO must receive the minimum amount of 50% of their LTIP remuneration in Shares. The rest of the Senior Management and certain employees must receive the minimum amount of 40% of their LTIP remuneration in Shares. For the rest of the beneficiaries, this minimum percentages varies depending on the position of the employee. The Share based compensation of this LTIP has been grossed up to partially offset the tax impact on the beneficiaries.

Based on the best possible estimation of the related liability and taking into consideration all the available information, the Group has recognised a provision of EUR 3.7 million and EUR 3.6 million in the short-term employee benefit obligations and reserves, respectively, of the accompanying consolidated balance sheet as at 31 December 2020 (EUR 2.3 million and EUR 2.3 million in the long-term employee benefit obligations and reserves, respectively, as at 31 December 2019). Thus, the impact on the accompanying consolidated income statement for the 2020 year-end amounted to EUR 2.8 million (EUR 2.4 million at 2019 year-end).

Rolling Long-term Incentive Plan (2019-2021)

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

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

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

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

As at 31 December 2020, the estimated cost of the 2019-2021 LTIP is approximately EUR 8.8 million. The cost of the 2019-2021 LTIP assuming full achievement of the Group's objectives is estimated at approximately EUR 11.0 million.

Based on the best possible estimation of the related liability and taking into consideration all the available information, the Group has recognised a provision of EUR 6.4 million in reserves of the accompanying consolidated balance sheet as at 31 December 2020 (EUR 2.9 million in reserves as at 31 December 2019). Thus, the impact on the accompanying consolidated income statement for the 2020 year-end amounted to EUR 3.5 million (EUR 2.9 million at 2019 year-end).

Rolling Long-term Incentive Plan (2020-2022)

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

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

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

For the 2020–2022 LTIP, the CEO must receive a minimum amount of 30% of his LTIP remuneration in Shares and the outstanding 70% may be paid in options. The rest of the Senior Management must receive a minimum amount of 40% of their LTIP remuneration in Shares and the outstanding 60% may be paid in options. Other beneficiaries must receive 70% of their LTIP remuneration in Shares and the outstanding 30% may be paid in options. The rest of the beneficiaries must receive 100% of their LTIP remuneration in Shares.

As of 31 December 2020, the estimated cost of the 2020-2022 LTIP amounts to approximately EUR 10.2 million.

Based on the best possible estimation of the related liability and taking into consideration all the available information, the Group has recognised a provision of EUR 3.4 million in reserves of the accompanying consolidated balance sheet as at 31 December 2020. The impact on the accompanying consolidated income statement for the 2020 year-end amounted to EUR 3.4 million.

Reorganisation Plan (2018 – 2019)

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

On 27 February 2018, these group companies reached an agreement with the workers' legal representatives consisting of income plans for employees of 57 years of age or older as of 31 December 2017 and, on the other hand, lump-sum indemnity payments as a result of the voluntary termination of employment contracts for other employees not included in the annuity plan. The period during which employees could voluntarily participate in the annuity plan ended on 31 May 2018, whereas the period for claiming the lump-sum termination benefits started on 7 January 2019 and ended on 31 January 2019.

The provision for the workforce agreement was cashed out in 2018, 2019 and first months of 2020. Accordingly, efficiencies should crystalize from 2020 onwards.

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

At 31 December 2018, a provision was recognised for this collective redundancy procedure, with an estimated cost of EUR 55 million. At 31 December 2020, the impact on the accompanying consolidated income statement for the period amounted to EUR 3.4 million (EUR 5 million in 2019). During 2020, following execution of part of this agreement, 18 employees were made redundant for a cost of

EUR 3.4 million (65 employees were made redundant during 2019 for a cost of EUR 19 million). The aforementioned impact in 2020 corresponds to the Incentive Plan, which was contemplated in the initial agreement of 2018, for this 2020 period. As of 31 December 2020, the Reorganisation Plan has already been finalized.

The balance payable at 31 December 2020 associated with this collective redundancy procedure carried out by the Group represents expected payments related to this process, amounting to EUR 9.9 million and EUR 0.3 million recorded in the long and short term, respectively, of the accompanying consolidated balance sheet (EUR 10 million and EUR 0.2 million recorded in the long and short term, respectively, at 31 December 2019).

b) Provisions and other liabilities

The detail of "Provisions and other liabilities" at 31 December 2020 and 2019 is as follows:

I) Deferred payment on the Omtel Acquisition

In the context of the Omtel Acquisition (see Notes 2.h and 6), this amount includes the remaining balance of the total acquisition price, amounting to EUR 570 million, which will be paid, on the earlier of 31 December 2027 or upon the occurrence of certain events of default. The amount of the aforementioned deferred payment is updated to its present value, at an annual market discount rate of 2.65%, at each period end. Therefore, as of 31 December 2020, the present value the deferred payment amounted to EUR 475,836 thousand. Thus, the impact on "financial costs" of the accompanying consolidated income statement for 2020 amounted to EUR 13,452 thousand.

II) Asset Retirement Obligation

Includes the contractual obligation to dismantle and decommission the mobile telecom infrastructures. (See Note 3.o.). As at 31 December 2020, the provision for asset retirement obligation, amounted to EUR 218,470 thousand (EUR 152,803 thousand at 2019 year-end).

III) Provisions for other responsibilities

In accordance with IFRS 3, Cellnex recognises contingent liabilities assumed in business combinations at the acquisition date even if it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. At 31 December 2020, the provisions for other responsibilities amounted to EUR 622,608 thousand (EUR 196,834 thousand at 2019 year-end). The increase compared to the previous year, derives entirely from the increase in the consolidation perimeter of the Cellnex Group during 2020 (see Note 6).

IV) Deferred income and other liabilities

This item mainly includes deferred income in certain subsidiaries in which, at the closing date, there was invoicing collected in advance, in accordance with the corresponding contractual conditions with customers. It also included amounts claimed from Group companies in ongoing litigation at the year end. The amounts were estimated based on the amounts claimed or stipulated in court rulings issued at the end of each year shown and appealed against by the aforementioned companies.

At 31 December 2020, this caption amounted to EUR 103,892 thousand (EUR 19,634 thousand at 2019 year-end). The increase compared to the previous year, derives mainly from the increase in the consolidation perimeter of the Cellnex Group during 2020 (see Note 6).

V) National Competition Committee Sanctions

Includes the possible sanctions levied by the National Competition Committee (Note 19.c), which have been recorded in the consolidated balance sheet as of 31 December 2020 and 2019 for an amount of EUR 32,473 thousand, as the cash flow outflow has been estimated as probable.

c) Contingent liabilities

At 31 December 2020, the Group has guarantees with third parties amounting to EUR 84,050 thousand (EUR 78,329 thousand at the end of 2019). These relate mainly to guarantees provided by financial institutions before public authorities in connection with grants and technical guarantees, and before third parties in connection with rental guarantees.

Also, on 19 May 2009, the Board of the National Commission on Markets and Competition (CNMC in Spanish) imposed a fine of EUR 22.7 million on Cellnex Telecom, S.A. (formerly Abertis Telecom, S.A.U.) for abusing its dominant position in the Spanish market for transmitting and broadcasting TV signals, pursuant to article 2 of the Competition Act and article 102 of the Treaty on the Functioning of the European Union. The Group filed an appeal for judicial review with the National Appellate Court against the CNMC fine, which was dismissed in the judgement passed on 16 February 2012. This judgement was appealed to the Supreme Court on 12 June 2012. On 23 April 2015 the appeal was resolved, upholding the appeal and annulling the decision of the CNC with regard to the amount of the fine, ordering the current CNMC to recalculate that amount in accordance with the provisions of law 16/89. The CNMC has issued its decision recalculating the aforementioned amount, reducing it to EUR 18.7 million and this decision was appealed against in the National High Court on 29 September 2016. Based on the opinion of its legal advisers, the provision recorded in this regard at 31 December 2020, amounted to EUR 18.7 million in "non-current provisions and other liabilities" of the consolidated balance sheet (EUR 18.7 million at the end of 2019).

On 8 February 2012, the Board of the National Commission on Markets and Competition (CNMC in Spanish) imposed a fine of EUR 13.7 million on Cellnex Telecom, S.A. (formerly Abertis Telecom, S.A.U.) for having abused its dominant position, pursuant to article 2 of the Competition Act and article 102 of the Treaty on the Functioning of the European Union. The company allegedly abused its dominant position in wholesale service markets with access to infrastructure and broadcast centres of Cellnex Telecom, S.A. for broadcasting DTT signals in Spain, and retail service markets for transmitting and distributing DTT signals in Spain by narrowing margins. On 21 March 2012, the Group filed an appeal for judicial review against the decision of the CNMC with the National Appellate Court, also requesting a delay of payments with regard to the fine until the court passes a ruling on this matter. This delay was granted on 18 June 2012. On 20 February 2015 the National Appellate Court partially upheld the appeal, ordering the CNMC to recalculate the fine as it considered that the criteria used at the time by the CNMC were not appropriate. Notwithstanding the foregoing, on 26 May 2015, an appeal was filed with the Supreme Court against the judgement of the National Appellate Court on the grounds that it is not only about the recalculation of the amount but also that the Group did not break any competition rules. On 23 March 2018, the Supreme Court issued a judgment dismissing the appeal, and was awaiting the return of the file to the CNMC for the recalculation of the sanction. Cellnex Telecom, S.A., filed a nullity incident, which was dismissed on 19 July 2018. On 10 October 2018, Cellnex Telecom, S.A., filed an appeal with the Constitutional Court against the ruling. On 13 February 2019 the Constitutional Court dismissed Cellnex Telecom, S.A.'s appeal. Following the corresponding calculation procedure, the CNMC has ruled that the amount of the fine should not be amended. Cellnex Telecom, S.A., has filed an appeal against such decision. The original guarantee was provided on 4 February 2020. With regard to these proceedings, at 31 December 2020, the provision recognised based on the opinion of their legal advisers, amounted to EUR 13.7 million in "non-current provisions and other liabilities" of the consolidated balance sheet (EUR 13.7 million at the end of 2019).

Moreover, and because of the spin-off of Abertis Telecom S.A.U. (now Abertis Telecom Satélites, S.A.U.) on 17 December 2013, Cellnex Telecom, S.A. assumed all rights and obligations that may arise from the aforementioned legal proceedings, as they relate to the spin-off business (terrestrial telecommunications). An agreement has therefore been entered into between Cellnex Telecom, S.A. and Abertis Telecom Satélites, S.A.U. stipulating that if the aforementioned amounts have to be paid, Cellnex Telecom, S.A. will be responsible for paying these fines. At 31 December 2020, Cellnex Telecom, S.A. has provided three guarantees amounting to EUR 32.5 million (EUR 46.3 million at the end of 2019) to cover the disputed rulings with the CNMC explained above.

On 1 October 2014, the European Commission passed a ruling declaring that Retevisión-I, S.A.U. and other operators of platforms for transmitting terrestrial and satellite signals had received government aid in the amount of EUR 56.4 million to finance the digitalisation and expansion of the terrestrial television networks in remote areas of Castilla-La Mancha during the digital transformation process and that such state aid was not compatible with European legislation. The decision ordered Spain (through the regional government of Castilla-La Mancha) to recover the aid prior to 2 February 2015. On 29 October 2015, the Government of Castilla la Mancha began an aid recovery procedure amounting to EUR 719 thousand and this has been opposed, and on 4 July 2016 it was

declared that this had lapsed ex oficio. Regardless of the above, on 15 December 2016 the General Court of the European Union passed a sentence that declined the appeals presented against it. An appeal was lodged against that judgment on 23 February 2017. On 26 April 2018, the Court of Justice of the European Union issued a judgment rejecting the appeals filed by Cellnex Telecom, S.A. and Telecom Castilla La Mancha, S.A. Likewise, on 20 September 2018, a judgment was handed down dismissing the appeal filed by the Kingdom of Spain. On 26 November 2018, the government of Castilla–La Mancha restarted the aid recovery proceeding for an amount of EUR 719 thousand. Therefore, during the first half of 2019, Cellnex paid the aforementioned amount to the government of Castilla-La Mancha. The Group has filed an appeal against such decision.

20. Revenue and expenses

a) Operating income

The detail of operating income by item for the 2020 and 2019 financial years is as follows:

	Thousands of Euros	
	2020	2019
Services	1,565,921	1,003,813
Other operating income	42,510	30,822
Advances to customers	(3,659)	(3,790)
Operating income	1,604,772	1,030,845

"Other operating income" includes mainly income from re-charging costs related to activities for renting tower infrastructures for site rentals to third parties (pass-through).

"Advances to customers" includes the amortization of amounts paid for sites to be dismantled and their corresponding dismantling costs, which are treated as advances to customers in relation to the subsequent services agreement entered into with the customer (mobile telecommunications operators). These amounts are deferred over the life of the service contract with the operator as they are expected to generate future economic benefits in existing infrastructures.

Contracted revenue

The contracted revenue "Backlog" represents management's estimate of the amount of contracted revenues that the Group expect will result in future revenue from certain existing contracts. This amount is based on a number of assumptions and estimates, including assumptions related to the performance of a number of the existing contracts at a particular date. It also incorporates fixed escalators but do not include adjustments for inflation. One of the main assumptions relates to the contract renewals, and in accordance with the accompanying consolidated financial statements, contracts for services have renewable terms including, in some cases, "all or nothing" clauses and in some instances may be cancelled under certain circumstances by the customer at short notice without penalty.

The total amount, by line of business, of the Group's revenue expected from the service agreements (Telecom Infrastructure Services, Broadcasting Infrastructure and Other Network Services) entered into by the Group and that were in force at 31 December 2020 and 2019 are as follows:

Contracted revenue	Thousands of Euros			
	2020			
	Broadcasting infrastructure	Telecom Infrastructure Services	Other Network Services	Total (*)
Spain	168,337	192,735	70,223	**431,295**
Italy	-	332,216	-	**332,216**
Netherlands	-	65,576	-	**65,576**
France	-	276,953	-	**276,953**
United Kingdom	-	197,432	-	**197,432**
Switzerland	-	129,944	-	**129,944**
Ireland	-	53,113	-	**53,113**
Portugal	-	93,456	-	**93,456**
Austria	-	72,638	-	**72,638**
Denmark	-	26,829	-	**26,829**
Less than one year	**168,337**	**1,440,892**	**70,223**	**1,679,452**
Spain	379,400	644,609	128,507	**1,152,515**
Italy	-	1,212,970	-	**1,212,970**
Netherlands	-	199,310	-	**199,310**
France	-	1,162,789	-	**1,162,789**
United Kingdom	-	629,200	-	**629,200**
Switzerland	-	503,256	-	**503,256**
Ireland	-	202,542	-	**202,542**
Portugal	-	373,705	-	**373,705**
Austria	-	290,550	-	**290,550**
Denmark	-	107,318	-	**107,318**
Between one and five years	**379,400**	**5,326,249**	**128,507**	**5,834,156**
Spain	30,164	1,747,384	44,019	**1,821,567**
Italy	-	5,164,618	-	**5,164,618**
Netherlands	-	106,073	-	**106,073**
France	-	10,921,224	-	**10,921,224**
United Kingdom	-	568,833	-	**568,833**
Switzerland	-	4,209,534	-	**4,209,534**
Ireland	-	1,134,930	-	**1,134,930**
Portugal	-	2,188,030	-	**2,188,030**
Austria	-	1,815,938	-	**1,815,938**
Denmark	-	659,365	-	**659,365**
More than five years	**30,164**	**28,515,929**	**44,019**	**28,590,112**
Domestic	**577,901**	**2,584,728**	**242,749**	**3,405,378**
International	**-**	**32,698,341**	**-**	**32,698,341**
Total	**577,901**	**35,283,069**	**242,749**	**36,103,719**

(*) At 31 December 2020, the amount of contracted revenue does not include the impact of the infrastructures committed that have not yet been transferred to Cellnex at that date (see Note 7). If this effect were to be considered the contracted revenue of the Group as of 31 December, 2020 would increase to EUR 86 billion approximately, on a run rate basis.

Contracted revenue	Thousands of Euros			
				2019
	Broadcasting infrastructure	Telecom Infrastructure Services	Other Network Services	Total (*)
Spain	149,008	191,094	57,499	397,600
Italy	-	309,731	-	309,731
Netherlands	-	62,681	-	62,681
France	-	109,389	-	109,389
United Kingdom	-	15,585	-	15,585
Switzerland	-	129,578	-	129,578
Ireland	-	10,334	-	10,334
Less than one year	**149,008**	**828,392**	**57,499**	**1,034,899**
Spain	72,832	652,897	91,512	817,241
Italy	-	1,136,876	-	1,136,876
Netherlands	-	201,168	-	201,168
France	-	459,696	-	459,696
United Kingdom	-	43,118	-	43,118
Switzerland	-	488,681	-	488,681
Ireland	-	33,194	-	33,194
Between one and five years	**72,832**	**3,015,629**	**91,512**	**3,179,973**
Spain	12,405	1,816,168	13,488	1,842,061
Italy	-	5,038,013	-	5,038,013
Netherlands	-	136,746	-	136,746
France	-	3,456,300	-	3,456,300
United Kingdom	-	61,616	-	61,616
Switzerland	-	4,371,081	-	4,371,081
Ireland	-	282,334	-	282,334
More than five years	**12,405**	**15,162,260**	**13,488**	**15,188,152**
Domestic	**234,244**	**2,660,159**	**162,499**	**3,056,902**
International	**-**	**16,346,122**	**-**	**16,346,122**
Total	**234,244**	**19,006,281**	**162,499**	**19,403,024**

(*) At 31 December 2019, the amount of contracted revenue does not include the impact of the infrastructures committed that have not yet been transferred to Cellnex at that date (see Note 7). If this effect were to be considered the contracted revenue of the Group as of 31 December, 2019 would increase to EUR 44 billion approximately, on a run rate basis.

b) Staff costs

The detail of staff costs by item is as follows:

	Thousands of Euros	
	2020	2019
Wages and salaries	(122,163)	(106,114)
Social Security contributions	(25,790)	(22,351)
Retirement fund and other contingencies and commitments	(8,735)	(9,255)
Other employee benefit costs	(9,173)	(6,451)
Staff costs	**(165,861)**	**(144,171)**

At 31 December 2020 the impact on the accompanying consolidated income statement, in relation to the Reorganisation Plan "2018 – 2019" (see Note 19.a), amounted to EUR 3.4 million (EUR 5 million in 2019).

The average number of employees at the Cellnex Group, its subsidiaries and associates in 2020 and 2019, broken down by job category and gender, is as follows:

	2020			2019		
	Male	Female	Total	Male	Female	Total
Chief Executive Officer	1	-	1	1	-	1
Senior Management	7	1	8	7	-	7
Middle management	230	76	306	121	34	155
Other employees	1,149	491	1,641	1,016	341	1,357
Average number of employees	1,387	568	1,955	1,145	375	1,520

The number of employees at the Cellnex Group at the end of the 2020 and 2019 financial years, broken down by job category and gender, was as follows:

	2020			2019		
	Male	Female	Total	Male	Female	Total
Chief Executive Officer	1	-	1	1	-	1
Senior Management	7	1	8	7	-	7
Middle management	240	75	315	138	36	174
Other employees	1,166	518	1,684	1,056	372	1,428
Number of employees at year-end	1,414	594	2,008	1,202	408	1,610

At 31 December 2020, the Board of Directors of the Parent Company is formed of 11 members, 7 of which are male, and 4 are female. At 31 December 2019, the Board of Directors of the Parent Company was formed of 12 members, 8 of which were male, and 4 were female.

c) Other operating expenses

The detail of other operating expenses by item for the 2020 and 2019 financial years is as follows:

	Thousands of Euros	
	2020	2019
Repairs and maintenance	(50,783)	(35,596)
Leases	(11,118)	(11,102)
Utilities	(102,359)	(84,798)
Other operating costs	(137,539)	(111,891)
Other operating expenses	(301,799)	(243,387)

I) Leases

The detail of lease expense by class for the 2020 and 2019 financial years is as follows:

	Thousands of Euros	
	2020	2019
Leases of low-value assets	(3,708)	(4,507)
Variable lease payments	(7,410)	(6,595)
Lease expense	(11,118)	(11,102)

At 31 December 2020 and 2019, the Group did not recognize gains or losses arising from sale and leaseback transactions by a significant amount.

d) Non-recurring and non-cash expenses

As of 31 December 2020 and 2019, the items "Staff costs" and "Other operating expenses" above, contains (i) certain expenses that are non-recurring, or (ii) certain expenses that do not represent a cash flow, as detailed below:

i) Covid donations, which relate to a financial contribution by Cellnex to different institutions in the context of the Coronavirus Pandemic (non-recurring item), amounted to EUR 5,620 thousand.
ii) Redundancy provision, which mainly includes the impact in 2020 and 2019 year-end derived from the reorganisation plan detailed in Note 19.a of the accompanying consolidated financial statements (non-recurring item), amounted to EUR 4,912 thousand (EUR 5,552 thousand at 2019 year-end).
iii) LTIP remuneration payable in shares, which corresponds to the LTIP remuneration accrued at the year-end, which is payable in Cellnex shares (See Note 19.a of the accompanying consolidated financial statements, non-cash item), amounted to EUR 8,455 thousand (EUR 5,962 thousand at 2019 year-end), and extra compensation and benefits costs, which corresponds to extra non-conventional bonus for the employees (non-recurring item), amounted to EUR 316 thousand (EUR 5,117 thousand at 2019 year-end).
iv) Service contract cancellation cost, which related to the cancellation expense concerning the change of the administration and treasury services provider, amounted to EUR 1,545 thousand at 2019 year-end. This change took place in order to implement a new industrial model at Group level, to guarantee the optimization and standardization of policies, processes and procedures in all the countries (non-recurring item).
v) Costs and taxes related to acquisitions, which mainly includes expenses incurred during acquisition processes (non-recurring item), amounted to EUR 26,409 thousand (EUR 20,285 thousand at 2019 year-end).

e) Depreciation and amortisation charge

The detail of "Depreciation and amortisation" in the consolidated income statement for the 2020 and 2019 financial years is as follows:

	Thousands of Euros	
	2020	2019 restated
Property, plant and equipment (Note 7)	(301,928)	(212,462)
Right-of-use assets (Note 16)	(306,226)	(177,116)
Intangible assets (Note 8)	(365,910)	(112,263)
Total	(974,064)	(501,841)

f) Net interest expense

The detail of net interest expense by item for the 2020 and 2019 financial years is as follows:

	Thousands of Euros	
	2020	2019
Finance income and interest from third parties	1,181	605
Changes in fair value of financial instruments	3,788	-
Exchange gains/(losses)	-	648
Total interest income	4,969	1,253

	Thousands of Euros	
	2020	2019 restated
Interest expense on lease liabilities (Note 16)	(142,523)	(69,762)
Finance costs and interest arising from third parties	(20,817)	(14,263)
Bond interest expense	(89,246)	(66,079)
Arrangement expenses and Convertible Bond Accretion	(69,366)	(27,429)
Exchange gains/(losses)	(6,302)	-
Interest cost relating to provisions	(19,745)	(8,759)
Derivative financial instruments	(903)	(770)
Other finance costs	(13,869)	(10,130)
Total interest expense	(362,771)	(197,192)

21. Contingencies, commitments and obligations

a) Contingencies

As at 31 December 2020, the contingent liabilities of the Cellnex group are those detailed in Note 19.c of these consolidated financial statements.

b) Commitments and obligations

CK Hutchison Holdings Transactions

In the second half of 2020, Cellnex announced it had reached agreement with Hutchison for the acquisition of Hutchison's European tower business and assets in Austria, Denmark, Ireland, Italy, the United Kingdom and Sweden by way of six separate transactions (i.e. one transaction per country) (the "CK Hutchison Holdings Transactions").

Pursuant to the CK Hutchison Holdings Transactions, the Group agreed to acquire shares representing 100% of the share capital of six companies (Networks Co Austria, On Tower Denmark, Networks Co Ireland, Networks Co Italy, Networks Co UK and Networks Co Sweden) which operate a portfolio of approximately 22,122 telecommunications sites in aggregate of which approximately 4,500 are located in Austria, approximately 1,300 in Denmark, approximately 1,120 in Ireland, approximately 8,900 in Italy, approximately 4,000 in the United Kingdom and approximately 2,300 in Sweden.

The CK Hutchison Holdings Transactions in respect of Austria, Denmark and Ireland were completed at the end of December 2020 following satisfaction or waiver of all applicable conditions precedent (the "CK Hutchison Holdings 2020 Completed Transactions") and, consequently, as of the end of December 2020, the Group fully owns Networks Co Austria, On Tower Denmark and Networks Co Ireland. In addition, the CK Hutchison Holdings Transactions in respect of Sweden was completed on 26 January 2021 following satisfaction or waiver of all applicable conditions precedent (the "CK Hutchison Holdings Swedish Transaction"). Completion of the CK Hutchison Holdings Transactions in respect of Italy and the United Kingdom remains subject to certain remaining conditions precedent, including in connection with customary anti-trust and foreign investment clearances and, in the case of the United Kingdom, Group shareholder approval (the "CK Hutchison Holdings Pending Transactions").

In accordance with IFRS 3, given that the CK Hutchison Holdings Swedish Transaction and the CK Hutchison Holdings Pending Transactions had not been completed as of 31 December 2020, the relevant target businesses were not accounted for in the accompanying consolidated financial statements for the year ended 31 December 2020.

The CK Hutchison Holdings Transactions contemplate a total consideration (subject to certain adjustments) of approximately EUR 10 billion, of which a total of approximately EUR 8.6 billion is expected to be paid in cash. As of the date of the accompanying consolidated financial statements, the Group has paid an aggregate cash consideration to Hutchison of approximately EUR 2.2 billion corresponding to the CK Hutchison Holdings 2020 Completed Transactions, all of which were financed by the Group's available cash. Cellnex expects to finance the cash consideration for the CK Hutchison Holdings Swedish Transaction and the CK Hutchison Holdings Pending Transactions with available cash and other liquidity instruments.

The consideration in respect of the United Kingdom for the CK Hutchison Holdings Transactions is expected to be settled upon closing partly in cash and partly by the issue to Hutchison of new shares. Under the terms of the transaction in respect of the United Kingdom, CK Hutchison is expected to receive EUR 1.4 billion in newly issued shares. Issuance of the shares is subject to the approval by Cellnex's General Shareholders' Meeting. If not approved, the consideration may be settled fully in cash. In relation with the consideration in respect of the United Kingdom for the CK Hutchison Holdings Transactions that is expected to be partially settled through the issuance to Hutchison of new shares in Cellnex, if as a result of a takeover bid prior to closing of such transaction, a third party (alone or in concert with another shareholder) acquires the majority of the votes in Cellnex, Cellnex shall procure that Hutchison receives at closing such equivalent consideration as Hutchison would have received had it been a shareholder of Cellnex at the time of the takeover bid.

In connection with the CK Hutchison Holdings Transactions, Cellnex anticipates the further deployment of up to approximately 7,727 new sites by 2027, 2022, 2025, 2026, 2024 and 2026, respectively, which are expected to be rolled out in Austria, Denmark, Ireland, Italy, the United Kingdom and Sweden. The estimated investment for these additional new sites and further initiatives amounts to up to EUR 1.4 billion, which the Group expects to finance with cash flows generated by the portfolio.

The CK Hutchison Holdings Transactions, together with the up to approximately 7,727 additional new sites to be deployed and further initiatives, are expected to contribute up to an estimated annual Adjusted EBITDA of approximately EUR 970 million once such sites are deployed. This expected annual Adjusted EBITDA is based on management's estimates, and is therefore subject to known and unknown risks, uncertainties, assumptions and other factors that could cause the projects' actual annual Adjusted EBITDA to materially differ from that expressed in, or suggested by, this forward-looking metric. "Adjusted EBITDA" is an APMs (as defined in section "Economic performance" of the accompanying Consolidated Management Report).

Although the CK Hutchison Holdings Transactions comprise six separate transactions (i.e. one transaction per country), Cellnex and Hutchison entered into one sale and purchase agreement in relation to the acquisition of the companies in continental Europe and a separate sale and purchase agreement in relation to the acquisition in the United Kingdom.

Continental Europe Agreements

Pursuant to a sale and purchase agreement dated 12 November 2020, Hutchison agreed to sell 100% of the share capital of Networks Co Austria, On Tower Denmark, Networks Co Ireland, Networks Co Italy and Networks Co Sweden, to Cellnex Austria, Cellnex Denmark, Cellnex Ireland, Cellnex Italy and Cellnex Sweden AB ("Cellnex Sweden"), respectively (fully-owned subsidiaries of Cellnex, which acts as guarantor) (the "CK Hutchison Continental Europe SPA"), in consideration for the payment of approximately an aggregate price of EUR 6.3 billion (subject to certain adjustments).

For each of the countries contemplated under the CK Hutchison Continental Europe SPA, closing of the relevant transaction was subject to the satisfaction or waiver of applicable conditions precedent, including in relation to administrative authorizations, anti-trust authorizations and shareholder approvals, as required. As of the date of the accompanying consolidated financial statements the only conditions precedent pending to be satisfied or waived are those applicable to the acquisition of the share capital of Networks Co Italy, which are expected to be satisfied in the second half of 2021.

Pursuant to the CK Hutchison Continental Europe SPA, a company within the Hutchison group and each of Networks Co Austria, On Tower Denmark, Networks Co Ireland, Networks Co Italy and Networks Co Sweden agreed or will agree, as appropriate, to enter into a master services agreement whereby the relevant Group company will provide co-location services to a company within the Hutchison group at the sites managed by the Group (the "CK Hutchison Continental Europe MSAs"). The CK Hutchison Continental Europe MSAs in respect of Austria, Denmark and Ireland were entered into on 21 December 2020 upon completion of each of the relevant CK Hutchison Holdings 2020 Completed Transactions and the CK Hutchison Continental Europe MSA in respect of Sweden was entered into on 25 January 2021. The price to be paid by the relevant company within the Hutchison group in exchange for the above services in accordance with the CK Hutchison Continental Europe MSAs is subject to certain annual increases in connection with the local CPI. The initial term of each CK Hutchison Continental Europe MSA is 15 years, with possible extensions for a further 15-year period and subsequent 5-year periods, on an "all-or-nothing" basis (except for the CK Hutchison Continental Europe MSA in respect of Austria, where the agreement provides for an indefinite term subject to termination rights as agreed). Additionally, the CK Hutchison Continental Europe MSAs set forth the terms on which the Group will build up to approximately 5,127 sites in aggregate by 2027,

2025, 2026, 2024 and 2026, as appropriate, representing, together with further initiatives, an estimated total consideration of up to approximately EUR 850 million (which the Group expects to finance with cash generated by the portfolio).

Additionally, a company within the Hutchison group and each of Networks Co Austria, On Tower Denmark, Networks Co Ireland, Networks Co Italy and Networks Co Sweden, agreed to enter into a separate transitional services agreement pursuant to which Hutchison, or a company within its group, will provide certain transitional services to each of these companies upon completion of each respective transaction. It was also agreed that a reverse transitional services agreement would be entered into between a company within the Hutchison group and On Tower Denmark pursuant to which On Tower Denmark will provide certain transitional services to Hutchison, or a company within its group of companies, upon completion of the transaction in Denmark. The transitional services agreements in respect of Austria, Denmark and Ireland, and the reverse transitional services agreement in respect of Denmark, were entered into upon completion of each of the relevant CK Hutchison Holdings 2020 Completed Transactions in respect of each of such countries. The transitional services agreements in respect of Sweden was entered into on 25 January 2021.

United Kingdom Agreements

Pursuant to a sale and purchase agreement, Hutchison agreed to sell to Cellnex UK Limited ("Cellnex UK") 100% of the share capital of CK Hutchison Networks (UK) Limited ("Networks Co UK") and debt rights under certain capital contributions made by Hutchison to the acquired company (the "CK Hutchison UK SPA"). It was agreed in the CK Hutchison UK SPA that, at completion of the acquisition contemplated thereby, a Hutchison group company and a Cellnex group company would enter into certain agreements (among other an enhanced economic Benefit agreement (the "CK Hutchison EEBA") pursuant to which Hutchinson irrevocably assigns Cellnex UK rights and obligations in relation to the sites (passive infrastructures) currently managed by a joint operation between Hutchison and a third party (joint operation which currently manages both parties active and passive infrastructures). Ultimately, following the termination of this joint operation, which is expected to occur in 2031, the legal title to a minimum of 3,000 of these sites will be transferred to a member of the Group.

The consideration payable upon closing by the Group under the CK Hutchison UK SPA and the CK Hutchison EEBA is expected to amount to approximately EUR 3.7 billion, of which approximately EUR 2.3 billion is expected to be paid to Hutchison in cash. The remaining consideration is expected to be satisfied by the issuance of EUR 1.4 billion in new shares, provided the shares trade at a price of between EUR 42.2 and EUR 60.7 at the relevant time, representing a shareholding of not less than approximately 22 million shares and not more than approximately 32 million shares and subject to adjustments in case certain events occur prior to completion of the acquisition contemplated thereby, such as, among others, issues of shares in Cellnex by way of conferring subscription or purchase rights. This will result in Hutchison holding an interest of between approximately 4.4% and approximately 6.2% in Cellnex, considering the share capital of Cellnex as of 31 December 2020. The shares given in consideration will be subject to a 12 month lock-up on customary terms. Issuance of the shares is subject to the approval by Cellnex's General Shareholders' Meeting by no later than 31 July 2021. If not approved before such date, the consideration may be fully settled in cash.

The completion of the CK Hutchison Holdings Pending Transactions in respect of the United Kingdom is subject to the satisfaction or waiver of applicable conditions precedent, including in relation to anti-trust and national security clearances and shareholder approvals, as required. As of the date hereof, certain conditions precedent are pending to be satisfied or waived, and are expected to be satisfied during 2021.

Pursuant to the CK Hutchison UK SPA, it was also agreed that a Hutchison group company and a Group company would enter into a master services agreement whereby the Group will provide co-location services to Hutchison at the sites controlled by the Group (the "CK Hutchison UK MSA"). The price to be paid by Hutchison in exchange for the above services in accordance with the CK Hutchison UK MSA will be annually adjusted to the CPI. The initial term of the CK Hutchison UK MSA is 15 years, with possible extensions for a further 15-year period and subsequent 5-year periods, on an "all-or-nothing" basis. Additionally, the CK Hutchison UK MSA sets forth the terms under which the Group will build up to approximately 2,600 sites by 2022, for an estimated total consideration of up to approximately EUR 550 million (which the Group expects to finance with cash generated by the portfolio), including further initiatives.

Additionally, it was agreed that Cellnex UK (or another Group company) and/or Networks Co UK will also enter into a transitional services agreement and a reverse transitional services agreement with a Hutchison group company, both substantially in the same

form as those signed in the context of the CK Hutchison Continental Europe agreements, as contemplated above, and that such parties would also enter into an advisory agreement.

Iliad Poland Acquisition

On 22 October 2020, Cellnex Poland sp. z.o.o. ("Cellnex Poland") reached an agreement with Iliad Purple SAS, a wholly-owned subsidiary of Iliad S.A. (jointly, "Iliad") to acquire 60% of the share capital of a new Polish telecommunications tower company ("Play Tower"), which was expected to own the tower portfolio in Poland of P4 sp. z.o.o. ("P4"), a wholly owned subsidiary of Play Communications, S.A.' ("Play"), with an initial portfolio of approximately 6,911 sites (including both telecommunications rooftops and towers), for an estimated total consideration (Enterprise Value) of approximately zl 6,140 million (EUR 828 million, assuming a zl/EUR 4.449 exchange rate) (the "Iliad Poland Acquisition").

In addition, Cellnex Poland will benefit from a call option and Play will benefit from a right to sell to Cellnex Poland with regards to the outstanding 40% interest in Play Tower owned by Play, pursuant to a shareholders' agreement to be entered into between Play and Cellnex Poland in connection with Play Tower.

The transaction was signed in the context of the takeover bid launched by Iliad over Play on 21 September 2020 and completed on 25 November 2020. Following completion of the takeover bid, P4 shall spin-off its telecommunications infrastructure into Play Tower. The closing of the transaction is expected to take place in the first quarter of 2021, following receipt of customary regulatory authorizations and the completion of the spin-off of the telecommunications infrastructure.

In accordance with IFRS 3, given that the Iliad Poland Acquisition was not completed as of 31 December 2020 it is not accounted for in the 2020 Consolidated Financial Statements.

Additionally, pursuant to the Iliad Poland SPA (as defined below), it was agreed that P4 and Play Tower will enter into a master services agreement for the provisions of hosting and power supply services, together with other ancillary services, to P4 (the "Iliad Poland MSA") for an initial term of 20 years. The agreed form version of the Iliad Poland MSA also envisages the construction by Iliad Purple and acquisition by Play Tower of additional new sites (see below).

Based on information provided by Iliad in connection with the Iliad Poland Acquisition, the Iliad Poland Acquisition, together with up to approximately 5,000 additional sites to be deployed in Poland, are expected to contribute up to an estimated approximately EUR 220 million of annual Adjusted EBITDA, once all the sites in Poland are deployed. This expected annual Adjusted EBITDA is based on management's estimates, and is therefore subject to known and unknown risks, uncertainties, assumptions and other factors that could cause the projects' actual annual Adjusted EBITDA to materially differ from that expressed in, or suggested by, this forward-looking metric. "Adjusted EBITDA" is an APMs (as defined in section "Economic performance" of the accompanying Consolidated Management Report).

Iliad Poland agreements

In connection with the Iliad Poland Acquisition, the Group entered into the agreements explained below.

Iliad Poland SPA

On 22 October 2020 a sale and purchase agreement was entered into whereby Iliad Purple (subsequently replaced by Play) agreed to sell 60% of the share capital of Play Tower to Cellnex Poland (the "Iliad Poland SPA"), for an estimated consideration (Enterprise Value) of approximately zl 6,140 million (EUR 828 million, assuming a zl/EUR 4.449 exchange rate). The Iliad Poland SPA contains certain representations and warranties made by Iliad Purple (currently assumed by Play) and certain indemnification obligations in case of a breach of such representations and warranties.

Following the execution of the takeover bid launched by Iliad over Play, on 26 November 2020 Iliad Purple assigned its rights and obligations under the Iliad Poland SPA to Play.

Iliad Poland SHA

It has been agreed that on the date of completion of the Iliad Poland Acquisition (the "Completion Date"), Cellnex Poland and Play will enter into a shareholders' agreement which will set forth, among other matters, certain rights and obligations of both parties as shareholders of Play Tower, the procedures for the conduct of the affairs and the management of Play Tower and the regime applicable to the transfers of shares of Play Tower, including certain tag-along rights and rights of first offer (the "Iliad Poland SHA").

Additionally, pursuant to the terms of the Iliad Poland SHA, the parties thereto shall not transfer the stake they respectively hold in Play Tower for a five-year period following the Completion Date except for certain permitted transfers (such as transfers resulting from the exercise of the rights described below).

Also, the Iliad Poland SHA will set forth the conditions for Play's right to sell (i) a 10% (and not less than 10%) interest in Play Tower to Cellnex Poland during a 30-business day period following the first anniversary of the Completion Date; and (ii) all (and not less than all) of its interest in Play Tower to Cellnex Poland during a period starting on the 62nd business day from the first anniversary of the Completion Date and ending on the fourth anniversary of the Completion Date (excluded); in both cases at a price to be calculated pursuant to said agreement. Play has the right, but not the obligation, to sell this interest but Cellnex Poland must acquire this interest should Play exercise this right.

Likewise, the Iliad Poland SHA will provide Cellnex Poland with a call option over (i) a 10% (and not less than 10%) interest held by Play in Play Tower during a 30-day period after the lapse of the 30-day period during which Play could exercise its first put option right as described in the paragraph above; and (ii) all of (and not less than all) Play's interest in Play Tower during a three-year period from the fourth anniversary of the Completion Date; in both cases at a price to be calculated pursuant to said agreement. Cellnex Poland has the right, but not the obligation, to purchase this interest but Play must sell this interest should Cellnex Poland exercise this right.

Iliad Poland MSA

It has been agreed that P4 and Play Tower will enter into a master services agreement whereby Play Tower will provide hosting and certain power supply services, together with other ancillary services, to P4 (the "Iliad Poland MSA"). The initial term of the Iliad Poland MSA will be 20 years from its signing date, subject to automatic extensions for successive 10-year periods, on an "all-or-nothing" basis, with undefined maturity. The fees agreed in the Iliad Poland MSA are annually adjusted in accordance with the Polish CPI, provided that the increase shall not exceed 4% per year.

Additionally, pursuant to the Iliad Poland MSA, P4 will build and sell to Play Tower a minimum of 1,500 new sites on or before 31 December 2030. The total consideration for the said 1,500 new sites is of approximately zl 1,735 million (EUR 390 million, assuming a zl/EUR 4.449 exchange rate), which the Group expects to finance with cash flows generated by the portfolio.

The exact figure of new sites that the parties have committed to construct and purchase may vary depending on the final number of recent sites constructed by P4 and transferred to Play Tower at Completion Date. In any event, it is contemplated that, in addition to new sites that the parties have already undertaken to build and purchase, an additional number of approximately 3,500 new sites will be built by P4 and acquired by Play Tower by the end of 2030. Such additional new sites would be acquired by Play Tower on the same terms and conditions as applicable in respect of the aforementioned 1,500 committed sites.

Other purchase commitments

As at 31 December 2020, the purchase commitments for tangible and intangible assets are those detailed in Notes 7 and 8 of the accompanying consolidated financial statements.

22. Environmental information

It is Group policy to pay maximum attention to environmental protection and conservation, and each investee adopts the necessary measures to minimise the environmental impact of the infrastructure and the telecommunications networks that it manages and ensure the maximum degree of integration into the surrounding area.

The Group has an environmental policy applicable to all its companies and a comprehensive environmental management system that ensures compliance with local environmental legislation and continuously improves the environmental management processes for its activities and facilities.

At year-end 2020 and 2019, the Group did not recognise any provision for potential environmental risks as it estimated that there were no significant contingencies related to potential lawsuits, indemnities or other items as its operations comply with environmental protection laws and as procedures are in place to foster and ensure compliance.

The Group incurred environmental expenses on civil engineering projects, equipment and environmental permit projects. The acquisition cost of these activities at year-end 2020 amounted to EUR 7,447 thousand (EUR 6,789 thousand in 2019), with accumulated depreciation and amortisation of EUR 3,312 thousand (EUR 3,015 thousand in 2019).

Expenses incurred to protect and improve the environment recognised directly in the income statement amounted to EUR 507 thousand (EUR 425 thousand in 2019) and related mainly to expenses arising from consultancy services and external waste management.

Potential contingencies, indemnities and other environmental risks which the Group could incur are sufficiently covered by its third-party liability insurance policies.

23. Segment reporting

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

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

In addition, the business segments described below were established based on the organisational structure of the Cellnex Group prevailing as at 31 December 2020 and have been used by Group management to analyse the financial performance of the different operating segments.

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

- Telecom Infrastructure Services: is the Group's main segment by turnover. It provides a wide range of integrated network infrastructure services to enable access to the Group's wireless infrastructure by MNOs and other wireless telecommunications and broadband network operators, allowing such operators to offer their own telecommunications services to their customers.

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

- Broadcasting infrastructure: is the Group's second main segment by turnover. The Group currently provides broadcasting services only in Spain, where it is the only operator offering nationwide coverage of the DTT service. Its services consist of the distribution and transmission of television and radio signals, the operation and maintenance of broadcasting networks and the provision of connectivity for media content, OTT broadcasting and other services. Through the provision of broadcasting services, Cellnex has developed unique know-how that has helped to develop other services within its portfolio.

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

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

In relation to this business segment, during 2018, Cellnex incorporated the XOC, a concessionary company dedicated to the management, maintenance and construction of the fiber optic network of the Generalitat de Catalunya.

Methodology and bases for Segment Reporting

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

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

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

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

The assets and liabilities of each segment at 31 December 2020 and 2019 are as follows:

									Thousands of Euros
									31 December 2020
	Spain	Italy	France	UK	Switzerland	Portugal	Austria	Other countries	Total
Property, plant and equipment	865,317	507,655	1,815,502	198,107	193,190	222,457	118,820	276,779	**4,197,827**
Intangible assets	237,948	1,045,363	2,088,353	2,851,975	1,418,587	1,345,563	1,159,017	1,894,489	**12,041,295**
Right-of-use assets	319,216	347,960	535,857	422,125	231,937	63,113	85,148	128,204	**2,133,560**
Other non-current assets	165,411	29,978	58,249	57,763	5,295	16,339	147,960	56,796	**537,791**
Total non-current assets	**1,587,892**	**1,930,956**	**4,497,961**	**3,529,970**	**1,849,009**	**1,647,472**	**1,510,945**	**2,356,268**	**18,910,473**
Total current assets	4,487,285	148,245	180,401	90,526	82,955	108,511	26,616	34,615	**5,159,154**
TOTAL ASSETS	**6,075,177**	**2,079,201**	**4,678,362**	**3,620,496**	**1,931,964**	**1,755,983**	**1,537,561**	**2,390,883**	**24,069,627**
Borrowings and bond issues	8,062,637	-	62,742	658,104	532,346	-	-	1	**9,315,830**
Lease liabilities	245,533	182,116	500,798	119,804	213,334	36,373	73,216	107,585	**1,478,759**
Other non-current liabilities	541,083	215,582	512,466	670,790	321,105	297,424	275,891	436,704	**3,271,045**
Total non-current liabilities	**8,849,253**	**397,698**	**1,076,006**	**1,448,698**	**1,066,785**	**333,797**	**349,107**	**544,290**	**14,065,634**
Borrowings and bond issues	73,036	-	(734)	2,946	1,622	71	-	-	**76,941**
Lease liabilities	46,463	51,454	72,811	29,335	20,481	20,051	22,973	20,492	**284,060**
Other current liabilities	(1,937,583)	703,361	684,404	312,675	74,767	395,097	215,408	262,122	**710,251**
Total current liabilities	**(1,818,084)**	**754,815**	**756,481**	**344,956**	**96,870**	**415,219**	**238,381**	**282,614**	**1,071,252**
TOTAL LIABILITIES	**7,031,169**	**1,152,513**	**1,832,487**	**1,793,654**	**1,163,655**	**749,016**	**587,488**	**826,904**	**15,136,886**

						Thousands of Euros
						31 December 2019 restated
	Spain	Italy	France	Switzerland	Other countries	Total
Property, plant and equipment	806,145	358,065	1,402,572	185,403	147,354	**2,899,539**
Intangible assets	159,664	1,094,505	2,172,532	1,469,777	990,145	**5,886,623**
Right-of-use assets	228,900	312,222	474,844	216,553	7,194	**1,239,713**
Other non-current assets	102,550	139,262	45,446	4,092	4,541	**295,891**
Total non-current assets	**1,297,259**	**1,904,054**	**4,095,394**	**1,875,825**	**1,149,234**	**10,321,766**
Total current assets	**2,448,280**	**122,111**	**71,720**	**46,695**	**32,076**	**2,720,882**
TOTAL ASSETS	**3,745,539**	**2,026,165**	**4,167,114**	**1,922,520**	**1,181,310**	**13,042,648**
Borrowings and bond issues	4,606,383	-	-	487,313	-	**5,093,696**
Lease liabilities	182,362	161,376	385,772	196,907	6,918	**933,335**
Other non-current liabilities	51,124	217,756	538,909	323,209	174,075	**1,305,073**
Total non-current liabilities	**4,839,869**	**379,132**	**924,681**	**1,007,429**	**180,993**	**7,332,104**
Borrowings and bond issues	46,948	-	-	1,478	-	**48,426**
Lease liabilities	46,639	51,320	82,384	25,885	625	**206,853**
Other current liabilities	170,654	87,861	65,288	94,775	(13,942)	**404,636**
Total current liabilities	**264,241**	**139,181**	**147,672**	**122,138**	**(13,317)**	**659,915**
TOTAL LIABILITIES	**5,104,110**	**518,313**	**1,072,353**	**1,129,567**	**167,676**	**7,992,019**

Segmental reporting is set out below:

	Thousands of Euros							
	2020							
	Spain	Italy	France	Switzerland	UK	Portugal	Other countries	Total (*)
Operating income	530,328	336,296	309,759	137,467	144,339	69,286	77,297	**1,604,772**
Operating expenses	(235,853)	(95,769)	(38,666)	(16,756)	(44,604)	(8,133)	(32,637)	**(472,418)**
Depreciation and amortization	(174,711)	(173,391)	(270,366)	(121,794)	(106,732)	(81,792)	(45,278)	**(974,064)**
Net Interest	(179,861)	(52,531)	(57,800)	(28,459)	(22,334)	(13,779)	(3,038)	**(357,802)**
Profit of companies accounted for using the equity method	52	-	-	-	-	-	-	**52**
Profit/(loss) before tax	(60,044)	14,605	(57,073)	(29,542)	(29,331)	(34,418)	(3,656)	(199,460)
Income tax	23,878	5,369	11,817	3,813	(1,805)	5,327	325	**48,724**
Attributable non-controlling interest	99	-	(9,415)	(8,320)	-	-	-	**(17,636)**
Net profit attributable to the Parent Company	**(36,265)**	**19,974**	**(35,841)**	**(17,409)**	**(31,136)**	**(29,091)**	**(3,332)**	**(133,100)**

(*) Corresponds to the contribution of each country segment to the Group's consolidated income statement. Therefore, these figures include the impact of the intercompany transactions that have been carried out during the year ended on 31 December 2020. Additionally, this income statement by country incorporates all of the non-recurring and non-cash items detailed in section 20.d of the consolidated financial statements.

	Thousands of Euros					
	2019 restated					
	Spain	Italy	France	Switzerland	Other countries	Total (1)
Operating income	504,710	266,907	104,675	84,994	69,559	**1,030,845**
Operating expenses	(237,683)	(87,322)	(24,205)	(14,382)	(23,947)	**(387,539)**
Depreciation and amortization	(136,825)	(146,330)	(87,561)	(78,891)	(52,234)	**(501,841)**
Net Interest	(122,520)	(26,960)	(23,930)	(17,222)	(5,306)	**(195,938)**
Profit of companies accounted for using the equity method	82	-	-	-	-	**82**
Profit/(loss) before tax	**7,764**	**6,295**	**(31,021)**	**(25,501)**	**(11,927)**	**(54,392)**
Income tax	5,133	(4,259)	9,070	3,698	22,058	**35,700**
Attributable non-controlling interest	1	-	-	(9,516)	-	**(9,515)**
Net profit attributable to the Parent Company	**12,898**	**2,037**	**(21,951)**	**(12,287)**	**10,131**	**(9,177)**

(1) Corresponds to the contribution of each country segment to the Group's consolidated income statement. Therefore, these figures include the impact of the intercompany transactions that have been carried out during the year ended on 31 December 2019. Additionally, this income statement by country incorporates all of the non-recurring and non-cash items detailed in section 19.d of the consolidated financial statements of 2019 financial year.

The Group has two customers that exceeds 10% of its total revenue. The total income from these customers for the year ended on 31 December 2020 amounted to EUR 466,500 thousand. During 2019 financial year, the Group had one customer that exceeded 10% of its revenue and the amount ascended to EUR 201,710 thousand.

The information by business segment is set out below:

	Thousands of Euros			
	2020			
	Broadcasting infrastructure	Telecom Infrastructure Services	Other Network Services	Total
Services (Gross)	227,257	1,228,006	104,932	**1,565,195**
Other income	-	43,236	-	**43,236**
Advances to customers	-	(3,659)	-	**(3,659)**
Operating income	**227,257**	**1,272,583**	**104,932**	**1,604,772**

	Thousands of Euros			
	2019			
	Broadcasting infrastructure	Telecom Infrastructure Services	Other Network Services	Total
Services (Gross)	235,383	667,216	101,214	**1,003,813**
Other income	-	30,822	-	**30,822**
Advances to customers	-	(3,790)	-	**(3,790)**
Operating income	**235,383**	**694,248**	**101,214**	**1,030,845**

There have been no significant transactions between segments during 2020 and 2019.

24. Related parties

a) Directors and Senior Management

The remuneration earned by the Parent Company's directors as at 31 December 2020 and 2019 was as follows:

i. The members of the Board of Directors received EUR 1,630 thousand for exercising the duties in their capacity as directors of Cellnex Telecom, S.A. (EUR 1,464 thousand in 2019).

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

   a. received EUR 1,000 thousand, corresponding to fixed remuneration (EUR 1,000 thousand in 2019).
   b. accrued EUR 1,335 thousand corresponding to annual variable remuneration, estimated assuming 133.5% of accomplishment (EUR 2,195 thousand in 2019).
   c. accrued EUR 1,650 thousand for the achievement of the multi-annual objectives established in the "Long Term Incentive Plan" that consolidates in December 2020, estimated assuming 137.5% of accomplishment.
   Note: The accounting provisions for all the LTIPs in progress (2018-2020, 2019-2021 and 2020-2022), for the year ended on 31 December 2020 amounted to EUR 1,373 thousand (EUR 1,893 thousand in 2019). See Note 19.a.

iii. In addition, the Chief Executive Officer of Cellnex Telecom, S.A. received, as other benefits, contributions made to cover pensions and other remuneration in kind in the amount of EUR 250 thousand and EUR 28 thousand, respectively (EUR 250 thousand and EUR 28 thousand in 2019).

Cellnex Telecom defines Senior Management as executives that perform management duties and report directly to the Chief Executive Officer. Fixed and variable remuneration for the year ended on 31 December 2020 for members of Senior Management amounted to EUR 4,547 thousand (EUR 5,671 thousand in 2019) and accrued EUR 2,424 thousand for the achievement of the multi-annual objectives established in all the "Long Term Incentive Plan" that consolidates in December 2020, estimated assuming 100% of accomplishment. Note: The accounting provisions for all the LTIPs in progress (2018-2020, 2019-2021 and 2020-2022), for the year ended on 31 December 2020 amounted to EUR 3,084 thousand (EUR 4,676 thousand in 2019).

In addition, members of Senior Management received, as other benefits, contributions made to cover pensions and other remuneration in kind to the amount of EUR 334 thousand and EUR 174 thousand, respectively (EUR 335 thousand and EUR 153 thousand in 2019).

The Parent Company has taken out executives and directors civil liability policy for the members of the Board of Directors, the Chief Executive Officer and all the Senior Management of the Cellnex Telecom group at a cost amounting to EUR 538 thousand at 31 December 2020 (EUR 288 thousand in 2019).

b) Other disclosures on Directors

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

c) Associates companies

As of 31 December 2020 and 2019 the Group does not hold balances for significant amounts with associates companies.

For its part, during 2020 and 2019, no significant transactions have been undertaken with associates companies.

d) Other related parties

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

On 12 July 2018, ConnecT S.p.A acquired 29.9% of the Parent Company's share capital. Currently, and after dissolution of ConnecT S.p.A,, part of this stake is no longer owned by ConnecT S.p.A, but ConnecT Due. ConnecT Due is controlled by Sintonia, a subholding company wholly-owned by Edizione and, in turn, Sintonia is the largest shareholder of Atlantia. As a result, as of the date of the accompanying consolidated financial statements, Edizione, together with its group of companies, is considered a related party to the Group.

During 2019, there was a change of control in Hispasat whereby Abertis (a related party of Cellnex) no longer exercises control over Hispasat. In this regard, as of 31 December 2020 and 2019, Hispasat no longer has the status of a related company of Cellnex. However, in accordance with the disclosures required by IFRS, the transactions carried out with Hispasat until the date of the aforementioned control change in 2019 are detailed below.

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

I) Services rendered and received

The Group has an agreement with Hispasat, S.A., whereby the latter provides shared capacity services for certain satellite transponders over the entire life of the transponders, which the parties amended in July 2020. During 2019 the services received by Cellnex in relation to this contract amounted to EUR 10 million. As a result of the change of control described above, these figures corresponds to the services provided by Hispasat until the date of the aforementioned control change in 2019.

Moreover, the Group, through its wholly-owned subsidiary TowerCo, entered into an agreement with Autoestrade pell'Italia SpA by virtue of which the Group can colocate certain assets to provide Telecom Infrastructure Services in Italian motorways that are under the concession of Atlantia until 2038. Pursuant to the terms of this agreement, the consideration for such location amounts to an annual fee of EUR 4 million. The consideration paid by TowerCo as of 31 December 2020 and 2019 amounted to EUR 3.9 million and EUR 4.4 million.

In addition to the aforementioned, during 2020 and 2019 no significant transactions with related parties have been undertaken.

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

II) Other

As of 31 December 2020 and 2019, the Group does not hold balances for significant amounts with related parties.

25. Other disclosures

The remuneration of the auditors for 2020 and 2019 is as follows:

								Thousands of Euros
	2020				2019			
	Audit of financial statements	Verification services	Tax advisory services	Other services	Audit of financial statements	Verification services	Tax advisory services	Other services
Deloitte, S.L.	1,034	408	-	-	847	1,566	-	-
Rest of Deloitte	1,246	83	46	2,040	661	103	97	-
Total	**2,280**	**491**	46	2,040	**1,508**	**1,669**	**97**	**-**

26. Post balance sheet events

T-Mobile Infra Acquisition

On 21 January 2021, Cellnex and Cellnex Netherlands, B.V. ("Cellnex Netherlands") signed a framework agreement with Deutsche Telekom A.G. ("DTAG"), Deutsche Telecom Europe, B.V. ("DTEU") and Digital Infrastructure Vehicle 1 SCSp ("DIV"), which sets forth among others, the conditions to and the steps and arrangements to achieve the contribution in kind, through DIV, of 100% of the share capital of T-Mobile Infra, B.V. ("T-Mobile Infra") to Cellnex Netherlands, which owns approximately 3,150 sites with an initial tenancy ratio of c.1.2 per site, in exchange for a stake of 37.65% in the share capital of Cellnex Netherlands (the "T-Mobile Infra Acquisition"). Additionally, pursuant to the T-Mobile Infra MLA, T-Mobile Infra and T-Mobile Netherlands, B.V. ("T-Mobile") have agreed to the deployment of approximately up to 180 additional sites in the Netherlands, over a seven-year term. DIV is an investment fund, with a mandate to invest mainly into European digital infrastructure assets, which upon closing will have DTAG and Cellnex (through a carry vehicle) as limited partners, and Cellnex will have the right to co-invest with a stake of 51%, subject to certain conditions, in opportunities originated by DIV in relation to towers, rooftops, masts, small cells or build-to-suit programs. The T-Mobile Infra Acquisition strengthens the Group's industrial project in the Netherlands, and Cellnex will thus execute a second step cooperation with the Deutsche Telekom group following the precedent partnership in Switzerland.

The closing of the T-Mobile Infra Acquisition is expected to take place in the first half of 2021, following receipt of among others, customary regulatory authorizations. In accordance with IFRS 3, given that the T-Mobile Infra Acquisition was not completed as of 31

December 2020 it was not accounted for in the accompanying consolidated financial statements for the year ended 31 December 2020.

The T-Mobile Infra Acquisition, together with the up to approximately 180 additional new sites to be deployed in the Netherlands, are expected to contribute up to an estimated approximately EUR 63 million of annual Adjusted EBITDA once the sites are deployed. This expected annual Adjusted EBITDA is based on management's estimates, and is therefore subject to known and unknown risks, uncertainties, assumptions and other factors that could cause the projects' actual annual Adjusted EBITDA to materially differ from that expressed in, or suggested by, this forward-looking metric. "Adjusted EBITDA" is an APM (as defined in section "Economic performance" of the accompanying Consolidated Management Report).

CK Hutchison Holdings Swedish Transaction

On 26 January 2021, the CK Hutchison Holdings Swedish Transaction has been completed and, consequently, the Group has acquired Hutchison's European tower business and assets in Sweden, comprised of approximately 2,300 sites. Cellnex also anticipates the further deployment of up to 2,880 new sites in Sweden by 2026. See Note 21.b of the accompanying consolidated financial statements.

In accordance with IFRS 3, given that the CK Hutchison Holdings Swedish Transaction had not been completed as of 31 December 2020, it was not accounted for in the accompanying consolidated financial statements for the year ended 31 December 2020.

Hivory Acquisition

On 3 February 2021, Cellnex (through its subsidiary Cellnex France) entered into a put option agreement with Altice France, S.A.S. ("Altice") and Starlight HoldCo S.à r.l ("Starlight HoldCo"), which gives the right to Altice and Starlight HoldCo to require the Group to purchase, on an exclusivity basis, their respective direct and indirect ownerships in the share capital of Hivory, S.A.S. ("Hivory"), which in aggregate amounts to approximately 100% of Hivory's share capital, for an estimated consideration (Enterprise Value) of approximately EUR 5.2 billion to be paid by Cellnex (the "Hivory Acquisition"). Hivory owns and operates approximately 10,535 sites in France. Additionally, Hivory has agreed to the deployment of 2,500 sites in France by 2029, and other agreed initiatives, with an estimated investment of approximately EUR 0.9 billion.

Completion of the Hivory Acquisition is subject to certain conditions precedent, and closing is expected in the second half of 2021. In accordance with IFRS 3, given that the Hivory Acquisition was not completed as of 31 December 2020 it was not accounted for in the accompanying consolidated financial statements for the year ended 31 December 2020.

On 24 February 2021, the Group amended the EUR 7,500,000 thousand bridge loan of the M&A Financing (see Note 15) and cancelled an amount of EUR 1,600,000 thousand of such bridge loan. As of the date of the accompanying consolidated financial statements, no amounts have been drawn thereunder. Such financing will bear interest at a margin above EURIBOR, will be unsecured and unsubordinated.

New Bond Issuance in 2021

On 15 February 2021, Cellnex successfully completed a triple-tranche EUR-denominated bond issuance for an aggregate amount of EUR 2,500 million (with ratings of BBB-by Fitch Ratings and BB+ by Standard&Poor's) aimed at qualified investors. The transaction included a bond for EUR 500 million maturing in November 2026 at a coupon of 0.75%; a bond for EUR 750 million maturing in January 2029 at a coupon of 1.25%; and a 12-year bond for EUR 1,250 million maturing in February 2033 at a coupon of 2%. Cellnex took advantage of favorable market conditions to maintain its average cost of debt and increase its average debt maturity. The net proceeds from the issues will be used for general corporate purposes.

Iliad Poland Acquisition

On 23 February 2021, following the signing of the Iliad Poland Acquisition (in October 2020), Iliad, Play and Cellnex have further discussed the structuring of the Iliad Poland Acquisition and agreed on an alternative structure. Under this structure, on the Completion Date (i) Play will sell to Cellnex Poland and Iliad Purple, respectively, 60% and 40% of the share capital of Play Tower; and (ii) immediately following such share acquisition, P4 will sell the passive infrastructure business of P4 to Play Tower. The parties expect to finance the business unit transaction with a mix of equity and shareholder loans. The completion of the Iliad Poland Acquisition is expected to take place in the first quarter of 2021, following receipt of customary regulatory authorizations.

27. Explanation added for translation to English

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

Barcelona, 25 February 2021

APPENDIX I. Subsidiaries included in the scope of consolidation at 31.12.2020

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
Direct ownership:							
Cellnex Italia, S.p.A.	Vía Cesare Giulio Viola, 43 CAP 00148 Roma	952,310	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Netherlands, BV	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	511,355	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex UK Limited	Office 132 Spaces Liverpool Street Station, 35 New Broad Street London, EC2M 1NH	1,856,984	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex France Groupe, S.A.S.	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	2,324,391	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Telecom España, S.L.U.	Juan Esplandiú, 11-13 28007 Madrid	2,807,500	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Switzerland AG	Thurgauerstrasse, 136 8152 Opfikon	581,117	72,22%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Towerlink Portugal, ULDA	Avenida Álvares Cabral, nº61 – 4º piso, 1250-017 Lisboa, Portugal	4,000	100%	Cellnex Telecom, S.A.	Full consolidation	Fixed and mobile telecommunications services provider	-
Cignal Infrastructure Services	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	178,636	100%	Cellnex Telecom, S.A.	Full consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Ukkoverkot Oy	Itämerentori 2, 00180 Helsinki, Finland	25,517	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
CLNX Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, San Antonio 1050 121 Lisboa	1,037,384	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Finance Company, S.A.	c/Juan Esplandiú, 11-13, 28007 Madrid	1,000,060	100%	Cellnex Telecom, S.A.	Full consolidation	Group Finance Company	Deloitte
Cellnex Sweden AB	Box 162 85, 103 25 Stockholm	2	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Austria Gmbh	Schubertring 6, 1010 Vienna	953,035	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Ireland Limited	Suite 311 Q House, 76 Furze Road Sandyford Industrial Estate, Dublin 18, D18 YV50	499,000	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Poland sp z.o.o.	Plac Marsz. Józefa Pilsudskiego 1 00-078 Warsaw	3	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	-
Cellnex Denmark ApS	Sundkrogsgade 5, DK-2100 Copenhagen	350,005	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
Indirect ownership interest:							
Retevision-I, S.A.U.	Juan Esplandiú, 11-13 28007 Madrid	182,504	100%	Cellnex Telecom España, S.LU.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Tradia Telecom, S.A.U.	Av, Del Parc Logístic, 12-20 08040 Barcelona	165,983	100%	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Telecom Infraestructuras, S.A.U.	Juan Esplandiú, 11-13 28007 Madrid	459,010	100%	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Gestora del Espectro, S.L. (1)	Juan Esplandiú, 11-13 28007 Madrid	3	100%	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	-
Metrocall, S.A.	c/Juan Esplandiú, 11-13, 28007 Madrid	42,597	60%	Cellnex Telecom España, S.L.U.	Full consolidation	Implementation, management and exploitation of the mobile network in Madrid's subway.	Deloitte
Adesal Telecom, S.L.	Ausias March 20, Valencia	2,959	60.08%	Tradia Telecom, S.A.U.	Full consolidation	Provision of related services for terrestrial telecommunications concessions and operators	Deloitte
Zenon Digital Radio, S.L. (1)	C/ Lincoln, 11, 1º3º 08006 Barcelona	2,421	100%	Tradia Telecom, S.A.U.	Full consolidation	Provision of telecommunications equipments	-
Xarxa Oberta de Comunicació i Tecnologia de Catalunya, S.A.	Av, Del Parc Logístic, 12-20 08040 Barcelona	32,795	100%	Tradia Telecom, S.A.U.	Full consolidation	Construction and operation of optic fiber telecommunications infrastructure	Deloitte
Towerco, S.p.A.	Vía Cesare Giulio Viola, 43 CAP 00148 Roma	94,600	100%	Cellnex Italia S.p.A	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Tower Lease, S.r.L.	Vía Cesare Giulio Viola, 43 CAP 00148 Roma	1,323	100%	Cellnex Italia S.p.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
TowerLink Italia, S.r.L (1)	Vía Cesare Giulio Viola, 43 CAP 00148 Roma	20	100%	Cellnex Italia, S.p.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	-
Areaventi, S.r.L.	Via Cesare Giulio Viola, 43 CAP 00148 Roma	1,434	100%	Cellnex Italia, S.p.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Towerlink Netherlands, B.V.	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	63,634	100%	Cellnex Netherlands, BV	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
Shere Masten B.V.	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	278,085	100%	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Breedlink BV	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	599	100%	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Alticom BV	Papendorpseweg 75-79 3528 BJ Utrecht, the Netherlands	132,127	100%	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Netherlands, B.V	Axelsestraat, 58, 4537 AL, Terneuzen, the Netherlands	42,876	100%	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Springbok Mobility [1]	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	600	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Provision of related services for terrestrial telecommunications concessions and operators	-
Cellnex France, S.A.S.	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	908,341	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Towerlink France, SAS [1]	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	20	99,99%	Cellnex France, S.A.S	Full consolidation	Terrestrial telecommunications infrastructure operator	-
Nexloop France, S.A.S	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	15,555	51%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
On Tower France SAS	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt.	1,403,599	70%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Compagnie Foncière ITM 1 (1)	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	504	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	-
Cellnex UK Midco Ltd	Albion House High Street , Unit 6 Woking One (Woking) Surrey GU21 6BG	333,106	100%	Cellnex UK Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Watersite Holding Limited	Albion House High Street , Unit 6 Woking One (Woking) Surrey GU21 6BG	29,764	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Radiosite Limited	Albion House High Street , Unit 6 Woking One (Woking) Surrey GU21 6BG	31,942	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
London Connectivity Partnership Ltd	Office 132 Spaces Liverpool Street Station 35 New Broad Street London EC2M 1NH	1	100%	Cellnex UK Midco Ltd	Full consolidation	Fixed and mobile telecommunications services provider	-
Cellnex Connectivity Solutions Limited	Albion House High Street , Unit 6 Woking One (Woking) Surrey GU21 6BG	146,550	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cellnex UK Consulting Limited	Albion House High Street , Unit 6 Woking One (Woking) Surrey GU21 6BG	2,603	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
On Tower UK, Ltd	Crawley Court, Winchester. SO21 2QA	2,467,702	100%	Cellnex UK, Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower UK 1, Ltd	Crawley Court, Winchester. SO21 2QA	207,031	100%	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower UK 2, Ltd	Crawley Court, Winchester. SO21 2QA	11,247	100%	On Tower UK 1, Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower UK 3, Ltd	Crawley Court, Winchester. SO21 2QA	1	100%	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower UK 4, Ltd	Crawley Court, Winchester. SO21 2QA	178	100%	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower UK 5, Ltd	Crawley Court, Winchester. SO21 2QA	1	100%	On Tower UK , Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Swiss Towers AG	Thurgauerstrasse, 136 8152 Opfikon	739,869	100%	Cellnex Switzerland AG	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Swiss Infra Services SA	Rue du Caudray, 4,1020 Renens, Vaud	830,684	90%	Swiss Towers AG	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Grid Tracer AG [1]	Thurgauerstrasse, 136 8152 Opfikon	51,411	55%	Swiss Towers AG	Full consolidation	Internet of Things	-

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
OMTEL, Estructuras de Comunicaçoes, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, Arroios 1050 121 Lisboa	587,733	100%	CLNX Portugal, S.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho:Lisboa Fregesia, Arroios 1050 121 Lisboa	418,063	10%	CLNX Portugal, S.A.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cellcom Ireland Limited (in settlement process)	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	11,575	100%	Cignal Infrastructure Limited	Full consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Shannonside Communications Limited	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	2,100	100%	Cignal Infrastructure Limited	Full consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
On Tower Ireland Limited	28/29 Sir John Rogerson's Quay, Dublin 2, Dublin, Ireland (cambio de domicilio social en proceso) después será Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	612,196	100%	Cellnex Ireland Limited	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
Edzcom Oy	Itämerentori 2, 00180 Helsinki, Finland	4,500	100%	Ukkoverkot Oy	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
On Tower Austria Gmbh	Brünner Straβe 52, 1210 Vienna	934,507	100%	Cellnex AustriaGmbh	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
OnTower Denmark Aps	Scandiagade 8, 2450 København SV	437,777	100%	Cellnex Denmark, Aps	Full Consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte

(1) These companies have not submitted their financial statements for auditing as they are not required to do so.

This appendix forms an integral part of Note 2.h. to the 2020 consolidated financial statements with which it should be read.

APPENDIX I. Subsidiaries included in the scope of consolidation at 31.12.2019

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
Direct ownership:							
Cellnex Italia, S.r.L.	Via Carlo Veneziani 58, 00148 Rome, Italy	952,310	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Netherlands, BV	Leeghwaterstraat 21, (2811 DT) Reeuwijk, the Netherlands	516,437	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex UK Limited	1-2 Broadgate Circle, London EC2M 2QS	281,489	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex France Groupe, S.A.S.	1 Avenue de la Cristallerie, 92310 Sèvres	2,324,391	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Telecom España, S.L.U.	Juan Esplandiú, 11-13 28007 Madrid	807,500	100%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Cellnex Switzerland AG	Thurgauerstrasse, 136 8152 Opfikon	579,191	72,22%	Cellnex Telecom, S.A.	Full consolidation	Holding Company	Deloitte
Towerlink Portugal, ULDA [1]	Avenida Álvares Cabral, nº61 – 4º piso, 1250-017 Lisboa, Portugal	4,000	100%	Cellnex Telecom, S.A.	Full consolidation	Fixed and mobile telecommunications services provider	-
Cignal Infrastructure Services	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	111,928	100%	Cellnex Telecom, S.A.	Full consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
Indirect ownership interest:							
Retevision-I, S.A.U.	Juan Esplandiú, 11-13 28007 Madrid	182,504	100%	Cellnex Telecom España, S.LU.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Tradia Telecom, S.A.U.	Av, Del Parc Logístic, 12-20 08040 Barcelona	165,983	100%	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Telecom Infraestructuras, S.A.U.	Juan Esplandiú, 11-13 28007 Madrid	459,010	100%	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Gestora del Espectro, S.L. (1)	Juan Esplandiú, 11-13 28007 Madrid	3	100%	Cellnex Telecom España, S.L.U.	Full consolidation	Terrestrial telecommunications infrastructure operator	-
Adesal Telecom, S.L.	Ausias March 20, Valencia	2,959	60.08%	Tradia Telecom, S.A.U.	Full consolidation	Provision of related services for terrestrial telecommunications concessions and operators	Deloitte
Zenon Digital Radio, S.L. (1)	C/ Lincoln, 11, 1º3º 08006 Barcelona	2,421	100%	Tradia Telecom, S.A.U.	Full consolidation	Provision of telecommunications equipments	-
Xarxa Oberta de Comunicació i Tecnologia de Catalunya, S.A.	Av, Del Parc Logístic, 12-20 08040 Barcelona	32,795	100%	Tradia Telecom, S.A.U.	Full consolidation	Construction and operation of optic fiber telecommunications infrastructure	Deloitte
Towerco, S.p.A.	Via Alberto Bergammini 50, Rome, Italy	94,600	100%	Cellnex Italia, S.r.L..	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Galata, S.p.A	Via Carlo Veneziani 56L, 00148 Rome, Italy	844,599	100%	Cellnex Italia, S.r.L.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
TowerLink Italia, S.r.L (1)	Via Carlo Veneziani 58, 00148 Rome, Italy	20	100%	Cellnex Italia, S.r.L..	Full consolidation	Terrestrial telecommunications infrastructure operator	-
Commscon Italia, S.r.L.	Via Carducci 32, 20123 Milano	22,904	100%	Cellnex Italia, S.r.L	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Towerlink Netherlands, B.V.	Leeghwaterstraat 21, (2811 DT) Reeuwijk, the Netherlands	63,634	100%	Cellnex Netherlands, BV	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Shere Masten B.V.	Leeghwaterstraat 21, 2811 DT Reeuwijk, Netherlands	278,085	100%	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
Breedlink BV	Branderweg 7, 8042 PD, Zwolle	599	100%	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Alticom BV	Branderweg 7, 8042 PD, Zwolle	132,127	100%	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
On Tower Netherlands, B.V	Axelsestraat, 58, 4537 AL, Terneuzen, the Netherlands	39,525	100%	Cellnex Netherlands BV	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Springbok Mobility [(1)]	1, Avenue de la Cristallerie, 92310, Sèvres	600	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Provision of related services for terrestrial telecommunications concessions and operators	-
Cellnex France, S.A.S.	1 Avenue de la Cristallerie, 92310 Sèvres	908,341	100%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Towerlink France, SAS [(1)]	1, avenue de la Cristallerie (9th floor), Sèvres (92310).	20	99,99%	Cellnex France, S.A.S	Full consolidation	Terrestrial telecommunications infrastructure operator	-
Illiad 7	31, rue de la Baume – Paris (75008)	1,403,599	70%	Cellnex France Groupe, S.A.S.	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cellnex UK Midco Ltd	2 River Court, Albert Dr, Woking GU21 5RP, United Kingdom	333,106	100%	Cellnex UK Limited	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Watersite Holding Limited	2 River Court, Albert Dr, Woking GU21 5RP, United Kingdom	29,764	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte

Company	Registered office	Ownership interest		Company holding the interest	Consolidation method	Activity	Auditor
		Cost (Thousands of Euros)	%				
Radiosite Limited	2 River Court, Albert Dr, Woking GU21 5RP, United Kingdom	31,942	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cellnex Connectivity Solutions Limited	2 River Court, Albert Dr, Woking GU21 5RP, United Kingdom	146,550	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cellnex UK Consulting Limited	2 River Court, Albert Dr, Woking GU21 5RP, United Kingdom	2,603	100%	Cellnex UK Midco Ltd	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Swiss Towers AG	Thurgauerstrasse, 136 8152 Opfikon	739,869	72,22%	Cellnex Switzerland AG	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Swiss Infra Services SA	Rue du Caudray, 4,1020 Renens, Vaud	830,684	64,99%	Swiss Towers AG	Full consolidation	Terrestrial telecommunications infrastructure operator	Deloitte
Cellcom Ireland Limited	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	11,575	100%	Cignal Infrastructure Limited	Full consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte
National Radio Network Limited	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	2,114	100%	Cignal Infrastructure Limited	Full consolidation	Provision of communication sites used by Mobile Network Operators	Deloitte

(1) These companies have not submitted their financial statements for auditing as they are not required to do so.

This appendix forms an integral part of Note 2.h. to the 2020 consolidated financial statements with which it should be read.

APPENDIX II. Associates included in the scope of consolidation at 31.12.2020

Company	Registered office	Ownership interest									
		Cost (Thousands of Euros)	%	Assets	Liabilities	Income	Profit/(loss)	Company holding the interest	Consolidation method	Activity	Auditor
INDIRECT SHAREHOLDINGS Through Retevisión and Tradia Telecom											
Torre de Collserola, S.A.	Ctra. de Vallvidrera al Tibidabo, s/n. Barcelona	2,022	41.75%	15,718	11,026	4,108	2	Retevision-I, S.A.U.	Equity method	Construction and operation of terrestrial telecommunications infrastructure	Deloitte
Consorcio de Telecomunicaciones avanzadas, S.A. (COTA)	C/ Uruguay, parcela 13R, nave 6, Parque Empresarial Magalia, Polígono Industrial Oeste Alcantarilla (Murcia)	304	29.5%	2,764	512	1,963	452	Tradia Telecom, S.A.U.	Equity method	Provision of related services for terrestrial telecommunications concessions and operators	Other auditors
Nearby Sensors, S.L.	Calle Berruguete, 60-62 08035 Barcelona	236	13,18%	1,111	616	381	281	Tradia Telecom, S.A.U.	Equity method	Software and IT development app; development of network telecommunication systems	-
Nearby Computing, S.L.	Travessera de Gracia 18, 3º 3ª, 08021, Barcelona,	1,290	22,63%	1,823	740	403	(358)	Tradia Telecom, S.A.U.	Equity method	Software and IT development app; development of network telecommunication systems	-

This appendix forms an integral part of Note 2.h. to the consolidated financial statements for 2020 with which it should be read.

APPENDIX II. Associates included in the scope of consolidation at 31.12.2019

Company	Registered office	Ownership interest									
		Cost (Thousands of Euros)	%	Assets	Liabilities	Income	Profit/(loss)	Company holding the interest	Consolidation method	Activity	Auditor
INDIRECT SHAREHOLDINGS Through Retevisión and Tradia Telecom											
Torre de Collserola, S.A.	Ctra. de Vallvidrera al Tibidabo, s/n. Barcelona	2,022	41.75%	15,661	10,971	4,255	(4)	Retevision-I, S.A.U.	Equity method	Construction and operation of terrestrial telecommunications infrastructure	Deloitte
Consorcio de Telecomunicaciones avanzadas, S.A. (COTA)	C/ Uruguay, parcela 13R, nave 6, Parque Empresarial Magalia, Polígono Industrial Oeste Alcantarilla (Murcia)	304	29.5%	2,797	565	1,989	472	Tradia Telecom, S.A.U.	Equity method	Provision of related services for terrestrial telecommunications concessions and operators	Other auditors
Nearby Sensors, S.L.	Calle Berruguete, 60-62 08035 Barcelona	1,000	30%	1,268	270	396	(171)	Tradia Telecom, S.A.U.	Equity method	Software and IT development app; development of network telecommunication systems	-
Nearby Computing, S.L.	Calle Berruguete 60-62, 08035, Barcelona	171	24,3%	410	191	95	(19)	Tradia Telecom, S.A.U.	Equity method	Software and IT development app; development of network telecommunication systems	-

This appendix forms an integral part of Note 2.h. to the consolidated financial statements for 2019 with which it should be read.