REGISTRATION DOCUMENT

CELLNEX TELECOM, S.A.

October 31, 2017

ANNEX I OF THE COMMISSION REGULATION (EC) NO. 809/2004 OF APRIL 29, 2004

The Registration Document has been approved by the Spanish Securities Market Commission on October 31, 2017

TABLE OF CONTENTS

RISK FACTORS

If any of the following risks and uncertainties actually occur, our business, prospects, financial condition, results of operations or cash flows could be materially affected.

The risks described below are not the only ones we are exposed to. There may also be other risks and uncertainties of which we are currently unaware or that we do not currently believe are material that could harm our business, prospects, financial condition, results of operations or cash flows.

*Certain terms and conventions used in this Registration Document are defined under "Glossary" herein. Any references to "**Cellnex**", "**the Company**", "**the Group**", "**we**", "**us**" and "**our**" refers to Cellnex Telecom, S.A. and its consolidated subsidiaries unless the context indicates otherwise.*

Risks Related to the Industry and Businesses in which We Operate

Our business depends on the demand for telecom infrastructure services, broadcasting infrastructure and equipment and other network services that we provide, which we cannot control, and we may be adversely affected by any slowdown in such demand

Our business includes the provision of services through our 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 our business, prospects, results of operations, financial condition and cash flows.

Through our Telecom Infrastructure Services segment, our main business activity, we facilitate access to the spectrum (mainly owned by our customers), by means of providing access to telecom and broadcast wireless infrastructures, through our connectivity services as well as the related passive and active infrastructure to external mobile network operators ("**MNOs**") and broadcasters, typically under mid- and long-term contracts. Therefore, our Telecom Infrastructure Services segment is highly dependent on the demand for such infrastructures and a decrease in such demand may adversely affect our business.

Within our Broadcasting Infrastructure activity, demand for our communications depends on the coverage needs from our customers, which, in turn, depend on the demand for TV and radio broadcast by their customers.

Likewise, for our Other Network Services segment, demand for connectivity, PPDR networks, O&M, smart city and IoT services depends on the demand from public administrations as well as entities operating in the private and public sectors.

The willingness of our customers to utilize our communications infrastructures, contract our services, or renew or extend existing contracts on our 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;
- mergers or consolidations among our customers such as MNOs;
- the ability and willingness of MNOs to maintain or increase capital expenditures ("**Capex**") on network infrastructure;
- the financial condition of our 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 us;
- 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 our services;

- the evolution of the advertising business' revenue in the media sector, and especially, TV, internet and radio;
- changes in the 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 our infrastructure or associated land interests where the infrastructure is located;
- the location of our wireless infrastructure;
- changes in, or the success or failure of, our customers' business models;
- delays or changes in the deployment of next generation wireless technologies or the failure by us to anticipate the development of new wireless technologies;
- technological advances and development of alternative technologies that we do not currently use, such as the development of satellite-delivered and optical fiber-delivered radio and video services and internet TV;
- the existence of alternative providers of our services or, alternatively, the self-provision of services by our customers;
- the willingness of our current or future customers to make contractual arrangements with us under the current terms and conditions; and
- our customers' desire to renegotiate our agreements with them or to adversely amend current contractual arrangements (especially those relating to broadcasting services and other network services).

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

A substantial portion of our revenue is derived from a small number of customers

Each of our main activities derives a significant proportion of its revenue from a limited number of customers, many of which are long-term customers and have high value contracts with us.

In the Telecom Infrastructure Services activity our main clients are telecom operators (mostly MNOs); in the Broadcasting Infrastructure activity our main clients are media broadcasters (TV channels and radio stations); and in the Other Network Services activity our 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 on-going 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 our main activities. See "*Business*" for further information.

As of December 31, 2016, by activities, five of our customers generated €342,733 thousand of our operating income for the Telecom Infrastructure Services activity, representing 89.6% of our total consolidated operating income (on an actual basis) of €382,539 thousand from such activity. Within our Broadcasting Infrastructure activity, our top five customers generated €165,286 thousand of our operating income (on an actual basis), accounting for 70.3% of our total consolidated operating income (on an actual basis) of €235,234 thousand from such activity. Within our Other Network Services activity, five customers generated €49,247 thousand of our operating income (on an actual basis), representing 56.7% of our total operating income (on an actual basis) of €86,812 thousand from that activity. As of June 30, 2017, the portion of our operating income for each of our main activities generated by our top five customers remained similar to the figures indicated in this paragraph for the period ended on December 31, 2016.

The reliance on a small group of customers endangers the development of our business. As such, the loss of one or more of any of our main customers, resulting from, among others, merger, bankruptcy, insolvency, network sharing, loss of licenses, roaming, joint development, resale agreements or contract early termination may have a material adverse effect on our business, prospects, results of operations, financial condition and cash flows. See also "*—If our customers share infrastructure to a significant degree or consolidate or merge, our growth, revenue and ability to generate positive cash flows could be materially and adversely affected*".

Likewise, even though most of our business relationships have been long-lasting to-date, we cannot guarantee that contracts with our major customers will not be terminated or that these customers will renew their contracts with us in the future. Further, we are exposed to constant renegotiation and renewal processes of our contracts with our customers (especially those related to our Broadcasting Infrastructure), which may result in the current contractual arrangements being adversely amended, which could in turn affect the total value of our contracts.

In the ordinary course of our business, we occasionally experience disputes with our customers, generally regarding the interpretation of terms in our commercial agreements. It is possible that such disputes could lead to a termination of our contracts with customers or a material modification of the terms of those agreements, either of which could have a material adverse effect on our business, prospects, results of operations, financial condition and cash flows. If we are forced to resolve any of these disputes through litigation, our 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 our business, prospects, results of operations, financial condition and cash flows.

Additionally, in relation to Telecom Infrastructure Services, we currently differentiate ourselves from our competitors through the neutrality of our position in the market. If we where to lose such neutrality as a result of one customer becoming a reference or controlling shareholder, this could lead to a loss of customers; hence, to a material adverse effect on our business, prospects, results of operations, financial condition and cash flows.

If our customers share infrastructure to a significant degree, or consolidate or merge, our growth, revenue and ability to generate positive cash flows could be materially and adversely affected

While we believe the independent operator model (without an MNO as a controlling shareholder) presents certain advantages and there is a growing trend of externalization of the provision of wireless communications infrastructure, extensive sharing of infrastructure, roaming or resale arrangements among MNOs as an alternative to using our services may slow down the 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 infrastructures because parts of the customers' networks may become redundant.

Any potential merger, integration or consolidation of our 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 us. These two scenarios could materially and adversely affect revenues from our wireless infrastructure and our commercial prospects.

In addition, customers' consolidation may result in a reduction in their total future Capex because their expansion plans may be similar. Both MNOs' and broadcasters' consolidation could decrease the demand for our wireless infrastructure, which in turn could have a material adverse effect on our business, prospects, results of operations, financial condition and cash flows.

Finally, the service agreements with anchor customers may include framework agreements by which the parties agree to further acquisitions or construction of infrastructures over a defined period of time. Such framework agreements may or may not be implemented due to a potential integration or consolidation of our customers. Moreover, our customers could decide not to pursue such processes due to a change in their business strategy. If these circumstances occurred, there is no guarantee that we may have enough contractual protection in order to be compensated for such changes, which in turn could have a material adverse effect on our business, prospects, results of operations, financial condition and cash flows.

New technologies, or changes in our customers' business model, could make our business less desirable and result in decreasing revenues

The sector where we develop our activities is characterized by a rapid technological change 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 we provide), or changes in our customers' business models, could reduce the need for infrastructure-based wireless services, reduce the need for broadcasting or network services, decrease demand for our infrastructure space or reduce rates or other fees that were obtained in the past. In this regard, we face the risk that our customers may not adopt the technologies we invest 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 we offer, or offer technologies that provide similar functionality with competitive prices and with comparable or superior quality.

We cannot be certain that existing, proposed or as yet undeveloped technologies (including, for example, “Small Cells”, DAS, 5G or wide spectrum radio) will not become dominant in the future and render the technologies and infrastructure we currently use obsolete. Should our competitors, or even ourselves, 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. Our business and growth prospects could be jeopardized if we were not able to promptly identify and adapt to shifting technological solutions and/or if we failed to acquire or develop the necessary capabilities and expertise to meet our clients’ changing needs. The development and implementation of new services with a significant technological component is also subject to inherent risks that we may not be able to overcome.

In addition, customers of our services may reduce the budgets they may have allocated to our 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 our 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 we actively work, could shift a portion of our 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 our 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 our revenue.

In the Broadcasting Infrastructure activity, 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 IPTV) or the growth and deployment of Wi-Fi network could reduce our current business volume. In the Other Network Services activity we use, among other technologies, TETRA services technology or radio links to deliver our services, and the use of alternative technologies could reduce our 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 us obsolete which could have a material adverse effect on our business, prospects, results of operations, financial condition and cash flows.

We rely on third party suppliers for key equipment and services, and their failure to properly maintain these assets could adversely affect the quality of our services

We depend upon third-party suppliers to provide key equipment and services which are essential for our operations. Some of these are only available from a limited number of third parties. For example, we rely on transmission capacity and other critical facilities that are owned by third parties. We do not have operational or financial control over these partners, and we have 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, we may be unable to provide services to our customers until an alternative supplier can be found. In addition, existing or new competitors in the markets where we operate may compete for services from our existing suppliers and such competitors may obtain more favorable terms than those we currently benefit. Additionally, it is possible that current suppliers of services and equipment 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 we may not be able to renew our contracts at all or at the same terms as in the past, and could lose market share. If any of these contracts are terminated or we are 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 our business, 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 us for any reason or fails to provide the services or goods deemed necessary for us to carry out our activities, we may be exposed to additional costs and may not be able to comply in full with all the contracts with our customers. If this circumstance occurred, we could have a material adverse effect to our business, prospects, results of operations, financial condition and cash flows.

The expansion or development of our business, including through acquisitions or other growth opportunities, involve a number of risks and uncertainties that could adversely affect our operating results or disrupt our operations

It is an integral part of our strategy to continue driving growth through the acquisition of assets, entities or minority interests, joint ventures, mergers and other arrangements in the countries where we currently operate or elsewhere, which could require, among other matters, the issuance of shares to finance such growth opportunities. Our growth strategy is linked, among other factors, to our capacity to successfully decommission and build new infrastructures. In the ordinary course of our business, we review, analyze and evaluate various potential transactions, assets, interests, activities or potential arrangements that we believe may add value to our business or the services we provide. Failure to timely identify growth opportunities may adversely affect the expansion or development of our business.

Moreover, our ability to grow our portfolio of assets in a particular market or jurisdiction could be limited by anti-trust or similar legislation, and even if compliant with anti-trust legislation, we may not be able to consummate such transactions, undertake such activities or implement new services successfully due to disruptions in our activities, increased risk of operations or other consequences which could negatively impact our business. In particular, sellers of infrastructure assets may be reluctant to enter into joint ventures, mergers, disposals or other arrangements with us due to, among other reasons, the accounting impact of the transaction in their financial statements.

We are 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 our competitors.

Any international expansion initiative is subject to additional risks such as the laws, regulations and complex business practices. See "*—Our business may be affected by adverse economic and political conditions in the countries where we carry out our activities and globally*" below.

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 our operations and changes in consumer price indexes in foreign countries.

Achieving the benefits of new acquisitions depends in part on timely and efficiently integrating 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. See also "*—Risks Related to Our Assets—Our strategy includes acquisitions of businesses that we may be unable to achieve or successfully integrate*".

The potential acquisition of minority interests in other companies that manage telecom infrastructure or similar companies or the entry by us into joint ventures or other arrangements where we do 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 if the interests of other shareholders are not the same as ours, because the underlying business does not perform as expected or because of an impairment in the value of such investment among other reasons.

As a result, our foreign operations and expansion initiatives may not succeed as expected and may materially and adversely affect our business, prospects, results of operations, financial condition and cash flows.

Our reputation may be negatively affected if we are unable to provide uninterrupted or quality services, which could in turn result in the loss of important contracts

The success of our business depends on the efficient, uninterrupted and high quality operation of our systems and the satisfaction of our customers. Our service offerings are often complex, depend on the successful integration of sophisticated in-house and third party technology and services, and on occasions on the decommissioning by us of infrastructures, which adds complexity, and must meet stringent quality requirements. For example, in the Broadcasting Infrastructure activity, national broadcasters to which we provide our services have certain coverage obligations and they rely on our capacity to meet their coverage obligations (see "*—Coverage obligations imposed on our broadcasting clients may affect our business*" below). Additionally, if any of our services have reliability or quality problems, our customers might be reluctant to employ our services again in the future, which could result in a decline in revenues.

Increasing competition in our industry may materially and adversely affect us

We may experience at any time increased competition in certain areas of activity from established and new competitors. Our industry is competitive and our customers have access to alternatives in telecom infrastructure services and other network services, whereas for broadcasting TV the alternatives are more limited. Where we act as a provider of services, competitive pricing from competitors could affect our rates and services income. In addition, competition in infrastructure services could also increase the cost of acquisition of assets and limit our ability to grow our business. Moreover, we may not be able to renew existing services agreements or enter into new ones. The higher prices for assets, combined with the competitive pricing pressure on services agreements, could make it more difficult to achieve our return on investment criteria.

We may also experience increasing competition for the acquisition of infrastructure assets or companies in the context of our business expansion, which could make the acquisition of high quality assets significantly more costly and could materially and adversely affect our business, prospects, results of operations, financial condition and cash flows. Some competitors are larger than ourselves and may have greater financial resources, while other competitors may apply investment criteria with lower return on investment requirements. In addition, if we are unable to compete effectively with our competitors or effectively anticipate or respond to customer needs or consumer sentiment, we could lose existing and potential customers, which could reduce our operating margins and have a material adverse effect on our business, prospects, results of operations, financial condition and cash flows.

Our status as a "significant market power" ("SMP") operator in the DTT market in Spain imposes certain detrimental obligations on us compared to our competitors

In 2006, when the Spanish terrestrial TV broadcast market was articulated, we were classified as a SMP operator by the competition authorities. Given our 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 us in order to operate in the broadcasting market, which are summarized as follows:

- access obligation to third parties to our infrastructures, which in turn requires us to grant access at regulated prices based on our costs of production, keep separate accounting of costs and revenue for individual services, and notify the agreements reached with national TV broadcasters to the CNMC;
- non-discrimination obligation on access conditions, which requires us to provide resources to third party operators equivalent to those provided to ourselves; and
- transparency obligation in the access conditions whereby we must publish access reference orders.

Additionally, if we are not able to reach a voluntary commercial agreement with an operator, the CNMC will dictate the commercial conditions of the agreements. See "*Regulation—Broadcasting Infrastructure Activity*" for more details.

Our competitors 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 us by the competition authorities vis-a-vis our competitors could materially and adversely affect our business, prospects, results of operations, financial condition and cash flows.

We are subject to regulations that govern the way we conduct our businesses and changes in current or future laws or regulations could have a material adverse effect on our business, prospects, results of operations, financial condition and cash flows

Our business and those of our customers are subject to the national, regional and local regulations of all jurisdictions in which we operate as well as the regulatory framework applicable in the European Union ("**EU**"). The existing laws or regulations under which we operate may be repealed, amended or overruled, and new regulations may be promulgated at any time. Such regulations could be applied or enforced retroactively.

Additionally, the interpretation of the existing laws or regulations may change, which could materially and adversely affect our business, prospects, financial conditions, results of operations and cash flows. Failure to comply with applicable regulations may lead to civil penalties or require us to assume indemnification obligations or result in us breaching certain of our contractual provisions. Furthermore, if such laws and regulations are not enforced equally against our competitors in a particular market, our compliance with such laws and regulations may put us at a competitive disadvantage vis-à-vis competitors who do not have to comply with such requirements.

We cannot guarantee that existing or future laws or regulations, including state, regional and local tax laws, will not adversely affect our business, generate delays in our projects or result in additional costs for us. These factors may have a material adverse effect to our business, prospects, results of operations, financial condition and cash flows.

We depend on the obtaining, maintaining and periodically renewing of several licenses, authorizations, and administrative and regulatory permits in all jurisdictions where we operate. We are unable to assure that our applications for such licenses, authorizations and permits will be fully granted at all times or renewed upon their expiration. This may lead to the impossibility of carrying out our activities in such jurisdictions where the application for or renewal of such licenses, authorizations and permits is denied, which may materially and adversely affect our business, prospects, financial conditions, results of operations and cash flows.

In addition, our customers are also subject to a wide-ranging regulatory regime, both at the EU and domestic level, which may indirectly affect our business. This includes certain rules on the disposal of assets and rules limiting electromagnetic emissions by MNOs.

Most of the industries in which our customers operate also require the application for licenses or authorizations, as well as adjudication/concession and renewal processes beyond our control. For instance, our clients on the telephone and internet service industry are subject to the granting of the right to use frequencies for carrying out their activities. Such licenses or adjudications have a limited duration, making our customers subject to periodic renewals. There is no certainty that our customers will be able to retain or renew the right of use of such frequencies. In the event of loss of any of such rights, we may be subject to a reduction in the demand for our services, which will have a material adverse effect on our business, prospects, results of operations, financial condition and cash flows.

Spectrum may not be secured in the future, which would prevent or impair our plans or limit the need for our services and products

We and our 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.

In the Broadcasting Infrastructure activity, we own the infrastructures and equipment that TV and radio broadcasters use to compress and distribute their signals in Spain. In particular, we distribute and transmit 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 we currently use "multiplexing" (a method by which multiple analog 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), we cannot guarantee that we, our customers or DTT broadcasters will have sufficient access to spectrum in the long-term to maintain and develop our services.

The Spanish government is responsible for the allocation of spectrum in Spain. On September 24, 2014 Royal Decree 805/2014, of September 19, was published in the Official Gazette approving 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**", i.e., 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 March 31, 2015. The National Technical Plan for DTT reduced the number of private MUXs from eight to seven at a national level, and on a general basis, from two to one at the regional level. There can be no assurance that the Spanish government will not re-allocate the spectrum in the future and further reduce the number of MUXs, through a second digital dividend or otherwise. A second Digital Dividend will occur in the medium to long-term (2020-2022), under the EU Decision 2017/899 which will constraint the amount of spectrum available for DTT broadcasting while increasing the spectrum for mobile broadband services. (See "*Regulation—Broadcasting Infrastructure activity—Digital Dividend*").

Since the allocation of spectrum is decided by the Spanish government, we are highly dependent on political decisions for the future of our DTT broadcasting business, decisions that are outside of our control. In the event that the number of MUXs available for DTT is further reduced, our customers could lose some of its current DTT multiplex spectrum currently licensed. See "*Regulation—Broadcasting Infrastructure Activity*" for more details.

We depend upon spectrum allocation for many other wireless services that we provide, either in the Broadcast Infrastructure activity, Telecom Infrastructure Services or Other Network Services activity, such as Frequency

Modulation ("**FM**"), Digital Audio Broadcasting ("**DAB**"), TETRA, IoT and radio links. We cannot guarantee that this spectrum will be available in the future, and any change in spectrum allocation could have a material adverse effect on our business, prospects, results of operations, financial condition and cash flows. It is worthy to note that changes on the spectrum allocation may negatively impact our broadcasting business line but could positively impact our telecom infrastructure services business line.

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

Coverage obligations imposed on our broadcasting clients may affect our business

Under the terms of the Spanish Audiovisual Communication Act, Law 7/2010 of March 31 (the "**LGCA**"), audiovisual licenses granted to national DTT broadcasters in Spain require nearly complete coverage on population basis as it imposes a 96% population coverage requirement for commercial operators and a 98% population coverage requirement for public operators. See "*Regulation—Broadcasting Infrastructure Activity—Spanish Audiovisual Communication Act*". Although these coverage obligations are imposed on our customers (the TV and radio broadcasters) and not on us, our failure to provide our customers with the required coverage levels could result in the loss of customers, which in turn could materially and adversely affect our business, results of operations, financial condition and cash flows. The current coverage obligation imposed by the LGCA may change in the future. If the coverage obligations of the audiovisual licenses were reduced, our revenues would be negatively affected, which in turn could materially and adversely affect our business, prospects, results of operations, financial condition and cash flows.

We are subject to risks inherent to the distribution of content broadcast by our customers over our network

As a carrier of audiovisual content, our standard position reflected in contractual documentation provides that our customers are fully responsible for the content of their programming, for ensuring that the content conforms to all applicable governmental regulations and for obtaining any local regulatory approvals relating to their broadcasting activity. While we believe that we are not subject to any liability derived from governmental or third-party proceedings resulting from such content, and we attempt to reduce any possible liability through contractual indemnification from our customers and disclaimers, there is no guarantee that we would be successful in protecting ourselves against liability for such content arising based on obscenity, defamation, negligence, copyright infringement, trademark infringement or otherwise. We may also be forced to implement measures, with or without additional investment requirements, to alter the way our services are provided to avoid any further liability, which in turn could have a material adverse effect on our business, prospects, results of operations, financial condition and cash flows.

Our backlog estimates are based on certain assumptions and are subject to unexpected adjustments and cancellations and thus may not be timely converted to revenues in any particular fiscal period, if at all, or be a fully accurate indicator of our future revenue or earnings

Expected contracted revenues from the service agreements (*backlog*) represent our management's estimate of the amount of contracted revenues that we expect will result in future revenue from certain existing contracts. Backlog included in this Registration Document 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 our 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 in 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. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results of Operations—Backlog*" for further details on how we define and calculate our backlog.

Our definition of backlog may not necessarily be the same as that used by other companies engaged in activities similar to ours. As a result, the amount of our backlog may not be comparable to the backlog reported by such other companies. The realization of our backlog estimates is further affected by our performance under contracts. Our ability to execute our backlog is dependent on our ability to meet our clients' operational needs, and if we are unable to meet such needs, our ability to execute our backlog could be adversely affected, which could materially affect our business, prospects, financial condition, results of operations and cash flows. There can be no assurance that the revenue projected in our 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 the services we provide to our clients, we cannot predict with certainty when or if our backlog will be realized. Even where a project proceeds as scheduled, it is possible that the client may default and fail to pay amounts owed to us. 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 our business, prospects, financial condition, results of operations and cash flows.

Failure to attract and retain high quality personnel could negatively affect our ability to operate our business

Our ability to operate our business, grow and implement our strategy depends on the continued contributions of our executive officers and other key employees. The loss of any of our key senior executives, especially if lost to a competitor, could have an adverse effect on our business unless and until a replacement is found. We may not be able to locate or employ qualified executives on acceptable economic terms. Moreover, if the relationship with one or more of our key employees ends for any reason, there is no assurance that we 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 our business, prospects, financial condition, results of operations and cash flows. In addition, we believe that our future success, including the ability to internationally expand our business, will depend on our continued ability to attract and retain highly skilled personnel with experience in our key business areas. Demand for these persons is intense and we may not be able to successfully recruit, train or retain qualified managerial personnel, especially in new markets where we may operate. Should we fail to do so, or lose any of our key personnel, our business and growth prospects may be harmed and it could have a material adverse effect on our business, prospects, results of operations, financial condition and cash flows.

The triggering of a change of control clause contained in our contracts may result in an obligation to repay debt early or to sell back assets

Material contracts entered into by Group companies 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 "control" (which is generally defined as having (i) more than 50% 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 capable of being triggered at Cellnex level or only at the level of the relevant subsidiary that has entered into the contract. In certain contracts, the definition of control, and therefore of a change of control, makes specific reference to the applicable law of the relevant country.

Both our bonds and bank financing contracts include certain change of control clauses which could trigger an early repayment under the respective debt contract. 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 the situation 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. Finally, buy back options may also be exercised in case of a manifest breach by a Group company of its contractual obligations under the services agreements with its customers.

If a change of control clause included in any of our material contracts is triggered, it may materially and adversely affect our business, prospects, results of operations, financial condition and cash flows.

We may be subject to litigation or other legal proceedings

We may be subject to legal claims and proceedings and regulatory enforcement actions in the ordinary course of our business and otherwise. The results of legal and regulatory proceedings cannot be predicted with certainty. We cannot guarantee that the results of current or future legal or regulatory proceedings or actions will not materially harm our business, prospects, financial condition, results of operations or cash flows. As such, we cannot guarantee that we will not incur losses in connection with current or future legal or regulatory proceedings or actions that exceed any provisions we may have set aside in respect of such proceedings or actions or that the losses incurred exceed any available insurance coverage, and, consequently, we could experience a material adverse effect on our business, prospects, results of operations, financial condition and cash flows.

We are exposed to certain unforeseeable events, entailing third party liability arising out of our activities. Unanticipated claims may also be brought against us based on the interference on someone else's rights. When a third-party claim is initiated against us, we may opt to settle the conflict outside the court rooms, or to litigate. See "*Business—Legal Proceedings*".

We may not be able to protect our intellectual property effectively from copying and use by others, including potential competitors, and we may infringe intellectual property rights of others

We protect our logo, brand name, websites' domain names and content and proprietary technology by relying on domain names, trademarks, trade secret laws and confidentiality agreements.

However, not all of our industrial or intellectual property can be protected by registration. If someone else were to copy or otherwise obtain and use our proprietary technology or content without our authorisation or to develop similar technology independently, our competitive advantage based on our technology could be reduced and may be eliminated. In addition, effective trademark and trade secret protection may not be available in every jurisdiction, and policing unauthorised use of our proprietary information is difficult and expensive.

In addition, we may face claims that we have infringed the patents, copyrights, trademarks or other intellectual property rights of others. Moreover, to the extent that our employees, contractors or other third parties with whom we do business use intellectual property owned by others in their work for us, disputes may arise as to the rights in related know-how and inventions. We endeavour to defend our intellectual property rights diligently, but intellectual property litigation is expensive and time-consuming and may divert managerial attention and resources from our business objectives. Successful infringement claims against us could result in significant monetary liability. We could be required to obtain licenses to use the intellectual property that is the subject of the infringement claims, which may be expensive to obtain, and the resolution of these matters may not be available on acceptable terms within a reasonable time frame or at all. Intellectual property claims against us could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows, and such claims may result in a loss of intellectual property protections that relate to certain parts of our business.

Our business may be affected by adverse economic and political conditions in the countries where we carry out our activities and globally

Despite actively pursuing the internationalization of our business as a mean of risk exposure diversification, we still concentrate our activities mainly in two markets: Spain and Italy, whose economies are showing signs of improvement after a period of economic and financial uncertainty. We cannot assure, however, that this improvement will be sustained or that other countries where we operate will not experience further difficulties in the future.

Customers in Spain and Italy represent a significant portion of our revenues, especially exposing us to risks specific to these countries. Adverse economic conditions may have a negative impact on demand for the services we provide and on our customers' ability to meet their payment obligations. In periods of recession, such as the one experienced by Spain and Italy in recent years, the demand for our services also tends to decline, adversely affecting our results of operations. The challenging economic conditions in Spain and Italy in recent years have affected the financial condition of our clients, and have impacted demand for wireless communication and wireless infrastructure as well as the revenues generated by advertising in the media, and have adversely affected all of our lines of activity.

Likewise, as we are now present in new countries, we are directly exposed to each of such countries political and economic situations, and may be adversely affected by their potential instability. We are unable to predict how the economic and political cycle in such locations will develop in the short-term or the coming years or whether there will be a deterioration in political stability.

In addition, the financial situation and political instability, geopolitical tensions in the Middle East, growth of anti-EU political parties as well as emerging political forces in member states of the EU with alternative economic policies and priorities, concerns about independence movements within the EU and Spain, and military and terrorist actions in Europe and elsewhere in the world could affect the economic situation in the EU and elsewhere, and could have a material adverse effect on our business, prospects, results of operations, financial condition and cash flows.

Because of our growing presence in the UK, we face the risk of political and economy uncertainty derived from UK's decision to leave the EU. The timing of, and process for, the negotiations and the resulting terms of the UK future economic, trading and legal relationships are uncertain.

Due to our growing presence in other European countries, we are also increasing our exposure to other global economic and political events. Changes in the international financial markets' conditions pose a challenge to our ability to adapt to them as they may have an impact on our business. 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 our business. A change in any of these factors could affect our ability to access to the capital markets and the terms and conditions under which we can access such markets, which could have a material adverse effect on our business, prospects, results of operations, financial condition and cash flows.

In addition to the abovementioned risks related to carrying out our activities internationally, we may also be exposed to the following risks in the different countries where we operate:

- changes to existing or new tax laws or international tax treaties, methodologies impacting our international operations, or fees directed specifically at the ownership and operation of communications infrastructures or our international acquisitions, which may be applied or enforced retroactively;
- laws or regulations that tax or otherwise restrict repatriation of earnings or other funds or otherwise limit distributions of capital;
- changes in a specific country's or region's political or economic conditions, including changes in the government, political goals, inflation, deflation or currency devaluation;
- changes in governmental priorities, including subsidies offered by one or more jurisdictions; expropriation or governmental regulation restricting foreign ownership or requiring reversion or divestiture;
- material infrastructure security issues;
- increases in the cost of labour (as a result of unionization or otherwise), power and other goods and services required for our operations;
- price setting or other similar laws for the sharing of passive infrastructure;
- uncertain rulings or results from legal or judicial systems, including inconsistencies among and within laws, regulations and decrees, and judicial application thereof, which may occasionally be enforced retroactively, and delays in the judicial process;
- changes in consumer price indexes in foreign countries; and
- force majeure events affecting any or several countries in which we carry out activities.

Perceived health risks from radio emissions and electromagnetic radiation may affect our results of operations, especially if these perceived risks are substantiated

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 our 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 we operate or elsewhere resulted in a finding that radio frequency emissions pose health risks to consumers, it could negatively impact our customers and the market for wireless services, which could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Our insurance coverage may not be sufficient to cover all or a substantial portion of any liability we may have.

Environmental and health regulations impose additional costs and may affect our results of operations

In the countries in which we operate, we are subject to environmental laws and 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 can impose liability for non-compliance, are increasingly stringent and may in the future create substantial environmental compliance liabilities and costs.

Our services are affected by the current electromagnetic emission rules applicable in terms of limiting the emissions coming from the equipment of our customers hosted by us in our infrastructures. Despite the fact that the radio emitting equipment is held by us, our customers are liable for the emissions of their own equipment. In the event such rules were amended against our interest, they could limit our growth capacity and may adversely affect our business, prospects, results of operations, financial condition and cash flows.

In addition, such regulations are applicable to us when we own the equipment. Moreover, in certain locations, we may be required to pay annual license fees, and these fees may be subject to increases by the government or administrations at any time. Furthermore, jurisdictions in which we currently operate or may operate in the future that do not currently require us to pay license fees may enact new regulations imposing on us the duty to pay license fees.

While we intend to comply with applicable environmental legislation and regulatory requirements, such compliance may have an adverse effect or prove to be costly. In addition to potential clean-up liability, we may become subject to monetary fines and penalties for violation of applicable environmental laws, regulations or administrative orders. This may also result in closure or temporary suspension or adverse restrictions on our operations. We may also, in the future, become involved in proceedings with various environmental authorities that may require us to pay fines, comply with more rigorous standards or other requirements or incur capital and operating expenses for environmental compliance. In addition, third parties may sue us for damages and costs resulting from environmental contamination emanating from our properties, or for damages arising on our properties.

We believe that we are materially in compliance with environmental and health requirements. Nevertheless, in many jurisdictions these laws are complex, subject to frequent change and are increasingly becoming more stringent. Further, there can be no assurance that new environmental taxes are passed affecting our assets. Any breach of any relevant environmental law or regulation could have a material adverse effect on our business, prospects, results of operations, financial condition and cash flows.

Although we are currently not subject, and have not within the three years ended December 31, 2016, been subject, to any material litigation in respect of health, environmental or safety matters, there can be no assurance that breaches of these laws have not occurred or will not occur or be identified or that these laws will not change in the future in a manner that could have a material adverse effect. Environmental laws and regulations may also impose obligations to investigate and remediate or pay for the investigation and remediation of environmental contamination, and compensate public and private parties for related damages.

We do not control certain of our subsidiaries

Although we have full control and a 100% stake in the vast majority of our subsidiaries, we have 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.

Investments in assets over which we have no partial, joint or total control are subject to the risk that the other shareholders of the assets, who may have different business or investment strategies than us or with whom we 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 appoint members of management, which may be crucial to the success of the project or our investment in the project, or otherwise implement initiatives which may be contrary to our interests, creating impasses on decisions and affecting our ability to implement our strategy. Additionally, the approval of other shareholders or partners may be required to sell, pledge, transfer, assign or otherwise convey our 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 our interests in such assets. These restrictions may limit the price or interest level for our interests in such assets, in the event we want to sell such interests.

Our partners 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, our partners in existing or future projects may be unable, or unwilling, to fulfil their obligations under the relevant shareholder agreements or may experience financial or other difficulties that may adversely affect our investment in a particular joint venture. This may result in litigation or arbitration procedures generating costs and diverting our management team from their other managerial tasks. In certain of our joint ventures, we may also be reliant on the particular expertise of our partners and, as a result, any failure to perform our obligations in a diligent manner could also adversely affect the joint venture. If any of the foregoing were to occur, our business, prospects, results of operations, financial condition and cash flows could be materially and adversely affected.

We depend on effective business support systems and uniform standards, controls and policies

We depend on our ability to effectively manage business support systems, which may be sub-contracted to third parties. This requires significant resources and expertise, along with the development of uniform standards, controls, procedures and policies. Likewise, managing business support systems requires a periodic review of such systems and the elimination of systems not useful for our business.

Effective business support systems are necessary, among others, for:

- managing the collection of payments from our services agreements;
- managing and allocating costs between our customers or providers and us;
- quoting, accepting and inputting customer orders for services;
- provisioning, installing and delivering services; and
- billing for services.

Any failure to keep effective unified business support systems could materially and adversely affect our ability to implement our business plan, leading to a material adverse effect on our business, prospects, results of operations, financial condition and cash flows.

Risks Related to Our Assets

If we fail to retain rights to our infrastructure, our business may be adversely affected

Our real property interests relating to our 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 our ability to operate infrastructures and generate revenues. In the context of acquisitions, we 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 our rights to access and operate an infrastructure.

We own the majority of the telecommunications infrastructures we operate; however, the vast majority of the land where they are located is operated and managed via lease contracts, sub-lease contracts or other types of contracts with third parties. Thus, for various reasons, the property owners could decide not to renew, or to adversely amend the terms of, the ground lease contracts with us. In particular, the increasing presence of ground lease aggregators may negatively affect our ability to renew those contracts under commercially acceptable terms. For instance, we could lose our 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. We also have long-term rights to use third party infrastructures and the non-compliance with our obligations would lead to the loss of the right to use these infrastructures. Lastly, in the future we must revert back to the corresponding government authorities certain assets under the terms of certain concession agreements.

Our inability to protect our rights to use the land where our infrastructures are located may have a material adverse effect on our business, prospects, results of operations, financial condition and cash flows.

Likewise, and in line with our industry peers that operate telecom or broadcasting infrastructure, we may not always have all the necessary licenses and permits of our 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 even arise in certain circumstances.

All these events may in turn have a material adverse effect on our business, prospects, results of operations, financial condition and cash flows.

Our ability to use the infrastructures may be affected by administrative constraints

The use of the infrastructures in the jurisdictions where we operate is subject to zoning regulations and construction laws. Administrative laws may require us to acquire and/or modify infrastructures, thus increasing the investments and expenses required to operate them. We may be subject to additional costs, expenses and investments as to ensure compliance with the administrative requirements or regulations, which could have a material adverse effect on our business, prospects, results of operations, financial condition and cash flows.

In addition, zoning authorities and community organisations may oppose to the construction of telecom infrastructure in their communities, which can delay, prevent or increase the cost of new infrastructure construction or modifications of infrastructures, additions of new antennas to an infrastructure or infrastructure upgrades, thereby limiting our ability to respond to customer demands and requirements.

Moreover, in the UK, agreements for equipment between site providers and operators of electronic communications networks are regulated by the Electronic Communications Code, which is under revision as part of the UK government's program to support connectivity. One of the critical points under revision is the rent that operators pay to property owners. According to the last available proposal, the rent will be calculated at market value under certain assumptions. This proposal, which is expected to become effective by the end of 2017, would result in a decrease in the rents that MNOs pay to us where we manage the land.

Any additional administrative constraints over our infrastructure could have a material adverse effect on our business, prospects, results of operations, financial condition and cash flows.

We are exposed to risks derived from the development, expansion and maintenance of our infrastructure, including the need for on-going Capex

Our ability to maintain a high-level of service depends on our ability to develop, expand and maintain our infrastructure, which requires substantial amounts of capital and other long-term expenditures, including those relating to the renewal, optimization or improvement of existing networks, as well as regarding our ability to obtain sufficient financing to finance these projects and the performance of third-party technical supplies for the implementation of our expansion projects.

Capex amounts vary significantly from year to year as expenditures for maintenance, renewals, new projects and planned expansion expenditures are subject to cost increases. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results of Operations—Capex*".

We have financed these expenditures in the past through a variety of means, including internally generated cash flows and external borrowings. In the future, we expect to make use of a combination of some of these sources, including bank and capital markets debt and equity market transactions, to manage our balance sheet and meet our financing requirements, although obtaining additional financing may be more costly or otherwise more difficult in the future as a result of our leverage. The actual amount and timing of our future capital requirements may also differ from our estimates as a result of, among other things, unforeseen delays or cost overruns in implementing regulatory reforms, unanticipated expenses, engineering and design changes and technological changes, such as unexpected phase-out of technologies. There can be no assurance that financing from external sources will be available at the time or in the amounts necessary or at competitive rates to meet our requirements. If we were unable to obtain financing for Capex, this could limit our ability to maintain our current operations or expand in the future, which could have a material adverse effect on our business, prospects, results of operations, financial condition and cash flows.

We are subject to a number of construction, service provision, financing, operating, regulatory and other risks, some of which are beyond our control, including, but not limited to:

- shortage of materials, equipment and specialist labour required to maintain and develop our infrastructure;
- failure by sub-contractors to complete projects on time, on budget, or meet appropriate quality standards due to various factors, including any of the conditions described herein;
- labour disputes and disputes with sub-contractors, or litigation by subcontractors resulting from any of the risks described herein;
- inadequate infrastructure, including as a result of failure by third parties to fulfil their obligations relating to the provision of utilities and transportation links that are necessary or desirable for the successful operation of a project;
- failure to complete projects according to specifications;
- adverse weather conditions and natural disasters;
- accidents;
- unauthorized, rogue, or other illicit use of spectrum or telecom capacity;

- failure to attract customers to use our services that require Capex to be incurred prior to the client contracting;
- changes in governmental priorities, spending programs or procurement processes; and
- an inability to obtain and maintain the project development permission or required regulatory licenses, permits or approvals.

The operation, administration, maintenance and repair of some of our infrastructures requires coordination and integration of highly sophisticated and specialized hardware and software technologies and equipment, which, consequently, require significant operating expenses and Capex, as well as highly-qualified personnel with the relevant technical know-how. Any failure in the functioning of any of such technologies or equipment may expose us to reputational risks, as well as the risk of losing clients, among others.

The occurrence of one or more of these events may have a material adverse effect on our ability to complete our current or future infrastructure or growth projects as expected on schedule or within budget, if at all, and which could have a material adverse effect on our business prospects, results of operations, financial condition and cash flows.

Our strategy includes acquisitions of businesses that we may be unable to execute or successfully integrate

Our strategy includes the aim to strengthen and expand our operations, among others, through acquisitions. This strategy of growth through acquisitions may expose us to operational challenges and risks, such as the need to identify potential acquisition opportunities on favorable terms. It also may expose us 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 incurrence of liabilities or other claims from acquired businesses.

Prior to entering into the agreements for acquisitions, we generally perform due diligence in respect of a proposed investment, but such inspection is limited by nature. The assets acquired by us may be subject to hidden material defects that were not apparent or discovered or otherwise considered by us at the time of acquisition. To the extent we or other third parties underestimated or failed to identify risks and liabilities associated with an acquisition, we may incur, directly or indirectly, in unexpected liabilities, such as defects in title, an inability to obtain permits enabling us 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 us having acquired assets which are not consistent with our 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 our reputation, which, in turn, could have a material adverse effect on our business, prospects, results of operations, financial condition and cash flows.

Generally, if we cannot identify, implement or integrate attractive acquisition opportunities on favorable terms or at all, it could adversely impact our ability to execute our growth strategy.

Security breaches or other critical disruptions in our technical or information infrastructure could result in material harm to our performance, or harm to our reputation

We work with sophisticated technical and advanced information technology infrastructure such as firewalls and reverse proxies to operate our business and deliver our services to our customers. These systems and services are vulnerable to interruptions or other failures resulting from, among other things, software, equipment or telecommunications failures, processing errors, computer viruses and malware, hackers or other security issues or supplier defaults. Our security measures may also be breached due to human error, malfeasance or otherwise. Such security measures may also be violated as a result of a third-party fraudulent attempt to access our sensitive information, by means of inducing an employee to breach the system or directly violating our security measures. A breach of security measures implemented to our systems could impair our ability to adequately carry out our operations. Likewise, a security breach or intrusion upon our information technology infrastructure could compromise the security of information stored in or transmitted through our systems, or even compromise the integrity of our technical systems more broadly.

We seek to protect our computer systems and network infrastructure from physical intrusion as well as security breaches and other disruptions that could affect our telecom and information infrastructure. Security, backup and disaster recovery measures, however, may not be adequate or implemented properly to avoid errors, processing inefficiencies, security breaches, inability to use the systems or process transactions, loss of customers or other business disruptions. Our technical or information infrastructure could be attacked or compromised by means of the broadly accessible networks. Although we take measures to maintain the security of these externally-facing networks, it is not possible to completely eliminate the risk created by the need for such accessible information infrastructure. There can be no assurance that our security measures will be adequate or successful at all times, and the costs of maintaining adequate security measures may increase substantially. Any such breach, or actions taken to repair or prevent a breach, could result in significant costs to us or harm our ability to successfully compete in one or more of our businesses, including reputational damage, which could in turn have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Our infrastructure assets may be affected by natural disasters and other unforeseen events for which our insurance may not provide adequate coverage

Our infrastructures and equipment are subject to risks associated with natural disasters and other catastrophic events, such as ice and windstorms, geomagnetic storms, tornadoes, floods, hurricanes and earthquakes, arson, terrorist attacks as well as other unforeseen events. Any damage or destruction to our infrastructure due to unforeseen events, may impact our ability to conduct our business. We may not have adequate insurance to cover the associated costs of repair or reconstruction for natural disasters and other catastrophic future events. In addition, we might suffer losses that are not covered by our insurance. As of December 31, 2016, 2015, and 2014 such uninsurable losses amounted to €531 thousand, €287 thousand and €122 thousand, respectively.

Additionally, if the loss of service is not deemed due to an unforeseeable force majeure event, we could be held responsible for failing to satisfy our obligations under our service contracts, which could result in service credit penalties or suspension of normal fees and annual charges. If we are unable to provide services to our customers, it could lead to a loss of customers, resulting in a corresponding material adverse effect on our business, prospects, results of operations, financial condition and cash flows.

Risks Related to the Financial Information Included in this Registration Document and other Financial Risks

We are subject to interest rate risks

We are exposed to interest rate risk through our current and non-current borrowings. Borrowings issued at floating rates expose us to cash flow interest rate risk, while fixed-rate borrowings expose us to fair value interest rate risk. Additionally, any increase in interest rates would increase our finance costs relating to variable-rate indebtedness and increase the costs of refinancing existing indebtedness and issuing new debt.

As at June 30, 2017, our fixed rate debt (€ 1,811 million) represented 84% of our total debt (€ 2,145 million), whereas our variable rate debt (€ 335 million) was 16% of our total debt. The average cost of debt (annualized interest cost over average debt for the period) was 2.6%. As of December 31, 2016, our fixed rate debt (€ 1,410 million) represented 83% of our total debt (€ 1,692 million), whereas our variable rate debt (€ 282 million) was 17% of our total debt. The average cost of debt (annualized interest cost over average debt for the period) was 2.5%.

Any increase in interest rates would increase our finance costs relating to its variable-rate indebtedness and increase the costs of refinancing its existing indebtedness and issuing new debt. Any of these factors could adversely affect our business, prospects, financial conditions, results of operations and/or cash flows.

We are subject to credit risks

Our main business activities obtain a significant portion of revenues from a limited number of customers (see — "*Risk Related to the Industry and Businesses in which We Operate—A substantial portion of our revenue is derived from a small number of customers*"), many of which are long-term customers and have high-value contracts with us.

We are sensitive to changes in the creditworthiness and financial strength of our customers. We depend on the continued financial strength of our customers, such as MNOs, media broadcasters and public administrations which operate with substantial leverage, and many of which are not investment grade or do not have a credit rating.

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 our expected services agreements revenues from certain customers and an increase in our level of exposure to credit risk, or our failure to actively manage it, could have a material adverse effect on our business, prospects, results of operations, financial conditions and/or cash flows.

We are subject to liquidity risks

Liquidity risk arises from a mismatch between our cash requirements and the sources thereof. We carry out a prudent management of liquidity risk and, given the dynamic nature of our businesses, our policy is to maintain flexibility in funding sources through the availability of committed credit facilities. Due to this policy, we have available liquidity of over €1.9 billion, considering cash and available credit lines, as at June 30, 2017. However, we may not be able to draw down or access liquid funds in a sufficient amount and at a reasonable cost to meet our payment obligations at all times. Failure to maintain adequate liquidity levels may materially and adversely affect our business, prospects, results of operations, financial conditions and/or cash flows, and, in extreme cases, threaten our future as a going concern and lead to insolvency.

Our consolidated statement of financial position includes very significant amounts of goodwill and other intangible assets

The goodwill and other intangible assets (such as intangible assets for infrastructure services resulting from business combination) recognized on our statement of financial position (which were € 1,415,383 thousand, €798,647 thousand and €149,165 thousand, respectively, as of December 31, 2016, 2015, and 2014) represented 55.6%, 44.2%, and 15.7% respectively, of our total non-current assets. As of such dates, any further acquisitions may result in our recognition of additional goodwill or other intangible assets. See Note 7 to our 2016 Audited Consolidated Financial Statements for further information regarding our goodwill and other intangible assets.

Under the International Financial Reporting Standards ("**IFRS**") adopted by the EU ("**IFRS-EU**"), we are required to amortize certain intangibles over the useful life of the asset and subject our goodwill and certain of our intangible assets to impairment testing rather than amortization (see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies—Goodwill and Other Intangible Assets*"). Accordingly, on at least an annual basis, we assess whether there have been impairments in the carrying value of our goodwill and certain of our intangible assets. If the carrying value of the asset is higher than its fair value, then it is written down to fair value by the recognition of an impairment loss in the income statement. An impairment of a significant portion of goodwill or other intangible assets could have a material adverse effect on our reported results of operations and the equity reflected on our statement of financial position, which in turn could have a material adverse effect on our business, prospects, results of operations and financial condition. As of December 31, 2016, 2015 and 2014, we concluded that there was no need to make any provision for impairment of goodwill and intangible infrastructure for MNOs.

We are subject to foreign currency risks

As our 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, since 2016 we also operate and hold assets in the UK and recently in Switzerland following completion of the Swiss Towers Acquisition, both countries outside de Eurozone. We are 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 and the Swiss franc. Our strategy for hedging foreign currency risk in investments in non-euro currencies tends towards a full 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.

The majority of our transactions are denominated in euros. However, as of December 31, 2016, the contributions to our income and total assets in a functional currency other than the euro amounted to € 1,878 thousand and € 167,515 thousand, respectively. The volatility in converting into euro agreements denominated in pound sterling and Swiss francs may have negative consequences to us, affecting our overall business, prospects, financial condition, results of operations and/or cash flow generation.

We are subject to inflation risks

A significant portion of our operating costs could rise as a result of higher inflation. Further, most of our infrastructure services contracts are indexed to inflation. As a consequence, our results of operations could be affected by inflation and/or deflation.

We are subject to risks related to our indebtedness

Our 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. Our present or future leverage could have significant negative consequences, including:

- Placing us 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 ourselves to forego certain business opportunities.
- Requiring the dedication of a substantial portion of cash flow from operations to service our debt, thereby reducing the amount of cash flow available for other purposes, including, among others, Capex and dividends.
- Requiring us 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 our financing contracts such as: debt limitation, cash restriction, pledge of assets.
- Affecting our current corporate rating with a potential downgrade from a rating agency, which can make obtaining new financing more difficult and expensive.

As part of the acquisition financing of Cellnex Switzerland, we have to fulfil with a financial covenant that limits the total net debt to EBITDA of Cellnex Switzerland. As of the date of this Registration Document, we are in compliance with the above-mentioned convenant. Other than this, our financing contracts do not have financial covenants, nor are we in default under any payment obligation, either of principal or interest and we may distribute dividends without limitation.

Our historical consolidated financial information is not representative of our current financial condition and ordinary results of operations due to recent transactions that we have entered into and which may affect the comparability of historical and future financial performance

During the current year and during the years ended December 31, 2016, 2015 and 2014, we have entered into various transactions listed in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability of Our Results of Operations—Changes in the scope of consolidation" resulting, among others, in the following acquisitions.

- in the third quarter of 2017, (i) the extension of the Bouygues II Acquisition (as defined below), (ii) the acquisition by Cellnex Italia of 10% of the share capital of Galata, S.p.A. ("**Galata**") owned by Wind, (iii) the acquisition of the 100% of Infracapital Alticom B.V. ("**Alticom**") (the "**Alticom Acquisition**"); and (iv) the acquisition of 100% of the share capital of Swiss Towers AG, wholly owned by Sunrise Communications International S.A. ("**Sunrise**"), by a consortium, 54% of which is owned by us and the remaining stakes by Swiss Life (the asset management arm of life insurance and pensions company) and Deutsche Telekom Capital Partners (the "**Swiss Towers Acquisition**").
- In the second quarter of 2017, Cellnex reached an agreement with K2W for the acquisition of up to 32 sites in Netherlands for a total amount of €12.6 million.
- in the first quarter of 2017, the agreement with Bouygues Telecom for (a) the acquisition of up to 1,800 telecom infrastructures over a period of two years, and (b) to the construction of up to 1,200 telecom infrastructures over a period of five years. In addition, in the third quarter of 2017 an extension of the agreement was signed for the acquisition of up 600 additional sites in France, which are to be gradually transferred to Cellnex France no later than 2020 (the "**Bouygues II Acquisition**"). As a result of this extension, the agreement with Bouygues Telecom consists of the acquisition and construction of up to a maximum of 4,100 sites in France.
- in the second half of 2016, (i) the acquisition of 261 infrastructures from Protelindo Luxemburg S.à r.l. ("**Protelindo**") and Management Tower Europe S.à r.l. (the "**Protelindo Acquisition**"), and (ii) the acquisition of 100% of the shares of Shere Group Limited ("**Shere**" or the "**Shere Group**") and its underlying assets and liabilities, including 1,004 telecom infrastructures (the "**Shere Acquisition**"); (iii) the acquisition of 500 telecom infrastructures from Bouygues Telecom (the "**Bouygues Acquisition**"); and (iv)

and agreement with Linkem to provide access to its portfolio of approximately 8,000 telecom infrastructures for the roll-out of Linkem's LTE network.

- in the first half of 2016, the acquisition of 100% of the shares of the Italian company CommsCon Italia s.r.l. ("**CommsCon**"), which manages 949 nodes (DAS and small cells) (the "**CommsCon Acquisition**").
- in the first quarter of 2015, (i) the acquisition of 300 infrastructures from Telefónica ("**Project Volta**"); and (ii) the acquisition of 90% of the shares of the Italian company Galata and its underlying assets and liabilities, including 7,377 infrastructures (the "**Galata Acquisition**").

These acquisitions were accounted for as of their respective closing dates and, as a result, their total annual impact is not reflected during the full 3-year period covered by the historical consolidated financial information included elsewhere in this Registration Document. Some of our acquisitions, such as the acquisition of infrastructures from Bouygues Telecom and other prior acquisitions, have been structured as asset acquisitions, as opposed to share purchases, and therefore no historical financial statements (audited or unaudited) exist for the acquired assets and consequently no pro forma profit and loss account can be produced showing the full year impact of such acquisitions. Consequently, the historical financial information included in this Registration Document may not be fully comparable with our future financial statements and may not be indicative of our future financial condition or operating performance. As a result, it may be difficult to evaluate our business and prospects given the substantial modification of our infrastructure network.

We are subject to fraud and compliance risks

Our operations are also subject to anti-bribery and anti-corruption laws and regulations that govern and affect where and how our business may be conducted. We have established certain systems to monitor compliance with applicable laws and regulations and we will provide training to our employees to facilitate compliance with such laws and regulations. As at the date of this Registration Document, we have not been the subject of any anti-corruption or anti-bribery sanction.

We have a code of conduct (the "**Ethics' Code**") approved by the Board of Directors and communicated to all employees. We have created a corporate compliance function to improve compliance with the 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.

We have also established an Internal Control over Financial Reporting System ("**ICFRS**") and we have 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 us 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 our employees, consultants, agents, commercial partners, contractors, sub-contractors or joint venture partners are located. As a result, we could be subject to penalties and reputational damage if our 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 our business, prospects, financial conditions, results of operations and/or cash flows.

DECLARATION OF RESPONSIBILITY

Mr. Javier Martí de Veses, acting in the name and on our behalf in his condition of General Secretary of the Group, accepts responsibility for the information contained in this Registration Document. Having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of his knowledge, in accordance with the facts and contains no omission likely to affect the import of such information.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

This Registration Document contains financial statements that have been prepared in accordance with IFRS-EU.

Our Consolidated Financial Statements

We incorporate by reference in this Registration Document (i) our annual consolidated financial statements as of and for the financial year ended December 31, 2016 (which include the audited comparative financial information as of and for the financial year ended December 31, 2015) (the "**2016 Audited Consolidated Financial Statements**"), (ii) our annual consolidated financial statements as of and for the financial year ended December 31, 2015 (which include the audited comparative financial information as of and for the financial year ended December 31, 2014) (the "**2015 Audited Consolidated Financial Statements**"), and (iii) our annual consolidated financial statements as of and for the financial year ended December 31, 2014 (which include the unaudited restated comparative financial information as of and for the financial year ended December 31, 2013) (the "**2014 Audited Consolidated Financial Statements**"). These financial statements together are referred to as the "**Audited Consolidated Financial Statements**" in this Registration Document.

The Audited Consolidated Financial Statements have been audited by Deloitte, S.L. ("**Deloitte**").

We also incorporate by reference in this Registration Document our unaudited interim consolidated financial statements as of and for the six-month period ended June 30, 2017 (which include the unaudited comparative financial information as of and for the six-month period ended June 30, 2016) (the "**Interim Consolidated Financial Statements**"). The Interim Consolidated Financial Statements have been reviewed by Deloitte. The Audited Consolidated Financial Statements and the Interim Consolidated Financial Statements together are referred to as the "**Financial Statements**" in this Registration Document.

The Audited Consolidated Financial Statements have been prepared in accordance with IFRS-EU. The Interim Consolidated Financial Statements have been prepared in accordance with the requirements of International Accounting Standards (IAS) 34. For more information on the basis of presentation of the financial information herein included, see Note 2 of our Financial Statements.

Pursuant to Spanish regulatory requirements, the Financial Statements are required to be accompanied by the respective consolidated directors' reports. These consolidated directors' reports are incorporated by reference in this Registration Document only in order to comply with such regulatory requirements. Investors are strongly cautioned that the consolidated directors' reports contain information as of various historical dates and do not contain a full description of our business, affairs or results. The information contained in the consolidated directors' reports has been neither audited nor prepared for the specific purpose of this Registration Document. Accordingly, the consolidated directors' reports should be read together with the other portions of this Registration Document, and in particular the sections "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations". Furthermore, the consolidated directors' reports include certain forward-looking statements that are subject to inherent uncertainty (see "*Forward-Looking Statements*").

Our Segment Reporting

Our business segment information included in our Financial Statements 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.

We have expanded our business in Europe and our 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 we are currently present and others. In this regard, as we continue to acquire sites in existing markets and we are continuing to expand into new ones, our management analizes our results of operations by geographical location.

In addition, we have organised our business in three different customer-focused units, supported by an operations division and central corporate functions: (i) Telecom Infrastructure Services; (ii) Broadcasting Infrastructure; and (iii) Other Network Services.

Presentation of line items

The nomenclature used for certain line items included in the Financial Statements incorporated by reference in this Registration Document varies in the years presented herein. Unless otherwise indicated, we have used the nomenclature used in our 2016 Audited Consolidated Financial Statements.

Alternative Performance Measures

In addition to the financial information presented herein and prepared under IFRS-EU, we have included in this Registration Document certain alternative performance measures as defined in the guidelines issued by the European Securities and Markets Authority on October 5, 2015 on alternative performance measures (the "**ESMA Guidelines**" and the "**APMs**"), including "**EBITDA**", "**Adjusted EBITDA**", "**Net Debt**", and "**Recurring Leveraged Free Cash Flow**". We believe that the presentation of the APMs included herein complies with the ESMA Guidelines.

We have presented these APMs, which are unaudited, as supplemental information because we believe they may contribute to a better understanding of our results of operations by providing additional information on what we consider to be some of the drivers of our financial performance and because these APMs are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity.

These measures are not defined under IFRS-EU, should not be considered in isolation and may be presented on a different basis than the financial information included in our Financial Statements. In addition, they may differ significantly from similarly titled information reported by other companies, and may not always be comparable.

Prospective investors are cautioned not to place undue reliance on these measures, which should be considered as supplemental to, and not a substitute for, the financial information prepared in accordance with IFRS-EU included herein. The APMs included herein have not been audited by our auditors or by any independent expert. Some of the limitations of these APMs are:

- they may not reflect our cash expenditures or future requirements for capex or contractual commitments;
- they may not reflect changes in, or cash requirements for, our working capital needs;
- they do not reflect the significant interest expense, or the cash requirements necessary, to service interest or principal payments, on our debt;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often need to be replaced in the future, and EBITDA and Adjusted EBITDA do not reflect any cash requirements that would be required for such replacements;
- some of the exceptional items that we eliminate in calculating Adjusted EBITDA reflect cash payments that were made, or will be made in the future; and
- the fact that other companies in our industry may calculate EBITDA and Adjusted EBITDA differently than we do, which limits their usefulness as comparative measures.

As a result of the limitations of these APMs, investors are cautioned not to place undue reliance on these measures. Such measures should be reviewed by investors in conjunction with the "*Management's Discussion and Analysis of Financial Condition and Results of Operations*".

Rounding

Certain financial information contained in this Registration Document has been rounded. For this reason, in some cases, the sum of the figures in a given column may not conform exactly to the total figure presented in that same column. Figures that are represented in percentages in this Registration Document have not been calculated on the basis of rounded figures, but rather on those values prior to rounding.

Market and industry data

This Registration Document includes market share and industry data, which we have obtained from industry publications and surveys, industry reports prepared by governments, regulators, consultants, internal surveys and customer feedback. Market and industry data is principally based on, where available, official government or industry bodies. In particular, we have included market and industry data from the following third-party sources, among others: (i) ABI Research; (ii) Arthur D. Little; (iii) Cisco VNI Index; and (iv) the CNMC.

All third-party information, as outlined above, has to our knowledge been accurately reproduced and, as far as we are aware and have been able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, none of us has independently verified the information and cannot guarantee its accuracy. As we do not have access to all of the facts and assumptions underlying such market and industry data, we are unable to verify such information and cannot guarantee its accuracy or completeness. We believe that this third-party market and industry data, to the extent quoted or referred to herein, are reliable, but we have not independently verified it and cannot guarantee its accuracy or completeness.

In addition, in cases where third-party data does not cover the market or type of service or product, third- party data is not available or when our operations constitute the majority of the market in a specific geography, we have included certain market and industry data reflecting our management's best estimates based upon information obtained from regulators, trade and business organizations and associations, consultants and other contacts within the industries in which we operate as well as our senior management team's business experience and experience in the industry. For example, certain market share information and other statements presented herein regarding our position relative to our competitors are not based on published statistical data or information obtained from independent third parties, but reflects our best estimates. We have based these estimates upon information obtained from our customers, trade and business organizations and associations and other contacts in the respective industries in which we operate.

Elsewhere in this Registration Document, statements regarding our Telecom Infrastructure Services, Broadcasting Infrastructure and Other Network Services activities, position in the respective industries and geographies in which we operate, our respective market share and the market shares of various industry participants are based solely on our experience, our internal studies and estimates, and our own investigation of market conditions.

Any and all of the information set forth in this Registration Document relating to the operations, financial results or market share of our competitors has been obtained from information made available to the public in such companies' publicly available reports and independent research, as well as from our experience, internal studies, estimates and investigation of market conditions.

We believe that these internal surveys and market and industry estimates, to the extent included in this Registration Document, are reliable, but we have not independently verified this information and cannot guarantee its accuracy or completeness. We cannot assure you that any of the assumptions that we have made in compiling this data are accurate or correctly reflect our position in our markets or other matters relating to our business.

Forward-looking Statements

This Registration Document includes forward-looking statements that reflect our intentions, beliefs or current expectations and projections about our future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies, plans, opportunities, trends and the market in which we operate. We have tried to identify these and other forward-looking statements by using the words "may", "could", "will", "would", "should", "expect", "intend", "estimate", "anticipate", "guidance", "project", "future", "potential", "believe", "seek", "plan", "aim", "expect", "objective", "goal", "project", "strategy", "target", "continue" and similar expressions or their negatives. These forward-looking statements are based on numerous assumptions regarding our present and future business and the environment in which we expect to operate in the future. Forward-looking statements may be found in the sections of this Registration Document entitled "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Industry Overview" and "Business" and elsewhere in this Registration Document.

These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions and other factors that could cause our actual results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies, plans or opportunities, as well as those of the markets we serve or intend to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. Investors should read section entitled "Risk Factors" and the description of our business lines in section entitled "Business" for a more complete discussion of the factors that could affect us.

In light of these risks, uncertainties and assumptions, the forward-looking events described in this Registration Document may not occur. Additional risks that we may currently deem immaterial or that are not presently known to us could also cause the forward-looking events discussed in this Registration Document not to occur. These forward-looking statements speak only as of the date of this Registration Document. Except as otherwise required by Spanish, U.S. federal and other applicable securities law and regulations and by any applicable stock exchange regulations, we undertake no obligation to update publicly or revise publicly any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason after the date of this Registration Document.

To the extent permitted by applicable law, the Managers assume no responsibility or liability for, and make no representation, warranty or assurance whatsoever in respect of, any of the forward-looking statements contained in this Registration Document.

DIVIDENDS AND DIVIDEND POLICY

Dividend Policy

For the financial year 2016, we distributed an aggregated amount of €20,000 thousand in concept of dividends against the net profit attributable to us of 2016. We intend to distribute in 2017 against 2017 Net Profit a dividend equivalent to that of the previous year (€20,000 thousand) increased by 10%. During 2018 and 2019, we intend to follow the same structure: the distributed dividend would be amount equivalent to that of the previous year increased by 10%.

The amount of future dividends we pay, if any, will depend upon a number of factors, including, but not limited to, our net profit attributable to the parent, any limitations included in our financing agreements and our growth strategy.

There can be no assurance that any dividends will be declared and paid with respect to the year ending December 31, 2017 or any future periods. Any dividends paid in the future will be subject to tax under Spanish law. Spanish law requires companies incorporated in Spain to contribute at least 10% of their net income each year to a legal reserve until the balance of such reserve is equivalent to at least 20% of the respective company's issued share capital. A company's legal reserve is not available for distribution to its shareholders except upon such company's liquidation. Our legal reserve as of December 31, 2016 was €11,584 thousand (reaching the legally established minimum threshold) or 20% of our issued share capital at that date.

Dividend Payments per Share for Each Fiscal Year Corresponding to the Historical Financial Information

The following table sets forth the dividend per Share paid in 2016, 2015 and 2014:

	2016	2015	2014
Dividend Per Share (in euro)	0.086	0.087	-

Limitations on Dividends and Other Distributions

The conditions under which we may declare dividends based on Spanish law and our Bylaws are described under "*Description of Capital Stock—Dividend and Liquidation Rights*".

Other Information Relating to Dividends

Any dividends will be paid in euros. Dividends are declared and paid *pro rata* according to the number of shares held. Dividends declared but not yet paid do not bear interest. Dividends paid on the shares are subject to deduction of Spanish withholding tax.

SELECTED FINANCIAL INFORMATION

The following tables present selected consolidated financial information as of and for the six-month period ended June 30, 2017 and 2016 and as of and for each of the years ended December 31, 2016, 2015 and 2014.

The selected audited consolidated financial information as of and for each of the years ended December 31, 2016, 2015 and 2014 is derived from, and should be reviewed in conjunction with, our Audited Consolidated Financial Statements, in each case with related notes, prepared in accordance with IFRS-EU, which are incorporated by reference in this Registration Document. Our consolidated financial statements as of and for the year ended December 31, 2014 reflect the adoption of IFRS 10 and 11 and, as required by IFRS, include unaudited restated numbers as of and for the year ended December 31, 2013 for comparative purposes, to reflect the impact of IFRS 11 on the prior period. The columns labelled "restated" reflect such restatement.

The selected unaudited consolidated interim financial information as of and for the six-month period ended June 30, 2017 and 2016 is derived from, and should be reviewed in conjunction with, the Interim Consolidated Financial Statements, with related notes, prepared in accordance with the requirements of International Accounting Standards (IAS) 34.

The following tables should be read in conjunction with "*Presentation of Financial and Other Information*,", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the Financial Statements and related notes thereto incorporated by reference in this Registration Document.

Consolidated Balance Sheet

	As of June 30	As of December 31,		
	2017 (unaudited)	2016	2015 (audited)	2014
		(in thousands of €)		
Assets				
Non-current assets:				
Goodwill	379,172	380,217	216,002	45,372
Other intangible assets	1,005,090	1,035,166	582,645	103,793
Property, plant and equipment	1,122,371	1,048,445	935,813	740,464
Investments in associates	3,582	3,551	3,514	3,480
Financial investments	13,114	11,640	12,530	13,451
Derivative financial instruments	669	-	-	-
Trade and other receivables	43,483	36,332	27,710	5,644
Deferred tax assets	28,698	29,181	28,899	37,837
Total non-current assets	**2,596,179**	**2,544,532**	**1,807,113**	**950,041**
Current assets:				
Inventories	1,688	2,023	3,383	669
Trade and other receivables	178,942	155,039	164,054	169,086
Receivables from Group undertakings and associates	78	113	119	20,313
Financial investments	921	921	921	921
Cash and cash equivalents	593,766	192,851	51,000	90,891
Total current assets	**775,395**	**350,947**	**219,477**	**281,880**
Total assets	**3,371,574**	**2,895,479**	**2,026,590**	**1,231,921**

	As of June 30,	As of December 31,		
	2017 (unaudited)	2016	2015 (audited)	2014
		(in thousands of €)		
Equity and liabilities				
Equity				
Share capital and attributable reserves				
Share capital	57,921	57,921	57,921	57,921
Treasury shares	(2,097)	(2,694)	-	-
Share premium	338,733	338,733	338,733	338,733
Reserves	67,762	36,000	10,422	42,601
Profit for the year	19,114	39,817	47,290	57,471
Equity attributable to owners of the parent	**481,433**	**469,777**	**454,366**	**496,726**
Non-controlling interests	82,057	81,424	82,851	4,666
Total net equity	**563,490**	**551,201**	**537,217**	**501,392**
Liabilities				
Non-current liabilities				
Borrowings and bond issues	2,124,367	1,683,960	979,261	429,507
Provisions and other liabilities	172,807	176,604	125,384	18,375
Employee benefit obligations	3,818	2,496	2,563	2,350
Deferred tax liabilities	281,018	290,281	183,246	55,997
Total non-current liabilities	**2,582,010**	**2,153,341**	**1,290,454**	**506,229**
Current liabilities				
Borrowings and bond issues	29,293	17,732	9,094	3,645
Employee benefit obligations	10,602	6,276	8,230	11,010
Trade and other payables	186,179	166,929	181,416	195,527
Total current liabilities	**226,074**	**190,937**	**198,919**	**224,300**
Total net equity and liabilities	**3,371,574**	**2,895,479**	**2,026,590**	**1,231,921**

Consolidated Income Statement

	For the six-month period ended June 30,		For the year ended December 31,		
	2017	2016	2016	2015	2014
	(unaudited)			(audited)	
			(in thousands of €)		
Services	361,663	319,133	670,413	575,365	412,132
Other operating income	16,467	18,567	34,172	36,419	23,913
Operating income	**378,130**	**337,700**	**704,585**	**611,784**	**436,045**
Staff costs	(51,565)	(48,675)	(97,471)	(89,258)	(83,886)
Other operating expenses	(173,535)	(165,043)	(343,680)	(306,750)	(172,302)
Changes in provisions	(255)	189	250	1,138	(2,780)
Losses on fixed assets	(73)	(65)	(176)	(117)	(250)
Depreciation and amortization charge	(99,703)	(82,591)	(176,779)	(153,500)	(91,032)
Operating profit	**52,999**	**41,515**	**86,729**	**63,297**	**85,795**
Financial income	1,073	326	1,179	394	880
Financial costs	(32,710)	(15,338)	(46,954)	(27,861)	(10,219)
Net financial profit	**(31,637)**	**(15,012)**	**(45,775)**	**(27,467)**	**(9,339)**
Profit of companies accounted for using the equity method	46	45	65	34	590
Profit before tax	**21,408**	**26,548**	**41,019**	**35,864**	**77,046**
Income tax	(1,704)	(2,211)	(633)	12,601	(19,315)
Consolidated net profit	**19,704**	**24,337**	**40,386**	**48,465**	**57,731**
Attributable to non-controlling interests	590	148	569	1,175	260
Net profit attributable to Cellnex	**19,114**	**24,189**	**39,817**	**47,290**	**57,471**

Consolidated Cash Flow Statement

	For the six-month period ended June 30,		For the year ended December 31,		
	2017	2016	2016	2015	2014
	(unaudited)		(audited)		
			(in thousands of €)		
Profit for the year before tax	**21,408**	**26,548**	**41,019**	**35,864**	**77,046**
Adjusted profit	**153,490**	**124,444**	**264,324**	**216,697**	**102,811**
Depreciation and amortization charge	99,703	82,591	176,779	153,500	91,032
Gains/(losses) on derecognition and disposals of non-current assets	73	65	176	117	250
Changes in provisions	255	(189)	(250)	(1,138)	2,780
Employee benefit obligations	-	-	-	-	-
Interest and other income	(1,073)	(326)	(1,179)	(394)	(880)
Interest and other expenses	32,710	15,338	46,954	27,861	10,219
Share of results of companies accounted for using the equity method	(46)	(45)	(65)	(34)	(590)
Other income and expenses	460	462	890	921	-
Changes in current assets/current liabilities	**(4)**	**479**	**17,931**	**962**	**31,013**
Inventories	335	(473)	2,282	(2,714)	(363)
Trade and other receivables	(27,648)	(3,987)	29,884	8,386	2,031
Other current assets and liabilities	27,309	4,939	(14,235)	(4,710)	29,345
Cash flows generated by operations	**153,486**	**124,923**	**282,255**	**217,659**	**210,870**
Interest paid	(13,886)	(2,733)	(24,311)	(9,995)	(7,661)
Interest received	-	29	1,103	196	880
Income tax received / (paid)	(5,421)	(1,778)	(11,477)	(13,913)	(37,493)
Employee benefit obligations and current provisions	(946)	(401)	(2,864)	(2,427)	(18,110)
Other receivables and payables	9,470	11,225	7,200	46,399	(16,343)
Total net cash flows from operating activities (I)	**142,703**	**131,265**	**251,906**	**237,919**	**132,143**
Business combinations and changes in scope of consolidation	-	(19,122)	(525,358)	(668,670)	(79,590)
Purchases of property, plant and equipment and intangible assets	(159,029)	(36,235)	(228,563)	(140,494)	(177,739)
Non-current financial investments	(15,283)	(7,491)	(16,087)	(1,053)	(517)
Total net cash flows from investing activities (II)	**(174,312)**	**(62,848)**	**(770,008)**	**(810,217)**	**(257,846)**
Acquisition of treasury shares	1,115	(2,042)	(2,949)	-	-
Proceeds from issue of bank borrowings	66,427	79,775	271,745	674,885	413,650
Bond issue	407,729	-	801,804	591,174	-
Repayment and redemption of borrowings from Group companies	-	-	-	-	(146,938)
Repayment and redemption of bank borrowings	(32,041)	(806)	(381,619)	(723,830)	-
Net repayment of other borrowings (Profits)	(1,014)	(551)	(6,608)	(1,348)	(1,541)
Dividends paid	(9,806)	-	-	-	-
Dividends net of withholdings	-	-	(21,083)	(8,075)	(48,251)
Dividends to non-controlling interests	-	-	(1,996)	(399)	(399)
Dividends received	-	-	28	-	-
Total net cash flows from financing activities (III)	**432,410**	**76,376**	**659,322**	**532,407**	**216,521**
Foreign exchange differences	114	-	631	-	-

	For the six-month period ended June 30,		For the year ended December 31,		
	2017	**2016**	**2016**	**2015**	**2014**
	(unaudited)		**(audited)**		
			(in thousands of €)		
Net (decrease) / increase in cash and cash equivalents from continuing operations (I)+(II)+(III)	**400,915**	**144,793**	**141,851**	**(39,891)**	**90,818**
Cash and cash equivalents at beginning of year	192,851	51,000	51,000	90,891	73
Cash and cash equivalents at period-end	**593,766**	**195,793**	**192,851**	**51,000**	**90,891**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read together with the Audited Consolidated Financial Statements and the Interim Consolidated Financial Statements, including the accompanying notes, incorporated by reference in this Registration Document. The Audited Consolidated Financial Statements have been prepared in accordance with IFRS-EU and the Interim Consolidated Financial Statements have been prepared in accordance with the requirements of International Accounting Standards (IAS) 34. This discussion and analysis should also be read together with the information contained in "Business". Some of the information in the discussion and analysis set forth below and elsewhere in this Registration Document includes forward-looking statements that involve risks and uncertainties. See "Presentation of financial and other information—Forward-Looking Statements" and "Risk Factors" for a discussion of important factors that could cause actual results to differ materially from the results described in the forward-looking statements contained in this Registration Document.

Overview

Our business includes the provision of services through its three different segments: (i) Telecom Infrastructure Services, (ii) Broadcasting Infrastructure and (iii) Other Network Services. Our primary customers in these three segments are MNOs, radio and TV broadcast companies, government agencies and municipalities and other public and private customers. Our portfolio of infrastructures is used to provide several of the above-mentioned services and many infrastructures are used for more than one activity.

- Our Telecom Infrastructure Services activity is focused on providing MNOs access to our infrastructure, either on telecom or broadcasting infrastructures, in order to provide coverage related services and to co-locate their equipment on our infrastructures, offering services that allow MNOs to rationalise their networks and optimise costs, through the dismantling of duplicate infrastructures (decommissioning) and building new infrastructures (build-to-suit) in strategic sites that could offer service to one or more MNOs. These services have the aim to complete the deployment of 4G and the future 5G, reduce areas with no signal coverage and extend network densification. Telecom Infrastructure Services are offered in Spain, Italy, the Netherlands, the UK, France and in Switzerland. This activity accounted for 54.3% of our total operating income in 2016.
- Our Broadcasting Infrastructure activity manages in Spain the distribution and transmission of digital TV and radio signals as well as the O&M of broadcasting networks, and provides related connectivity and other services. This activity accounted for 33.4% of our total operating income in 2016.
- Our Other Network Services activity includes the provision of connectivity to MNOs, PPDR services, general O&M services, communications networks for the so-called "urban telecom infrastructure" (smart cities and the IoT) and others. This activity accounted for 12.3% of our total operating income in 2016.

Factors Affecting Comparability of Our Results of Operations

As a result of the following events, our financial condition and results of operations as of and for certain of the financial periods presented in this Registration Document may not be directly comparable with our financial condition and results of operations as of and for other financial periods discussed herein or future financial periods.

Changes in the scope of consolidation

See Note 2 to each of the Financial Statements for a description of the most significant changes in the scope of consolidation and in the companies included in it during each of such financial periods.

Such changes are mainly due to the acquisitions described below (see "*Business—Material Contracts*"). The legal entities acquired have been fully consolidated within the Group as of their respective acquisition date, such that, as at December 31 of the year of acquisition, the value of all of its assets and liabilities has been included in our consolidated balance sheet and the corresponding impact of operations reflected in our consolidated income statement for the relevant year. In the case of the acquisition of assets, such assets have been included in our consolidated balance sheet as of their respective acquisition date. Since the acquisitions described below were completed between 2014 and 2016, they are not reflected in the periods covered by the historical consolidated financial information included elsewhere in this Registration Document and such financial information does therefore not reflect our ongoing business following such acquisitions.

CommsCon Acquisition

In the first half of 2016, Cellnex Italia acquired the 100% of CommsCon, an Italian operator and provider of innovative Small Cell solutions for mobile broadband coverage in large open and closed spaces for a consideration of €20 million. Our actual cash outflow in relation to this transaction has been €19 million following the incorporation of €1 million of cash balances on the balance sheet of the acquired company.

Protelindo Acquisition

In the third quarter of 2016, we entered into an agreement with Protelindo, a subsidiary of the Indonesian telecommunications towers group PT Sarana Menara Nusantara, and Management Tower Europe S.à r.l. for the acquisition of 100% of the share capital of Protelindo Netherlands B.V. for a consideration of €112 million. The enterprise value in relation to this transaction was €109 million considering the incorporation of €3 million of cash balances and receivables on the balance sheet of the acquired company.

The transaction added 261 mobile telecom infrastructures in the Netherlands to the portfolio of Cellnex.

Bouygues Acquisition

In the third quarter of 2016, our subsidiary Cellnex France reached an agreement with Bouygues Telecom to acquire up to 500 infrastructures in two phases. We signed an agreement with Bouygues Telecom for the acquisition of 230 telecom infrastructures for a total consideration of approximately €80 million and, in the final quarter of 2016, we closed with Bouygues Telecom the second phase of the agreement, with the acquisition of 270 additional telecom infrastructures for a total consideration of €67 million.

Shere Acquisition

In the third quarter of 2016, we entered into an agreement with funds managed by Arcus Infrastructure Partners and other minority shareholders for the acquisition of 100% of Shere Group for a total consideration of €393 million.

Shere's assets include a portfolio of 1,004 infrastructures, 464 in the Netherlands, spread evenly throughout the country, and 540 located in the UK, concentrated mainly in England and Wales.

Galata Acquisition

In the first quarter of 2015, we reached an agreement with Wind for the acquisition, through our wholly owned Italian subsidiary Cellnex Italia, of 90% of the capital stock of Galata for a consideration of €693 million. As of June 30, 2017 Wind retained ownership over 10% of the remaining capital stock of Galata. Prior to the acquisition, Galata was a wholly owned subsidiary of Wind, formed by Wind in the first quarter of 2015.

Further Acquisitions of infrastructures from Telefónica

In the second half of 2014, our subsidiary On Tower Telecom Infraestructuras, S.A.U. ("**On Tower**") entered into a letter of intent with Telefónica to set up the framework for the acquisition, among other transactions, of up to 1,340 infrastructures (Project Volta Extended Phase I) and 450 infrastructures (Project Volta Extended Phase II). Also in the second half of 2014, On Tower acquired 1,090 infrastructures in relation to Project Volta Extended Phase I in exchange for €154 million and it entered into an agreement for the acquisition of up to 300 infrastructures in relation to Project Volta Extended Phase II. In the first quarter of 2015, 300 additional infrastructures were acquired in the context of Project Volta Extended Phase II.

Factors Affecting Our Results of Operations

Our results of operations and financial condition are affected by a variety of factors, a number of which are outside our control. Set out below is a discussion of the most significant factors that have affected our results during the periods under review and which we expect to affect our financial results in the future. Factors other than those set forth below could also have a significant impact on our results of operations and financial condition in the future. See "*Risk Factors*".

Demand for telecom and broadcasting infrastructures

Our business depends on the demand for services that we provide through our three different segments. Our customers' demand for such services depends in turn on end-users' demand for wireless voice and data services as well as TV and radio broadcast bandwidth and the availability of spectrum to deploy their services. In particular, our Telecom Infrastructure Services segment is highly dependent on the demand for such infrastructures and a decrease in such demand may adversely affect our business. Within our Broadcasting Infrastructure activity, demand for our communications depends on the coverage needs from our customers, which, in turn, depends on the demand for TV and radio broadcast by their customers. For our Other Network Services segment, demand for connectivity, PPDR networks, O&M, Smart City and IoT services depends on the demand from public administrations as well as entities operating in the private and public sectors.

The willingness of our customers to utilize our communications infrastructures, contract our services, or renew or extend existing contracts on our communications infrastructures on the same terms, can be affected by numerous factors.

Within the Telecom Infrastructure Services activity, the market demand for coverage related services such as antenna space translates into revenue growth for us, which may be supported by an increase in the number of infrastructures, PoP and/or CPI-linked prices; while the overall market need for more antennas is driven by 4G/LTE deployment and improvement of current 3G coverage. Our overall growth will depend on our ability to capture a share of this market growth. Within the Broadcasting Infrastructure activity, we rely on CPI-linked revenue growth, as there is limited additional demand for coverage related services such antenna space. Within our Other Network Services activity, revenue growth is linked to our ability to secure new contracts with private and local government administrations (basically smart city and IoT services projects). See "*Risk factors— Our business depends on the demand for telecom infrastructure services, broadcasting infrastructure, and other network services that we provide, which we cannot control, and we may be adversely affected by any slowdown in such demand*".

Number of infrastructures in operation

Our Telecom Infrastructure Services revenue is generated from telecom operators from service contracts related to our telecom and broadcast wireless infrastructures. The annual payments vary considerably depending upon numerous factors, such as the number of infrastructures related to the service contracts, infrastructure location, the number and type of equipment on the infrastructure or at the infrastructure, ground space required by the customer, the customer ratio (the average number of customers per infrastructure, taking into account changes in the consolidation perimeter), and the remaining infrastructure capacity. Our global network of infrastructures consisted of 17,900 infrastructures as of December 31, 2016. We believe that our growth will depend on our ability to identify and consummate additional acquisitions of infrastructures in the future. We follow a proven partnership-driven approach of pursuing attractive targets through a diligent and selective acquisition strategy, which we believe will support our future growth strategy.

Customer ratio and impact on co-location by MNOs

We can generate additional revenues by attracting new customers at existing infrastructures and by adding additional services and equipment to existing infrastructures with little additional cost. This phenomenon of providing services to several MNOs at a single infrastructure is known as "co-location". Our main customers in the Telecom Infrastructure Services activity are MNOs who increasingly seek to reduce their costs through infrastructure sharing. We aim to increase our customer ratios and our return on investment by adding new customers, new services and installing new equipment for existing customers. As of June 30, 2017 we had a 1.64 customer ratio (defined as the average number of customers per infrastructure, taking into account changes in the consolidation perimeter) for our total telecom infrastructures. Due to the relatively fixed nature of our costs, accommodating additional customers in our infrastructure or adding additional equipment to such infrastructures, may create significant value for our business.

Our intention, when acquiring infrastructures from MNOs, is to enter into long-term agreements under which we assign the selling MNOs a reserved configuration in the acquired infrastructures, while we remain independent in terms of technology and frequency to allow infrastructure sharing.

Availability and allocation of spectrum

We and our customers are highly dependent on the availability of sufficient spectrum for the provision of services that require information technology. The amount of spectrum available is limited and the process for obtaining it is highly complex. For further information, see "*Industry Overview*".

We depend upon spectrum allocation for other wireless services that we provide, either in the Broadcasting Infrastructure activity or Other Network Services activity, such as FM, DAB, TETRA, IoT and radio links. Any change in this spectrum allocation may have a material adverse effect on our business, prospects, results of operations, financial condition and cash flows. See "*Risk factors—Spectrum may not be secured in the future, which would prevent or impair our plans or limit the need for our services and products*" and "*Regulation—Broadcasting Infrastructure Activity*" for more details.

Capital expenditures

We classify our Capex in three main categories:

- Maintenance Capex, which is defined as capex related to maintenance investments in existing tangible or intangible assets, such as investment in infrastructure, equipment and information technology systems, and are primarily linked to keeping infrastructures in good working order, but which excludes investment in increasing the capacity of infrastructures. See Notes 6 and 7 to our Audited Consolidated Financial Statements.
- Expansion Capex, or organic growth capex, which is defined as the aggregate of capex related to the expansion of our business that generates additional income, including, among others, build-to-suit infrastructures, all investments regarding infrastructures decommissioning, the adaptation of infrastructures, land acquisitions, as well as capex in relation to urban telecom infrastructure and broadcasting services. See Notes 6 and 7 to our Audited Consolidated Financial Statements.
- M&A Capex, which is defined as the aggregate of capex related to investments in shares of companies, business combinations, as well as investments in acquiring portfolios of infrastructures (asset acquisitions). See Notes 6 and 7 to our Audited Consolidated Financial Statements.

We have significant infrastructure requirements and therefore our operating results and cash flows are significantly affected by our Capex. Our total Capex amounted to €784,286 thousand, €805,315 thousand and €354,156 thousand in 2016, 2015 and 2014, respectively, considering the businesses we acquired at investment cost and including our total Capex for property, plant and equipment, intangible assets and advances to customers, but excluding goodwill. Of those aggregate amounts, €21,423 thousand, €17,880 thousand and €13,211 thousand, were related to Maintenance Capex in 2016, 2015 and 2014, respectively. Of those aggregate amounts of Capex, €57,307 thousand, €47,957 thousand and €21,546 thousand in 2016, 2015 and 2014, respectively, related to Expansion Capex. M&A Capex amounted to €705,556 thousand, €739,478 thousand and €319,399 thousand in 2016, 2015 and 2014, respectively.

In the periods discussed in this Registration Document, we have used a combination of bank financing and operating cash flow to fund our Capex. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations —Liquidity and Capital Resources*".

Backlog

We benefit from strong visibility of our future revenues. We measure our estimated backlog presented in this Registration Document as the estimated amount of our contracted revenues that we expect will result in future revenue from certain existing contracts, excluding any inflation adjustment. On the foregoing basis, our estimated backlog as of December 31, 2016 was €8,637,564 thousand assuming contracts were renewed to their maximum permitted terms by us, counterparties or both, as the case may be.

Backlog at any point in time is affected by the timing of entry into new contracts. Due to the long-term nature of some of our contracts, portions of our backlog may not be completed. Additionally, contracts for services are occasionally modified by mutual consent of the parties and in some instances may be cancelled under certain circumstances by the customer on short notice without penalty. As a result, our estimated backlog as of any particular date may not be indicative of our actual operating results for any future period. See "*Risk Factors—Risks Related to the Industry and Businesses in which We Operate—Our backlog estimates are based on certain assumptions and are subject to unexpected adjustments and cancellations and thus may not be timely converted to revenues in any particular fiscal period, if at all, or be a fully accurate indicator of our future revenue or earnings*".

Regulatory matters

All of our activities are subject to various regulations, such as competition law, regulatory decisions on network sharing, regulations related to electromagnetic emission and other regulations. See "*Risk Factors–Risks Related to the Industry and Businesses in which We Operate—We are subject to regulations that govern the way we conduct our businesses and changes in current or future laws or regulations could have a material adverse effect on our business, prospects, results of operations, financial condition and cash flows*".

Key regulations applicable to us include the availability and licensing of spectrum and on-going charges for its utilization, electromagnetic emissions, the commercial framework for the commercialization of our terrestrial broadcast assets and the obligations imposed on us by the Spanish antitrust authorities for our Broadcasting

Infrastructure activity. For a general overview of regulation of the communications industry in the countries in which we operate, see "*Regulation*".

Critical Accounting Policies

The preparation of the Financial Statements requires us to make certain estimates, judgments and assumptions under IFRS-EU that we believe are reasonable based upon the information available. These estimates, judgments and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. We believe that the following significant accounting policies involve a high degree of judgment: property, plant and equipment; goodwill and other intangible assets; impairment losses on non-financial assets; derivative financial instruments; financial liabilities; income tax; employee benefits; provisions and contingencies and leases.

See Note 3 to each of the Financial Statements for a description of the main accounting policies used when preparing the Companies Audited Consolidated Financial Statements, in accordance with IFRS-EU, as well as the interpretations in force when drawing up these consolidated accounts (namely regarding property, plant and equipment, provision for asset retirement obligation, goodwill and other intangible assets, impairment losses on non-financial assets, investments and other financial assets (excluding derivative financial instruments), derivative financial instruments, inventories, net equity, earnings per share, cash and cash equivalents, financial liabilities, income tax, employee benefits, government grants, provisions and contingences, revenue recognition, expense recognition, leases, activities affecting the environment, related party transactions, consolidated statement of cash flows and transactions in foreign currencies).

The main critical accounting policies identified by us are detailed below:

Goodwill and other intangible assets— Intangible assets in telecom infrastructures

The intangible assets are disclosed at their acquisition cost minus the accumulated amortisation as well as any impairment losses. The useful life of such assets are assessed on the basis of prudent estimates. In the case of intangible assets in telecom infrastructures, we record the amounts paid in the business combinations that correspond to the fair value of the net assets acquired, mainly consisting of:

- *Concession intangible assets.* The contracts signed with MNOs and the locations of the telecom infrastructures used.

  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 we are able to obtain income from the network coverage area. In this case, the only intangible asset recorded by us 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 our infrastructure service contracts with the anchor customer 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 cash flows from addition 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 we have 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 cash flows 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 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, we consider these intangibles to be directly related to the infrastructure assets.

Investments and other financial assets (excluding derivative financial instruments)—Current and non-current financial investments

This heading of the consolidated balance sheet includes, with regards to the acquisitions of telecom infrastructures undertaken by us, the multi-annual commercial costs assumed by us, in order to obtain the service provision agreements with the MNOs 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 us and these costs will be capitalised as they are incurred.

These amounts are recognised as an advance of the subsequent services agreement with the MNOs, 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.

Provisions and contingencies—Provision for asset retirement obligation

This relates to our best estimate of the legal obligation in relation to the retirement of tangible assets with long useful lives, such as, for example, infrastructures for MNOs. 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.

Explanation of Income Statement Items

In order to better understand the discussion of our operating results, details regarding certain line items have been provided below.

Services

Services primarily include our revenues derived from the provision of services and the hosting of equipment from MNOs, radio and TV broadcast companies, government agencies and municipalities and customers in a number of other industries, distributing and transmitting digital TV and radio signals and providing complementary services such as connectivity and O&M services, net of deferred commercial costs relating to decommissioned sites. See Note 17.a) to our 2016 Audited Consolidated Financial Statements.

Most of our revenue relates to income earned on a recurrent basis as it derives from services provided under the terms of medium- or long-term contracts. Revenues from services are recognized when the service is provided and there are no material seasonal effects.

Other operating income

Other operating income includes mainly income from re-charging costs related to activities for providing services to third parties in relation to our infrastructures.

Staff costs

Staff costs consist mainly of wages and salaries, Social Security contributions, accruals related to share-based payment, retirement benefits and other contingencies, commitments or employee benefits.

Other operating expenses

Other operating expenses include items such as repairs and maintenance, leases and fees, utilities, taxes other than income tax and other operating costs such as legal and other consultancy expenses and professional insurance. Other operating costs include non-recurrent expenses and do not represent a cash flow.

Change in provisions

Change in provisions includes allowance for doubtful debts, provisions for on-going litigation and other non-current provisions.

Depreciation and amortization

This line item mainly includes property, plant and equipment depreciation charges and amortization of intangible assets, such as goodwill.

Financial income

Finance income consists mainly of interest and other finance income such as income earned on deposits.

Financial costs

Finance costs represent mainly the interest expense on loans from credit entities and others.

Income tax

Income tax consists of current tax payable on the taxable profit for the year after applying allowable deductions, changes in deferred tax assets and liabilities, and tax credits.

Results of Operations

The table below illustrates our results of operations for the six-month period ended June 30, 2017 and 2016 and for the years ended December 31, 2016, 2015 and 2014.

	For the six-month period ended June 30,		For the year ended December 31,		
	2017	2016	2016	2015	2014
	(unaudited)		(audited)		
			(in thousands of €)		
Services	361,663	319,133	670,413	575,365	412,132
Other operating income	16,467	18,567	34,172	36,419	23,913
Operating income	**378,130**	**337,700**	**704,585**	**611,784**	**436,045**
Staff costs	(51,565)	(48,675)	(97,471)	(89,258)	(83,886)
Other operating expenses	(173,535)	(165,043)	(343,680)	(306,750)	(172,302)
Changes in provisions	(255)	189	250	1,138	(2,780)
Losses on fixed assets	(73)	(65)	(176)	(117)	(250)
Depreciation and amortization charge	(99,703)	(82,591)	(176,779)	(153,500)	(91,032)
Operating profit	**52,999**	**41,515**	**86,729**	**63,297**	**85,795**
Financial income	1,073	326	1,179	394	880
Financial costs	(32,710)	(15,338)	(46,954)	(27,861)	(10,219)
Net financial profit	**(31,637)**	**(15,012)**	**(45,775)**	**(27,467)**	**(9,339)**
Profit of companies accounted for using the equity method	46	45	65	34	590
Profit before tax	**21,408**	**26,548**	**41,019**	**35,864**	**77,046**
Income tax	(1,704)	(2,211)	(633)	12,601	(19,315)
Consolidated net profit	**19,704**	**24,337**	**40,386**	**48,465**	**57,731**
Attributable to non-controlling interests	590	148	569	1,175	260
Net profit attributable to Cellnex	**19,114**	**24,189**	**39,817**	**47,290**	**57,471**

Comparison of the six-month period ended June 30, 2017 and June 30, 2016

The following table shows our results of operations for the periods indicated below.

	For the six-month period ended June 30,		
	2017	2016	% change
	(unaudited)		
	(in thousands of €)		
Services	361,663	319,133	13.33
Other operating income	16,467	18,567	(11.31)
Operating income	**378,130**	**337,700**	**11.97**
Staff costs	(51,565)	(48,675)	5.94
Other operating expenses	(173,535)	(165,043)	5.15
Changes in provisions	(255)	189	(234.92)
Losses on fixed assets	(73)	(65)	12.31
Depreciation and amortization charge	(99,703)	(82,591)	20.72
Profit from operations	**52,999**	**41,515**	**27.66**
Finance income	1,073	326	(229.14)
Finance costs	(32,710)	(15,338)	113.26
Net financial loss	**(31,637)**	**(15,012)**	**110.74**
Profit of companies accounted for using the equity method	46	45	2.22
Profit before tax	**21,408**	**26,548**	**(19.36)**
Income tax	(1,704)	(2,211)	(22.93)
Consolidated net profit	**19,704**	**24,337**	**(19.04)**
Attributable to non-controlling interests	590	148	298.65
Net profit attributable to Cellnex	**19,114**	**24,189**	**(20.98)**

Services

Services increased by 13.33% to €361,663 thousand in the six-month period ended on June 30, 2017 from €319,133 thousand in the six-month period ended on June 30, 2016. The increase was mainly due to changes in our perimeter of consolidation (new acquisitions during the period), the switch-on of new TV channels and organic growth.

Services are presented in our income statement net of advances to customers as described in Note 16.a) of our Interim Consolidated Financial Statements. The table below shows the breakdown of our total revenue from services (gross services) and advances to customers.

	For the six-month period ended June 30,		
	2017	2016	% change
	(unaudited)		
	(in thousands of €)		
Services (gross)	362,873	319,595	13.54
Advances to customers	(1,210)	(462)	161.90
Services	**361,663**	**319,133**	**13.33**

Other operating income

Other operating income decreased by 11.31% to €16,467 thousand in the six-month period ended June 30, 2017 from €18,567 thousand in the six-month period ended June 30, 2016.

Staff costs

Staff costs increased by 5.94% to €51,565 thousand in the six-month period ended June 30, 2017 from €48,675 thousand in the six-month period ended June 30, 2016. The increase was mainly due to changes in our perimeter of consolidation (new acquisitions during the period). The table below shows the composition of our staff costs for the periods discussed.

	For the six-month period ended June 30,		
	2017	2016	% change
	(unaudited)		
	(in thousands of €)		
Wages and salaries	38,670	35,364	9.35
Social Security contributions	8,968	8,401	6.75
Retirement fund and other contingencies and	1,604	2,646	(39.38)

	For the six-month period ended June 30,		
	2017	2016	% change
	(unaudited)		
	(in thousands of €)		
commitments			
Other employee benefit costs	2,323	2,264	2.61
Total	**51,565**	**48,675**	**5.94**

Other operating expenses

Other operating expenses increased by 5.15% to €173,535 thousand in the six-month period ended June 30, 2017 from €165,043 thousand in the six-month period ended June 30, 2016. The increase was mainly due to changes in the perimeter of consolidation (new acquisitions), partially offset by saving achieved as the result of an efficiency plan.

	For the six-month period ended June 30,		
	2017 (unaudited)	2016 (unaudited)	% change
	(in thousands of €)		
Repair and maintenance	13,292	12,580	5.66
Leases and fees	64,477	64,036	0.69
Utilities	35,664	33,896	5.22
Other operating costs	60,102	54,531	10.22
Total	**173,535**	**165,043**	**5.15**

Change in provisions

We recorded changes in the provisions amounting to negative €225 thousand in the six-month period ended June 30, 2017, in comparison to the changes in provisions of €189 thousand six-month period ended June 30, 2016.

Depreciation and amortization

Depreciation and amortization increased by 20.72% to €99,703 thousand in the six-month period ended June 30, 2017 from €82,591 thousand in the six-month period ended June 30, 2016. The increase was mainly due to the the signing of agreements and purchases we carried out during the first semester of 2017 and the second semester of 2016.

The table below shows the split of the depreciation and amortization charges between intangible assets and property, plant and equipment.

	For the six-month period ended June 30,		
	2017	2016	% change
	(unaudited)		
	(in thousands of €)		
Intangible assets	(30,526)	(15,289)	99.66
Property, plant and equipment	(69,177)	(67,302)	2.79
Total	**(99,703)**	**(82,591)**	**20.72**

Net financial losses

Finance income increased to €1,073 thousand in the six-month period ended June 30, 2017 from €326 thousand in the six-month period ended June 30, 2016.

Finance costs increased by 113.26% to €32,710 thousand in the six-month period ended June 30, 2017 from €15,338 thousand in the six-month period ended June 30, 2016. The increase was mainly due to interest payments associated with new bonds and debt formalization expenses.

Profit before tax

As a result of the foregoing, our profit before tax decreased by 19.36% to €21,408 thousand in the six-month period ended June 30, 2017 from €26,548 thousand in the six-month period ended June 30, 2016.

Income tax

Our total income tax decreased by 22.93% to a tax expense of €1,704 thousand six-month period ended June 30, 2017 from a tax expense of €2,211 thousand in the six-month period ended June 30, 2016 primarily due to (i) the existence of tax incentives, such as the reduction in the income derived from certain intangible assets (Patent Box) in accordance with the provisions of CIT Law; (ii) different criteria for the timing of the recognition of revenue and expenses; and (iii) the existence of non-deductible expenses and deductions for notional interest on capital contributions carried out pursuant to the provisions of Spanish and Italian tax law.

Profit for the year

As a result of the foregoing, our profit for the six-month period ended in June 30 decreased by 19.04% to €19,704 thousand in the six-month period ended June 30, 2017 from €24,337 thousand in the six-month period ended June 30, 2016.

Comparison of the Year Ended December 31, 2016 and December 31, 2015

	For the year ended December 31,		
	2016	2015	% change
	(audited)		
	(in thousands of €)		
Services	670,413	575,365	16.52
Other operating income	34,172	36,419	(6.17)
Operating income	**704,585**	**611,784**	**15.17**
Staff costs	(97,471)	(89,258)	9.20
Other operating expenses	(343,680)	(306,750)	12.04
Changes in provisions	250	1,138	(78.03)
Losses on fixed assets	(176)	(117)	50.43
Depreciation and amortization charge	(176,779)	(153,500)	15.17
Profit from operations	**86,729**	**63,297**	**37.02**
Finance income	1,179	394	199.24
Finance costs	(46,954)	(27,861)	68.53
Net financial loss	**(45,775)**	**(27,467)**	**66.65**
Profit of companies accounted for using the equity method	65	34	91.18
Profit before tax	**41,019**	**35,864**	**14.37**
Income tax	(633)	12,601	(105.02)
Consolidated net profit	**40,386**	**48,465**	**(16.67)**
Attributable to non-controlling interests	569	1,175	(51.57)
Net profit attributable to Cellnex	**39,817**	**47,290**	**(15.80)**

Services

Services increased by 16.52% to €670,413 thousand in 2016 from €575,365 thousand in 2015. The increase was mainly due to the additional business contributed to us by the acquisitions of infrastructures during 2016 and organic growth.

Services are presented in our income statement net of advances to customers as described in Note 17.a) of our 2016 Audited Consolidated Financial Statements. The table below shows the breakdown of our total revenue from services (gross services) and advances to customers.

	For the year ended December 31,		
	2016	2015	% change
	(audited)	(audited)	
	(in thousands of €)		
Services (gross)	673,003	576,286	16.78
Advances to customers	(2,590)	(921)	181.22
Services	**670,413**	**575,365**	**16.52**

Other operating income

Other operating income decreased by 6.17% to €34,172 thousand in 2016 from €36,419 thousand in 2015.

Staff costs

Staff costs increased by 9.20% to €97,471 thousand in 2016 from €89,258 thousand in 2015. The increase was mainly due to the incorporation of staff as a result of the new acquisitions (see Note 5 to our 2016 Audited Consolidated Financial Statements). The following table shows the composition of our staff costs for the periods discussed.

	For the year ended December 31,		
	2016	**2015**	**% change**
	(audited)		
	(in thousands of €)		
Wages and salaries	74,981	67,311	11.39
Social Security contributions	16,502	16,164	2.09
Retirement fund and other contingencies and commitments	1,394	1,236	12.78
Other employee benefit costs	4,594	4,547	1.03
Total	**97,471**	**89,258**	**9.20**

Other operating expenses

Other operating expenses increased by 12.04% to €343,680 thousand in 2016 from €306,750 thousand in 2015. The increase was mainly due to the increase in leases and fees, and utilities for the period as a result of the new acquisitions. The following table shows the composition of our other operating expenses for the periods discussed.

	For the year ended December 31,		
	2016	**2015**	**% change**
	(audited)		
	(in thousands of €)		
Repair and maintenance	26,522	27,155	(2.33)
Leases and fees	127,490	110,094	15.80
Utilities	72,604	60,194	20.62
Other operating costs	117,064	109,307	7.10
Total	**343,680**	**306,750**	**12.04**

The table below shows details of estimated future minimum operating lease payments required to be made by us as of December 31, 2016 and 2015.

	As of December 31,		
	2016	**2015**	**% change**
	(audited)		
	(in thousands of €)		
Less than 1 year	78,270	70,599	10.87
Between one and 5 years	132,093	131,726	0.28
More than 5 years	96,791	99,298	(2.52)
Total	**307,154**	**301,623**	**1.83**

Change in provisions

Provisions decreased by 78.03% from €1,138 thousand in 2015 to €250 thousand in 2016. See Note 17. d) to our 2016 Audited Consolidated Financial Statements for further details.

Depreciation and amortization

Depreciation and amortization increased by 15.17% to €176,779 thousand in 2016 from €153,500 thousand in 2015. The increase was mainly due to changes in the perimeter of consolidation (new acquisitions). The table below shows the split of the depreciation and amortization charges between intangible assets and property, plant and equipment.

	For the year ended December 31,		
	2016 (audited)	2015 (audited)	% change
	(in thousands of €)		
Intangible assets	41,497	24,748	67.68
Property, plant and equipment	135,282	128,752	5.07
Total	**176,779**	**153,500**	**15.17**

Net financial losses

Finance income increased by 199.24% to €1,179 thousand in 2016 from €394 thousand in 2015.

Finance costs increased by 68.53% to €46,954 thousand in 2016 from €27,861 thousand in 2015. The increase was mainly due to the finance costs and interest arising from third parties due to the additional debt incurred during the 2016 financial year, related to the acquisitions described above.

As a result of the above, the net financial losses increased by 66.65% to €45,775 thousand in 2016 from €27,467 thousand in 2015.

The table below shows the breakdown of finance income and finance costs.

	For the year ended December 31,		
	2016 (audited)	2015 (audited)	% change
	(in thousands of €)		
Finance income and interest from third parties	1,179	394	199.24
Finance income	**1,179**	**394**	**199.24**
Finance costs and interest arising from third parties	2,780	7,538	(63.12)
Interest expense	25,910	8,094	220.11
Bond issue cost	4,983	4,656	7.02
Exchange losses	39	—	-
Interest cost relating to provisions	503	1	50,200
Settlements of derivative financial instruments	—	2,240	-
Other finance costs	12,739	5,332	138.92
Finance costs	**46,954**	**27,861**	**68.53**

Profit before tax

As a result of the foregoing, our profit before tax increased by 14.37%, to €41,019 thousand in 2016 from €35,864 thousand in 2015.

Income tax

Our total income tax expense decreased by 105.02% to a tax credit of negative €633 thousand in 2016 from a tax expense of €12,601 thousand in 2015 primarily due to the higher tax depreciation, interest and transaction costs from the Galata acquisition and a credit amounting to €20,453 thousand to adjust all the deferred tax balances in Italy following a change in the country's tax legislation. This adjustment was made during 2015 following the approval, on December 28, 2015, of the 2016 Italian Stability Law, which reduced the IRES rate from 27.5% to 24.0% with effect on January 1, 2017, given that, according to IAS 12, deferred tax assets and liabilities must be measured using the tax rates that are expected to be applied in the period in which the liability reverses, based therefore on the tax rates that have been substantively enacted at the end of the reporting period.

Our effective tax rate was 1.54% in 2016 and a negative 35% in 2015. The increase was mainly due to (i) the existence of tax incentives, such as the reduction in the income derived from certain intangible assets (Patent Box) in accordance with the provisions of CIT Law; (ii) different criteria for the timing of the recognition of revenue and expenses; and (iii) the existence of non-deductible expenses and deductions for notional interest on capital contributions carried out pursuant to the provisions of Spanish and Italian tax law.

See Note 15 to our 2016 Audited Consolidated Financial Statements for further details on how we calculate our income tax expense.

Profit for the year

As a result of the foregoing, our profit for the year decreased by 16.67% to €40,386 thousand in 2016 from €48,465 thousand in 2015.

Comparison of the Year Ended December 31, 2015 and December 31, 2014

	For the year ended December 31,		
	2015	2014	% change
	(audited)		
	(in thousands of €)		
Services	575,365	412,132	39.60
Other operating income	36,419	23,913	52.30
Operating income	**611,784**	**436,045**	**40.30**
Staff costs	(89,258)	(83,886)	6.40
Other operating expenses	(306,750)	(172,302)	78.03
Changes in provisions	1,138	(2,780)	(140.94)
Losses on fixed assets	(117)	(250)	(53.20)
Depreciation and amortization charge	(153,500)	(91,032)	68.62
Profit from operations	**63,297**	**85,795**	**(26.22)**
Finance income	394	880	(55.23)
Finance costs	(27,861)	(10,219)	172.64
Net financial loss	**(27,467)**	**(9,339)**	**194.11**
Profit of companies accounted for using the equity method	34	590	(94.24)
Profit before tax	**35,864**	**77,046**	**(53.45)**
Income tax	12,601	(19,315)	(165.24)
Consolidated net profit	**48,465**	**57,731**	**(16.05)**
Attributable to non-controlling interests	1,175	260	351.92
Net profit attributable to Cellnex	**47,290**	**57,471**	**(17.72)**

Services

Services increased by 39.6% to €575,365 thousand in 2015 from €412,132 thousand in 2014. The increase was mainly due to the additional business contributed to us by the acquisitions of infrastructures during 2015 and 2014 and the acquisition of Galata during 2015 and TowerCo S.p.A. ("**TowerCo**") during 2014.

Services are presented in our income statement net of advances to customers as described in Note 17.a) of our 2015 Audited Consolidated Financial Statements. The table below shows the breakdown of our total revenue from services (gross services) and advances to customers.

	For the year ended December 31,		
	2015	2014	% change
	(audited)		
	(in thousands of €)		
Services (gross)	576,286	413,053	39.52
Advances to customers	(921)	(921)	-
Services	**575,365**	**412,132**	**39.60**

Other operating income

Other operating income increased by 52.3% to €36,419 thousand in 2015 from €23,913 thousand in 2014 due to changes in the perimeter of consolidation (new acquisitions).

Staff costs

Staff costs increased by 6.4% to €89,258 thousand in 2015 from €83,886 thousand in 2014. The increase was mainly due to the incorporation of staff as a result of the Galata Acquisition (see Note 5 to our 2015 Audited Consolidated Financial Statements). The following table shows the composition of our staff costs for the periods discussed.

	For the year ended December 31,		
	2015	2014	% change
	(audited)		
	(in thousands of €)		
Wages and salaries	67,311	63,267	6.39
Social Security contributions	16,164	15,289	5.72
Retirement fund and other contingencies and commitments	1,236	1,164	6.19
Other employee benefit costs	4,547	4,166	9.15
Total	**89,258**	**83,886**	**6.40**

Wages and salaries increased by 6.4% to 67,311 thousand in 2015 from €63,267 thousand in 2014. Social Security contributions increased by 5.7% to €16,164 thousand in 2015 from €15,289 thousand in 2014. Retirement fund and other contingencies and commitments increased by 6.2% to €1,236 thousand in 2015 from €1,164 thousand in 2014. Other employee benefit expenses increased by 9.1% to €4,547 thousand in 2015 from €4,166 thousand in 2014. The Galata Acquisition was the driving factor in the increase in each of these line items.

Other operating expenses

Other operating expenses increased by 78.0% to €306,750 thousand in 2015 from €172,302 thousand in 2014. The increase was mainly due to the increase in leases and fees, and utilities for the period as a result of the Galata Acquisition. The following table shows the composition of our other operating expenses for the periods discussed.

	For the year ended December 31,		
	2015	2014	% change
	(audited)		
	(in thousands of €)		
Repair and maintenance	27,155	23,410	16.00
Leases and fees	142,238	62,527	127.48
Utilities	60,193	27,080	122.28
Other operating costs	77,164	59,285	30.16
Total	**306,750**	**172,302**	**78.03**

Repair and maintenance costs increased by 16.0% to €27,155 thousand in 2015 from €23,410 thousand in 2014. Leases and fees increased by 127.5% to €142,238 thousand in 2015 from €62,527 thousand in 2014. Utilities and other operating costs also increased during 2014. The Galata Acquisition was mainly responsible for the increase in these figures. Other operating costs contain non-recurring expenses and do not represent a cash flow, including costs and expenses associated to our initial public offering.

The table below shows details of estimated future minimum operating lease payments required to be made by us as of December 31, 2015 and 2014.

	As of December 31,		
	2015	2014	% change
	(audited)		
	(in thousands of €)		
Less than 1 year	70,599	51,455	37.21
Between one and 5 years	131,726	122,950	7.14
More than 5 years	99,298	115,026	(13.67)
Total	**301,623**	**289,431**	**4.21**

Change in provisions

Provisions increased by 140.94% from a negative €2,780 thousand in 2014 to a positive €1,138 thousand in 2015. See Note 17. d) to our 2015 Audited Consolidated Financial Statements for further details.

Depreciation and amortization

Depreciation and amortization increased by 68.6% to €153,500 thousand in 2015 from €91,032 thousand in 2014. The increase was mainly due to the Galata Acquisition during 2015, and the related increase goodwill and tangible assets, as well as a full year of depreciation and amortization expense relating to the acquisitions of infrastructure made in 2014.

The table below shows the split of the depreciation and amortization charges between intangible assets and property, plant and equipment.

	For the year ended December 31,		
	2015	2014	% change
	(audited)		
	(in thousands of €)		
Intangible assets	24,748	5,856	322.61
Property, plant and equipment	128,752	85,176	51.16
Total	**153,500**	**91,032**	**68.62**

Net financial losses

Finance income decreased by 55.2% to €394 thousand in 2015 from €880 thousand in 2014. The decrease was mainly due to lower balances on deposit.

Finance costs increased by 172.6% to €27,861 thousand in 2015 from €10,219 thousand in 2014. The increase was mainly due to the increase in finance costs and interest arising from third parties because of the increase in finance costs due to the additional debt incurred related to the acquisitions described above and the issuance of notes as described below.

Net financial losses increased by 194.1% to €27,467 thousand from €9,339 thousand in 2014, as a result of the foregoing. Net financial losses for the year included the effect of the financing the Galata Acquisition and other infrastructure during 2015 and 2014, which increased finance costs in 2015 by €10,746 thousand and the cost of issuing the corporate bonds amounting to €6,896 thousand.

The table below shows the breakdown of finance income and finance costs.

	For the year ended December 31,		
	2015	2014	% change
	(audited)		
	(in thousands of €)		
Finance income and interest from third parties	394	632	(37.66)
Finance income from the Group or associates	—	6	(100)
Exchange gains	—	1	(100)
Other finance income	—	241	(100)
Finance income	**394**	**880**	**(55.23)**
Finance costs and interest arising from third parties	7,538	2,347	221.18
Finance costs	8,094	—	—
Finance costs issue of debentures	4,656	—	—
Finance costs arising from the Group or associates	—	4,076	(100)
Exchange losses	—	11	(100)
Interest cost relating to provisions	1	39	(97.44)
Settlements of derivative financial instruments	2,240	22	10,081.82
Other finance costs	5,332	3,724	43.18
Finance costs	**27,861**	**10,219**	**172.64**

Profit before tax

As a result of the foregoing, our profit before tax decreased by 53.5%, to €35,864 thousand in 2015 from €77,046 thousand in 2014.

Income tax

Our total income tax decreased by 165.2% to a tax credit of €12,601 thousand in 2015 from a tax expense of €19,315 thousand in 2014 primarily due to the higher tax depreciation, interest and transaction costs from the Galata acquisition and a credit amounting to €20,453 thousand to adjust all the deferred tax balances in Italy following a change in the country's tax legislation. This adjustment was made during 2015 following the approval, on December 28, 2015, of the 2016 Italian Stability Law, which reduced the IRES rate from 27.5% to 24.0% with effect on January 1, 2017, given that, according to IAS 12, deferred tax assets and liabilities must be measured using the tax rates that are expected to be applied in the period in which the liability reverses, based therefore on the tax rates that have been substantively enacted at the end of the reporting period.

The adjustment to the 2014 income tax expense, as a result of the cancellation of the deferred tax liability arising on the acquisition of the equity interest in Retevisión-I, S.A.U. ("**Retevisión**") by Cellnex Telecom, S.A. in 2003 and subsequent years, gave rise to a reduction in the income tax expense of €7,080 thousand recognized under "Other tax effects" in 2014, as the Directors considered that it was no longer required. For our most significant permanent differences, please see Note 15. c) to our 2015 Audited Consolidated Financial Statements.

Our effective tax rate was a negative 35% in 2015 and 25% in 2014. The negative effective tax rate in 2015 was due to the one off effect of the credit of €20,453 described above. Had it not been for this effect the effective tax rate for 2015 would have been 21.9%.

Although the general corporate income tax rate in 2014 was 30% for the Spanish Group companies and was 32.3% in Italy, new legislation which came into force on January 1, 2015 established a general corporate income tax rate of 28% in 2015 and 25% from 2016 onwards in Spain.

See Note 15 to our 2015 Audited Consolidated Financial Statements for further details on how we calculate our income tax expense.

Profit for the year

As a result of the foregoing, our profit for the year decreased by 16.1% to €48,465 thousand in 2015 from €57,731 thousand in 2014.

Segment Information

The business segment information included in our Financial Statements 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.

We have expanded our business in Europe and our strategic objective is to continue growing through the acquisition of assets and businesses, along with other growth opportunities both in the countries in which we are currently present and others. In this regard, as we continue to acquire sites in existing markets and we are continuing to expand into new ones, our management analizes our results of operations by geographical location.

In addition, we have organised our business in three different customer-focused units, supported by an operations division and central corporate functions: (i) Telecom Infrastructure Services; (ii) Broadcasting Infrastructure; and (iii) Other Network Services.

Comparison of the six-month Periods Ended June 30, 2017 and June 30, 2016 by Business Segment

The table below shows for informational purposes the operating income for each of our three main activities.

	For the six-month period ended June 30,											
	2017 (unaudited)				2016 (unaudited)				% change			
	(in thousands of €)											
	Telecom Infrastructure Services	Broadcasting Infrastructure	Other Network Services	Total	Telecom Infrastructure Services	Broadcasting Infrastructure	Other Network Services	Total	Telecom Infrastructure Services	Broadcasting Infrastructure	Other Network Services	Total
Services (gross)	202,451	120,956	39,466	362,873	165,385	112,846	41,364	319,595	22.41	7.19	(4.59)	13.54
Advances to customers	(1,210)	-	-	(1,210)	(462)	-	-	(462)	161.90	-	-	161.90
Other operating income	16,467	-	-	16,467	18,567	-	-	18,567	(11.31)	-	-	(11.31)
Operating income	**217,708**	**120,956**	**39,466**	**378,130**	**183,490**	**112,846**	**41,364**	**337,700**	**18.65**	**7.19**	**(4.59)**	**11.97**

Telecom Infrastructure Services

Services from the Telecom Infrastructure Services activity increased by 22,41% to €202,451 thousand in the six-month period ended June 30, 2017 from €165,385 thousand in the six-month period ended June 30, 2016. The increase was the result of changes in the consolidation perimeter (new acquisitions) and organic growth.

Other operating income resulting from the Telecom Infrastructure Services activity decreased to €16,467 thousand in the six-month period ended June 30, 2017 from €18,567 thousand in the six-month period ended June 30, 2016.

As a result of the above, our operating income resulting from the Telecom Infrastructure Services activity increased by 18,65% to €217,708 thousand in the six-month period ended June 30, 2017 from €183,490 thousand in the six-month period ended June 30, 2016.

Broadcasting Infrastructure

Services (as no other operating income or advances to customers were recorded during either periods) resulting from our Broadcasting Infrastructure activity increased by 7,19% to €120,956 thousand in the six-month period ended June 30, 2017 from €112,846 thousand in the six-month period ended June 30, 2016. The increase was mainly due to the switch-on of new TV channels.

Other Network Services

Services from our Other Network Services activity decreased by 4,59% to €39,466 thousand in the six-month period ended June 30, 2017 from €41,364 thousand in the six-month period ended June 30, 2016.

Operating Income for the six-month Period Ended June 30, 2017 by Country

For the six-month period ended June 30, 2017, 60.61% of our total operating income was generated in Spain (€229,184 thousand), 32.37% was generated in Italy (€122,413 thousand), 3.83% was generated in the Netherlands (€14,473 thousand) and 3.19% was generated in other countries (€12,060 thousand).

The table below shows the operating income for each country in which we operate for the six-month period ended June 30, 2017. See Note 17 to the Interim Consolidated Financial Statements for further details.

	For the six-month period ended June 30, 2017 (unaudited) (in thousands of €)				
	Spain	**Italy**	**Netherlands**	**Other**	**Total**
Services (gross)	213,927	122,413	14,473	12,060	362,873
Advances to customers	(1,210)	-	-	-	(1,210)
Other operating income	16,467	-	-	-	16,467
Operating income	**229,184**	**122,413**	**14,473**	**12,060**	**378,130**

Comparison of the Year Ended December 31, 2016 and December 31, 2015 by Business Segment

The table below shows for informational purposes the operating income for each of our three main activities.

	For the year ended December 31,							
	2016 (audited)				**2015 (audited)**			
	(in thousands of €)							
	Telecom Infrastructure Services	**Broadcasting Infrastructure**	**Other Network Services**	**Total**	**Telecom Infrastructure Services**	**Broadcasting Infrastructure**	**Other Network Services**	**Total**
Services (gross)	351,443	235,234	86,326	673,003	266,528	224,699	85,059	576,286
Advances to customers	(2,590)	-	-	(2,590)	(921)	-	-	(921)
Other operating income	33,686	-	486	34,172	36,419	-	-	36,419
Operating income	**382,539**	**235,234**	**86,812**	**704,585**	**302,026**	**224,699**	**85,059**	**611,784**

Telecom Infrastructure Services

Services from our Telecom Infrastructure Services activity increased by 24.16% to €351,443 thousand in 2016 from €266,528 thousand in 2015. The increase was the result of the new acquisitions which increased our total number of infrastructures.

Other operating income in the Telecom Infrastructure Services activity decreased by 7.50% to €33,686 thousand in 2016 from €36,419 thousand in 2015.

As a result of the above, our operating income resulting from the Telecom Infrastructure Services activity increased by 26.66% to €382,539 thousand in 2016 from €302,026 thousand in 2015.

Broadcasting Infrastructure

Services and operating income (as no other operating income or advances to customers were recorded during either period) from our Broadcasting Infrastructure activity increased by 5% to €235,234 thousand in 2016 from €224,699 thousand in 2015. The increase was mainly due to six new DTT national channels beginning their emissions on April 2016.

Other Network Services

Services from our Other Network Services activity increased by 2% to €86,812 thousand in 2016 from €85,059 thousand in 2015. The increase was due largely to the IoT, Barcelona City Council Smart Cities and TETRA terminals projects.

Operating Income for the Year Ended December 31, 2016 by Country

The table below shows the operating income for each country in which we operate for the year ended December 31, 2016. See Note 19 to the 2016 Audited Consolidated Financial Statements for further details.

	For the year ended December 31, 2016 (audited) (in thousands of €)				
	Spain	**Italy**	**Netherlands**	**Other countries**	**Total**
Services (gross)	422,552	238,994	7,927	3,530	673,003
Other operating income	(2,590)	-	-	-	(2,590)
Advances to customers	34,172	-	-	-	34,172
Operating income	**454,134**	**238,194**	**7,927**	**3,530**	**704,585**

Comparison of the Year Ended December 31, 2015 and December 31, 2014 by Business Segment

The table below shows for informational purposes the operating income for each of our three main activities.

	For the year ended December 31, 2015 (audited)				2014 (audited)			
	(in thousands of €)							
	Telecom Infrastructure Services	**Broadcasting Infrastructure**	**Other Network Services**	**Total**	**Telecom Infrastructure Services**	**Broadcasting Infrastructure**	**Other Network Services**	**Total**
Services (gross)	266,528	224,699	85,059	576,286	85,393	250,354	77,306	413,053
Advances to customers	(921)	-	-	(921)	(921)	-	-	(921)
Other operating income	36,419	-	-	36,419	22,059	-	-	22,059
Operating income	**302,026**	**224,699**	**85,059**	**611,784**	**106,531**	**250,354**	**79,160**	**436,045**

Telecom Infrastructure Services

Services from our Telecom Infrastructure Services activity increased by 212.12% to €266,528 thousand in 2015 from €85,393 thousand in 2014. The increase was the result of the acquisitions of Galata (which contributed €151,393 thousand of operating income for the year) and which increased our total number of infrastructures.

Other operating income in the Telecom Infrastructure Services activity increased by 65.10% to €36,419 thousand in 2015 from €22,059 thousand in 2014 due to changes in the perimeter of consolidation (new acquisitions).

As a result of the above, operating income in the Telecom Infrastructure Services activity increased by 183.51% to €302,026 thousand in 2015 from €106,531 thousand in 2014.

Broadcasting Infrastructure

Services and operating income (as no other operating income or advances to customers were recorded during either period) resulting from our Broadcasting Infrastructure activity decreased by 10.3% to €224,699 thousand in 2015 from €250,354 thousand in 2014. The decrease was mainly due to lower revenues caused by the shutdown by the Spanish government of nine TV channels carried out in May of 2014 due to irregularities in the public tender process that assigned these channels to private operators and the consequent loss of 2.25 MUXs for eight months of the year. This decrease was partially offset by simulcasts carried out for DTT broadcasters linked to the liberalization of the Digital Dividend band.

Other Network Services

Services from our Other Network Services activity increased by 7.5% to €85,059 thousand in 2015 from €79,160 thousand in 2014. The increase was due to the contribution of our IoT activities and to the Barcelona City Council smart cities projects executed during the year.

Operating Income for the Year Ended December 31, 2015 by Country

For the year ended December 31, 2015, 71.5% of our total operating income was generated in Spain (€437,395 thousand) and 28.5% was generated in Italy (€174,389 thousand). See Note 19 to the 2015 Audited Consolidated Financial Statements for further details.

	For the year ended December 31, 2015 (audited) (in thousands of €)		
	Spain	**Italy**	**Total**
Services	401,899	174,387	576,286
Advances to customers	(921)	-	(921)
Other operating income	36,419	2	36,419
Operating income	**437,395**	**174,389**	**611,784**

Liquidity and Capital Resources

Our liquidity policy consists of maintaining sufficient cash and cash equivalents available and relying on existing credit facilities from credit institutions and cash generated from our operations. We use these sources of liquidity primarily for Capex and dividend payments. At the date of this Registration Document, our management believes that we have liquidity and access to medium and long-term financing that allow us to ensure the necessary resources to meet our commitments for future investments.

We manage our capital to ensure that we will be able to continue to deliver returns to our shareholders and seek to maintain an optimal capital structure and low costs. We monitor our capital resources using a leverage ratio along with other financial ratios (e.g., net debt as a multiple of EBITDA) in line with standard industry practice.

Historically we did not have significant financing needs due to the high-level of cash generated by our business. However, during the last four years our funding needs increased significantly due to acquisitions made by us to grow our business. Our capital management strategy changed significantly from 2015, as we increased our borrowings as a result of the asset purchases and business combinations carried out to date, which has had an overall significant impact on our leverage ratio as of June 30, 2017 compared with December 31, 2014.

Our main funding sources are our cash flows from operations, bond financing and bank financing. As of June 30, 2017 and as of December 31, 2016, 2015 and 2014, net bank borrowings and bond issues were €1,551,502 thousand, €1,499,454 thousand, €926,938 thousand and €330,545 thousand, respectively, consisting of the elements shown in the table below.

	As of June 30,	**As of December 31,**		
	2017 (unaudited)	**2016**	**2015 (audited)**	**2014**
	(in thousands of €)			
Bank borrowings	311,519	281,839	378,195	421,436
Bond issues	1,833,749	1,410,466	599,743	—
Bank borrowings and bond issues	**2,145,268**	**1,692,305**	**977,938**	**421,636**
Cash and equivalents	(593,766)	(192,851)	(51,000)	(90,891)
Net bank borrowings and bond issues	**1,551,502**	**1,499,454**	**926,938**	**330,545**

Cash flow analysis

Cash and cash equivalents include cash on hand, demand deposits in banks and other short-term, highly liquid investments readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. The following table sets forth details of our cash and cash equivalents as of June 30, 2017 and as of December 31, 2016, 2015 and 2014.

	As of June 30,	As of December 31,		
	2017 (unaudited)	2016	2015 (audited)	2014
	(in thousands of €)			
Cash on hand and at banks	338,588	133,720	51,000	20,891
Term deposits at credit institutions maturing in less than three months	255,178	59,131	-	70,000
Cash and cash equivalents	**593,766**	**192,851**	**51,000**	**90,891**

The following table sets forth consolidated cash flow data for the six-month period ended June 30, 2017 and 2016 and for the years ended December 31, 2016, 2015 and 2014.

	For the six-month period ended June 30,		For the year ended December 31,		
	2017	2016	2016	2015	2014
	(unaudited)			(audited)	
	(in thousands of €)				
Net cash generated by operating activities	142,703	131,265	251,906	237,919	132,143
Net cash from/(used) in investing activities	(174,312)	(62,848)	(770,008)	(810,217)	(257,846)
Net cash from/(used) in financing activities	432,410	76,376	659,322	532,407	216,521
Cash and cash equivalents at beginning of year	192,851	51,000	51,000	90,891	73
Foreign exchange differences	114	-	631	-	-
Cash and cash equivalents at period-end	**593,766**	**195,793**	**192,851**	**51,000**	**90,891**

For purposes of our consolidated statements of cash flows, operating activities include our principal revenue-producing activities and other activities that are not investing or financing activities.

The table below shows the components of net cash generated by operating, investing and financing activities.

	For the six-month period ended June 30,		For the year ended December 31,		
	2017	2016	2016	2015	2014
	(unaudited)			(audited)	
			(in thousands of €)		
Profit for the year before tax	**21,408**	**26,548**	**41,019**	**35,864**	**77,046**
Adjusted profit	**153,490**	**124,444**	**264,324**	**216,697**	**102,811**
Depreciation and amortization charge	99,703	82,591	176,779	153,500	91,032
Gains/(losses) on derecognition and disposals of non-current assets	73	65	176	117	250
Changes in provisions	255	(189)	(250)	(1,138)	2,780
Employee benefit obligations					—
Interest and other income	(1,073)	(326)	(1,179)	(394)	(880)
Interest and other expenses	32,710	15,338	46,954	27,861	10,219
Share of results of companies accounted for using the equity method	(46)	(45)	(65)	(34)	(590)
Other income and expenses	460	462	890	921	
Changes in current assets/current liabilities	**(4)**	**479**	**17,931**	**962**	**31,013**
Inventories	335	(473)	2,282	(2,714)	(363)
Trade and other receivables	(27,648)	(3,987)	29,884	8,386	2,031
Other current assets and liabilities	27,309	4,939	(14,235)	(4,710)	29,345
Cash flows generated by operations	**153,486**	**124,923**	**282,255**	**217,659**	**210,870**

	For the six-month period ended June 30,		For the year ended December 31,		
	2017	2016	2016	2015	2014
	(unaudited)		(audited)		
Interest paid	(13,886)	(2,733)	(24,311)	(9,995)	(7,661)
Interest received	—	29	1,103	196	880
Income tax received / (paid)	(5,421)	(1,778)	(11,477)	(13,913)	(37,493)
Employee benefit obligations and current provisions	(946)	(401)	(2,864)	(2,427)	(18,110)
Other receivables and payables	9,470	11,225	7,200	46,400	(16,343)
Total net cash flows from operating activities (I)	**142,703**	**131,265**	**251,906**	**237,919**	**132,143**
Business combinations and changes in scope of consolidation	—	(19,122)	(525,358)	(668,670)	(79,590)
Purchases of property, plant and equipment and intangible assets	(159,029)	(36,235)	(228,563)	(140,494)	(177,739)
Non-current financial investments	(15,283)	(7,491)	(16,087)	(1,053)	(517)
Proceeds from disposal of fixed assets	—	—	—	—	—
Total net cash flows from investing activities (II)	**(174,312)**	**(62,848)**	**(770,008)**	**(810,217)**	**(257,846)**
Treasury shares	1,115	(2,042)	(2,949)	-	-
Proceeds from issue of bank borrowings	66,427	79,775	271,745	674,885	413,650
Bond issue	407,729	—	801,804	591,174	—
Proceeds from issue of borrowings from Group companies	—	—	—	—	—
Repayment and redemption of borrowings from Group companies	—	—	—	—	146,938
Repayment and redemption of bank borrowings	(32,041)	(806)	(381,619)	(723,830)	—
Net repayment of other borrowings (Profits)	(1,014)	(551)	(6,608)	(1,348)	(1,541)
Dividends paid	(9,806)	—	—	—	—
Dividends net of withholdings	—	—	(21,083)	(8,075)	(48,251)
Dividends to non-controlling interests	—	—	(1,996)	(399)	(399)
Dividends received	—	—	28	—	—
Total net cash flows from financing activities (III)	**432,410**	**76,376**	**659,322**	**532,407**	**216,521**
Foreign exchange differences	114	-	631	-	-
Net (decrease) / increase in cash and cash equivalents from continuing operations (I)+(II)+(III)	**400,915**	**144,793**	**141,851**	**(39,891)**	**90,818**
Cash and cash equivalents at beginning of year	192,851	51,000	51,000	90,891	73
Cash and cash equivalents at period-end	**593,766**	**195,793**	**192,851**	**51,000**	**90,891**

Operating activities

Our cash generated by operating activities increased by 8,71% to €142,703 thousand in the first semester of 2017 from €131,265 thousand in the first semester of 2016. The change was mainly due to the changes in the perimeter of consolidation (new acquisitions). The main items are the following:

- Interest and other expenses (positive €32,710 thousand), which include the total interest and other financial expenses of the first semester of 2017 accrued but not paid.
- Trade and other receivables (negative €27,648 thousand), which include outstanding receivables.
- Other current assets and liabilities (positive €27,309 thousand), which include outstanding payables.

- Interest paid (negative €13,886 thousand), which includes payments for financial expenses during the first semester of 2017 as a result of increases in our average debt levels.
- Income tax paid (€5,421 thousand), which mainly includes payments of corporate income tax relating to 2016.
- Other receivables and payables (positive €9,470 thousand), which include mainly increase in non-recourse factoring.

Our cash generated by operating activities increased by 5.88% to €251,906 thousand in 2016 from €237,919 thousand in 2015. The change was mainly due to the changes in the perimeter of consolidation (new acquisitions). The main items are the following:

- Interest and other expenses (positive €46,954 thousand), which include the total interest and other financial expenses accrued but not paid.
- Trade and other receivables (positive €29,884 thousand), which include the improvement in receipts from trade debtors.
- Other current assets and liabilities (negative €14,235 thousand), which include mainly payments of VAT and a reduction in creditors.
- Interest paid (negative €24,311 thousand), which includes payments for financial expenses during 2016 as a result of increases in our average debt levels.
- Income tax paid (negative €11,477 thousand), which includes mainly both payments on account of corporate income tax 2016 and outstanding payments of corporate income tax relating to 2015.
- Employee benefit obligations and current provision (negative €2,864 thousand), which include mainly payments for a collective redundancy procedure partially executed in 2013 and 2014.
- Other receivables and payables (positive €7,200 thousand), which include mainly increase in non-recourse factoring and other outstanding payables.

Our cash generated by operating activities increased by 80.1% to €237,919 thousand in 2015 from €132,143 thousand in 2014. The change was mainly due to increased cash flows contributed by the Galata business. The main items are the following:

- Interest and other expenses paid was lower than the interest expense due to the payment schedule of the corporate bonds.
- Trade and other receivables (€8,386 thousand), which include the improvement in receipts from trade debtors.
- Other current assets and liabilities (negative €4,710 thousand), which include mainly payments of VAT and a reduction in creditors.
- Interest paid (negative €9,995 thousand), which includes the total payments for financial expenses during 2015 as a result of increases in our average debt levels.
- Income tax paid (negative €13,913 thousand), which includes mainly both payments on account of corporate income tax 2015 and outstanding payments of corporate income tax relating to 2014.
- Employee benefit obligations and current provision (negative €2,427 thousand), which include mainly payments for a collective redundancy procedure partially executed in 2013 and 2014.
- Other receivables and payables (positive €46,400 thousand), which include mainly increase in non-recourse factoring.

Investing activities

For purposes of our consolidated statements of cash flows, investing activities include the acquisition and disposal of fixed assets and other investments not included in cash and cash equivalents.

The table below shows the components of net cash generated by investing activities.

	For the 6-month period ended June 30,		For the year ended December 31,		
	2017	2016	2016	2015	2014
	(unaudited)			(audited)	
			(in thousands of €)		
Net cash flows from investing activities					
Business combinations and changes in scope of consolidation	–	(19,122)	(525,358)	(668,670)	(79,590)
Purchases of property, plant and equipment and intangible assets	(159,029)	(36,235)	(228,563)	(140,494)	(177,739)
Non-current financial investments	(15,283)	(7,491)	(16,087)	(1,053)	(517)
Proceeds from disposal of fixed assets	—	—	—	—	—
Total net cash flows from investing activities (II)	**(174,312)**	**(62,848)**	**(770,008)**	**(810,217)**	**(257,846)**

Our cash used in investing activities increase to €174,312 thousand in the first semester of 2017 from €62,848 thousand in the first semester of 2016. Purchase of property, plant and equipment relates mainly to the impact of the agreements reached by us during these periods for the acquisition of sites.

Our cash used in investing activities decreased to €770,008 thousand in 2016 from €810,217 thousand in 2015. The change was mainly due to the business combinations and changes in the scope of consolidation.

Financing activities

For purposes of our consolidated statements of cash flows, financing activities include activities that result in changes in the size and composition of our equity and borrowings.

The table below shows the components of net cash generated by financing activities.

	For the 6-month period ended June 30,		For the year ended December 31,		
	2017	2016	2016	2015	2014
	(unaudited)			(audited)	
			(in thousands of €)		
Net cash flows from financing activities:					
Acquisition of treasury shares	1,115	(2,042)	(2,949)	-	-
Proceeds from issue of bank borrowings	66,427	79,775	271,745	674,885	413,650
Bond issue	407,729	-	801,804	591,174	-
Repayment and redemption of borrowings from Group companies	-	-		-	(146,938)
Repayment and redemption of bank borrowings	(32,041)	(806)	(381,619)	(723,830)	-
Net repayments of other borrowings (Profits)	(1,014)	(551)	(6,608)	(1,348)	(1,541)
Dividends net of withholding	(9,806)	-	(21,083)	(8,075)	(48,251)
Dividends to non-controlling interests	-	-	(1,996)	(399)	(399)
Dividends received	-	-	28	-	-
Total net cash flows from financing activities (III)	**432,410**	**76,376**	**659,322**	**532,407**	**216,521**

Our net cash generated by financing activities increased to €432,410 thousand in the first semester of 2017 from €76,376 thousand in the first semester of 2016. This increase was mainly attributable to the bonds issued during the six-month period ended June 30, 2017.

Our net cash generated by financing activities increased to €659,322 thousand in 2016 from €532,407 thousand in 2015. The change was mainly due to the impact of proceeds from issue of bank borrowings, the issuance of bonds and the repayment and redemption of bank borrowings.

Borrowings

The following table sets forth our contractual obligations as of the dates indicated below. The contractual obligations set forth in the table below reflect mainly those agreements and obligations we believe that in the ordinary course of our operations are customary and necessary in light of the activities in which we engage. In particular, many of the obligations set forth below are designed to maintain or grow our operations through medium- to long-term investments. We believe that our cash flow from operations will be sufficient to satisfy our obligations set forth below, as well as our other operating costs and remuneration to our shareholders.

	As of June 30,			As of December 31,								
	2017 (unaudited)			2016			2015 (audited)			2014		
	(in thousands of €)											
	Non-current	**Current**	**Total**	**Non-current**	**Current**	**Total**	**Non-current**	**Current**	**Total**	**Non-current**	**Current**	**Total**
Syndicated financing	-		-	–	–	–	375,543	(1,021)	374,522	416,021	115	416,136
Bond Issues	1,807,907	25,842	1,883,749	1,397,939	12,527	1,410,466	592,804	6,939	599,743	–	–	–
Loans and credit facilities	310,098	1,421	311,519	278,660	3,179	281,839	2,055	1,618	3,673	3,677	1,587	5,264
Derivative financial instruments	–	–	–	–	–	–	–	–	–	–	36	36
Other financial liabilities	6,362	2,030	8,392	7,361	2,026	9,387	8,859	1,558	10,417	9,809	1,907	11,716
Borrowings	**2,124,367**	**29,293**	**2,153,660**	**1,683,960**	**17,732**	**1,701,692**	**979,261**	**9,094**	**988,355**	**429,507**	**3,645**	**433,152**

During the 6 month period ended June 30, 2017, we have increased our gross financial debt (which does not include any debt held by Group companies registered using the equity method of consolidation and any "Other financial liabilities") by €451,968 thousand to €2,153,660 thousand.

The increase in our gross financial debt position as at June 30, 2017 is mainly due to the issue of 415,000 thousand in bonds and the drawdown of a 56,500 thousand loan.

At June 30, 2017 and 2016, the average interest rate of all available borrowings would be 2.1% and 2.0% respectively, in the event they were entirely drawn down. The average weighted interest rate at June 30, 2017 of all available borrowings drawn down was 2.6% (2.1% at June 30, 2016).

Our bank borrowings were arranged under market conditions and, therefore, their fair value does not differ significantly from their carrying amount.

In accordance with the foregoing and with regard to the financial policy approved by our Board of Directors, we prioritise securing sources of financing at our parent company. The aim of this policy is to secure financing at a lower cost and longer tenure while diversifying its funding sources. In addition, this encourages access to capital markets and allows greater flexibility in financing contracts to promote our growth strategy.

At June 30, 2017 and December, 31 2016, the breakdown, by maturity, type of debt and by currency of our borrowings (not including debt with companies accounted for using the equity method) is as follows:

Borrowings by maturity

Maturities of our borrowings based on the stipulated repayment schedule as of June 30, 2017 are shown in the table below.

		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**
Syndicated financing	500,000	-	-	-	-	-	-	**-**
Bond issues	1,830,000	29,211	-	-	-	-	1,830,000	**1,859,211**
Arrangement expenses	-	(3,369)	(3,515)	(3,671)	(3,838)	(4,017)	(7,052)	**(25,462)**
Loans and credit facilities	1,127,560	1,810	70,793	104,139	-	80,000	56,499	**313,241**
Arrangement expenses	-	(389)	(345)	(300)	(151)	(537)	-	**(1,722)**
Other financial liabilities	-	2,030	2,065	1,586	938	700	1,073	**8,392**
Total	**3,457,560**	**29,293**	**68,998**	**101,754**	**(3,051)**	**76,146**	**1,880,520**	**2,153,660**

Maturities of our borrowings based on the stipulated repayment schedule as of December 31, 2016 are shown in the table below.

	Limit	Current	Non-current					Total
		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	
Syndicated financing	500,000	-	-	-	-	-	-	**-**
Bond issues	1,415,000	15,254	-	-	-	-	1,415,000	**1,430,254**
Arrangement expenses	-	(2,727)	(2,808)	(2,892)	(2,978)	(3,067)	(5,316)	**(19,788)**
Loans and credit facilities	460,348	3,347	73,119	125,792	-	80,000	-	**282,258**
Arrangement expenses	-	(168)	(68)	(69)	(70)	(44)	-	**(419)**
Other financial liabilities	-	2,026	2,047	1,567	1,319	689	1,739	**9,387**
Total	**2,375,348**	**17,732**	**72,290**	**124,398**	**(1,729)**	**77,578**	**1,411,423**	**1,701,692**

Borrowings by type

	June 30, 2017			December 31, 2016		
	Limit	Drawn (notional)	Undrawn	Limit	Drawn (notional)	Undrawn
Syndicated financing	500,000	-	500,000	500,000	-	500,000
Bond issues	1,830,000	1,830,000	-	1,415,000	1,415,000	-
Loans and credit facilities	1,127,560	312,667	814,893	460,348	280,552	179,796
Total	**3,457,560**	**2,142,667**	**1,314,893**	**2,375,348**	**1,695,552**	**679,796**

At June 30, 2017, the total limit of loans and credit facilities available amounts to €1,627,560 thousand (€960,348 thousand as at December 31, 2016), of which €1,154,016 thousand represent credit facilities and €473,544 thousand represent loans (€868,098 thousand represent credit facilities and €92,250 thousand represent loans as at December 31, 2016).

Furthermore, of the €1,127,560 thousand of loans and credit facilities (€460,348 thousand as at December 31, 2016), €180,000 thousand (€180,000 thousand as at December 31, 2016) can be drawn down either in euros or in other currencies for the equivalent euro value and the equivalent in euros of €423,810 thousand can be drawn down only in currencies different to euro, such as the GBP and the Swiss franc (CHF).

Borrowings by currency

	Thousands of euros	
	June 30, 2017 (*)	December 31, 2016 (*)
Euro	2,005,901	1,543,307
GBP	174,943	178,592
Borrowings	**2,180,844**	**1,721,899**

(*) 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 set down in IAS39 borrowings.

The foreign exchange risk on the net investment of operations of the companies within our corporate structure denominated in non-euro currencies is managed by means of borrowings denominated in the corresponding foreign currency.

In this regard, at June 30, 2017 and December 31, 2016, we maintained borrowings in GBP, which acts as a natural hedge of the net investment in the Shere UK Group. The amount of these borrowings amount to GBP 153,832 thousand with a euro value of €174,943 thousand (GBP 152,907 thousand with a euro value of €178,592 thousand as at December 31, 2016), and is held by means of various credit facilities denominated in GBP. These non-derivate financial instruments are assigned as net investment hedges against the net assets of the Shere UK Group. The maturity of these borrowings is between 2019 and 2021.

Syndicated Financing

In line with the financial policy approved by the Board, we prioritise securing sources of financing at the parent company level. The aim of this policy is to secure financing at a lower cost and longer tenure while diversifying its funding sources. In addition, this encourages access to capital markets and gives greater flexibility in contracts that help us to follow our growth strategy.

As described in Note 13 of the 2015 and 2016 Audited Consolidated Financial Statements, we restructured our borrowings initially in 2015 and again in 2016. On August 1, 2016 we agreed to the second non-extinctive novation of the syndicated financing with the relevant banks, through which we managed to extend the average life of the debt with a revolving credit facility of €500 million maturing in five years plus two one-year extensions each. Such refinancing allowed us to extend the maturity profile of our bank debt, to eliminate financial covenants and pledges on shares as well as to take advantage of lower interest rates over the long term.

At June 30, 2017, the revolving credit facility was not drawn down (€ zero drawn down at the close of 2016).

Clauses regarding changes in control

The syndicated financing includes a clause regarding changes of control, whether due to the acquisition of 50% of shares with voting rights or due to obtaining the right to appoint or dismiss the majority of the members of our Board of Directors.

Commitments and restrictions of syndicated financing

At June 30, 2017 and December 31, 2016, we had no restrictions regarding the use of capital resources derived from the syndicated financing.

Submitted guarantees and financial ratios

At June 30, 2017 and December 31, 2016, the syndicated financing is unsecured and unsubordinated, which means it does not have guarantees and ranks pari passu with the rest of the unsecured and unsubordinated borrowings. As such, it does not require us to comply with any financial ratio.

Interest rate and fees of the syndicated financing

The interest rate applicable in each of the tranches is obtained by the calculation between the margin established in the syndicated financing agreement and the EURIBOR applicable in each interest period. We may select the EURIBOR period to be settled.

The revolving credit facility accrues a EURIBOR interest rate plus a margin of between 40 and 90 basis points. These margins may vary depending on our "net debt: EBIDTA" ratio. The credit facility also accrues an availability fee depending on the amount drawn.

Bond Issue Programme – EMTN Programme

In May 2015, we established a Euro Medium Term Note Programme (the "**EMTN Programme**"). This programme allows the issue of bonds in the aggregate amount of up to €3,000 million and is listed on the Irish Stock Exchange.

In March 2016 we were added to the list of companies whose corporate bonds are eligible for discount at the European Central Bank. The EMTN Programme was renewed in May 2017 for an additional period of one year.

Since July 2015 under the aforementioned EMTN Programme, we had issued the bonds described in the table below, addressed to qualified investors.

Thousands of euros

Issue	Term	Maturity	Fitch / S&P rating	Coupon	Initial Notional	**Notional as of June 30, 2017**
27/07/2015	7 years	27/07/2022	BBB-/BB+	3.125%	600,000	**600,000**
10/08/2016	8 years	16/01/2024	BBB-/BB+	2.375%	750,000	**750,000**
16/12/2016	16 years	20/12/2032	BBB-/NA	3.875%	65,000	**65,000**
18/01/2017	8 years	18/04/2025	BBB-/BB+	2.875%	335,000	**335,000**
07/04/2017	9 years	07/04/2026	BBB-/NA	Eur 6M+2,27%(1)	80,000	**80,000**
Total					**1,830,000**	**1,830,000**

Clauses regarding changes in control

The terms and conditions of the bonds include a change of control put clause (at the option of bondholders), which implies its early repayment.

This option can only be triggered if a change of control occurs (whether due to the acquisition of 50% of shares with voting rights or due to obtaining the right to appoint or dismiss the majority of the members of our Board of Directors) and there is a rating downgrade caused by this change of control.

Loans and credit facilities

During the six-month period ended June 30, 2017, we entered into new credit facilities for up to €125,000 thousand, subject to a floating interest rate of EURIBOR plus a margin and maturing between 2020 and 2021, with the possibility of extension for an additional year. We have also entered into a loan agreement amounting to €56,500 thousand, with a fix rate of 3.25% and maturity date in 2027.

In addition, we have entered into a loan agreement with a limit of CHF 200,000 thousand (equivalent to € 182,983 thousand) in Cellnex Telecom, S.A. and a facilities agreement with a limit of CHF 170,000 thousand in Cellnex Switzerland (equivalent to €155,536 thousand) (of which, CHF 155,000 thousand (equivalent to €141,812 thousand) corresponds to a loan and CHF 15,000 thousand (equivalent to €13,724 thousand) to a credit facility).

At June 30, 2017 the amount of the loans and credit facilities drawn down was €312,667 thousands (€280,552 thousands 2016). The available amount in Swiss Francs was not drawn down at June 30, 2017.
Clauses regarding changes in control

The loans and credit facilities include change of control provisions which may be triggered by the acquisition of 50% of our shares with voting rights or due to obtaining the right to appoint or dismiss the majority of the members of our Board of Directors.

Loans and credit facilities obligations and restrictions

At June 30, 2017 and December 31, 2016, we had no restrictions regarding the use of capital resources derived from the loans and credit facilities.

Submitted guarantees and financial ratios

At June 30, 2017 and December 31, 2016, the majority loans and credit facilities are unsecured and unsubordinated, which means it does not have guarantees and ranks pari passu with the rest of the unsecured and unsubordinated borrowings. As part of the acquisition financing of Cellnex Switzerland, we have to fulfil with a financial covenant that limits the total net debt to EBITDA of Cellnex Switzerland. As of the date of this Registration Document, we are in compliance with the above-mentioned convenant. Other than this, our financing contracts do not have to comply with any financial ratios or covenants, nor are we in default under any payment obligation, either of principal or interest and we may distribute dividends without limitation.

Interest rate of credit facilities

The credit facilities have maturity dates between 3 and 5 years (including renewals) and accrue interest at EURIBOR or LIBOR plus a margin between 80 and 150 basis points as at June 30, 2017.

Derivative financial instruments

From time to time, we consider hedging the interest rate risk on a portion of the financing in euros bearing floating interest rates through IRSs. In an IRS, interest rates are swapped so that we receive a floating interest rate (EURIBOR) from the bank in exchange for a fixed interest rate payment for the same nominal amount. The floating interest rate received for the derivative offsets the interest payable on the borrowings. The end result is a fixed interest rate payment on the hedged borrowings.
In addition, from time to time, we assess the need to hedge the foreign exchange risk with the aim of minimising the exposure to possible adverse variations in exchange rates.

We determine the fair value of interest rate or foreign exchange derivatives by discounting cash flows on the basis of the implicit euro interest rate and exchange rate calculated on the basis of market conditions at the measurement date and adjusting this by the bilateral credit risk with the objective of reflecting its own and its counterpart's credit risk.

We perform potential interest rate and foreign exchange hedging operations in accordance with its risk management policy. These operations are intended to mitigate the effect that changes in interest and exchange rates could have on the future cash flows of the credit facilities and loans tied to variable interest rates, cashflows in foreign currencies and variations in investments in foreign currencies.

As mentioned above, the bond issued in April 2017 for €80 million, maturating in April 2026, has been hedged with interest rate swaps that transform the floating rate of the bond in to a fixed rate. The total amount and the maturity of these swaps match those of the bond. By means of these swaps the final interest rate on the bond is 2.945%.

At December 31, 2016, we had no derivative financial instrument contracts.

Other financial liabilities

We award certain grants (arranged as repayable advances) to other Group companies (Retevisión-I, S.A.U. and Tradia Telecom, S.A.U. ("**Tradia**")) 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 June 30, 2017 and December 31, 2016, we hold a long term "BBB-" (investment grade) rating with negative and stable outlooks, respectively, according to the international credit rating agency Fitch Ratings Ltd. and a long-term "BB+" rating with stable outlook according to the international credit rating agency Standard & Poor's Financial Services LLC.

Guarantees provided to third parties, other contingent assets and liabilities and other commitments

Direct and indirect guarantees

At June 30, 2017, we had guarantees with third parties amounting to €57,275 thousand (€49,549 thousand at the close of 2016). 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.

Additionally, as of June 30, 2017, we had provided three guarantees amounting to €32,400 thousand in the aggregate to cover the dispute with the CNMC described in "*Business—Legal Proceedings*".

We consider that any additional liabilities arising from guarantees given as of June 30, 2017 should not be material.

Contingent assets

In December 2014, we filed a liability claim for damages incurred due to the shutdown of nine national DTT channels pursuant to a decision of the Spanish Supreme Court. The damage caused was initially quantified at €143 million, and subsequently recalculated to €77 million. Therefore, at June 30, 2017 and December 31, 2016, we had not recognised any amount in relation to this claim.

Quantitative and Qualitative Disclosure about Market Risk

We are exposed to various types of financial risks, the most significant of which are foreign currency risk, interest rate risk, credit risk, liquidity risk and inflation risk. To manage this exposure, we employ risk management strategies including the use of derivatives such as interest rate swap agreements, and employ risk management systems such as risk identification, measurement, concentration limitation and supervision systems. Financial risk management is controlled by the Corporate Finance and Treasury Department following authorisation by the most senior executive officer of the Company, as part of the respective policies adopted by the Board of Directors. See Note 4 to the 2016 Audited Consolidated Financial Statements for further details on the referred risks.

Foreign currency risk

As our 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, since 2016 we also operate and hold assets in the UK and recently in Switzerland following completion of the Swiss Towers Acquisition, both countries outside de Eurozone. We are 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 and the Swiss franc. Our strategy for hedging foreign currency risk in investments in non-euro currencies tends towards a full 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.

The majority of our transactions are denominated in euros. However, as of December 31, 2016, the contributions to our income and total assets in a functional currency other than the euro amounted to € 1,878 thousand and € 167,515 thousand, respectively. The volatility in converting into euro agreements denominated in pound sterling and Swiss francs may have negative consequences to us, affecting our overall business, prospects, financial condition, results of operations and/or cash flow generation.

Interest rate risk

We are exposed to interest rate risk through our current and non-current borrowings. Borrowings issued at floating rates expose us to cash flow interest rate risk, while fixed-rate borrowings expose us to fair value interest rate risk. Additionally, any increase in interest rates would increase our finance costs relating to variable-rate indebtedness and increase the costs of refinancing existing indebtedness and issuing new debt.

As at June 30, 2017, our fixed rate debt (€ 1,811 million) represented 84% of our total debt (€ 2,145 million), whereas our variable rate debt (€ 335 million) was 16% of our total debt. The average cost of debt (annualized interest cost over average debt for the period) was 2.6%. As of December 31, 2016, our fixed rate debt (€ 1,410 million) represented 83% of our total debt (€ 1,692 million), whereas our variable rate debt (€ 282 million) was 17% of our total debt. The average cost of debt (annualized interest cost over average debt for the period) was 2.5%.

Any increase in interest rates would increase our finance costs relating to its variable-rate indebtedness and increase the costs of refinancing its existing indebtedness and issuing new debt. Any of these factors could adversely affect our business, prospects, financial conditions, results of operations and/or cash flows.

Credit risk

Our main business activities obtain a significant portion of revenues from a limited number of customers (see —"*Risk Related to the Industry and Businesses in which We Operate—A substantial portion of our revenue is derived from a small number of customers*"), many of which are long-term customers and have high-value contracts with us.

We are sensitive to changes in the creditworthiness and financial strength of our customers. We depend on the continued financial strength of our customers, such as MNOs, media broadcasters and public administrations which operate with substantial leverage, and many of which are not investment grade or do not have a credit rating.

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 our expected services agreements revenues from certain customers and an increase in our level of exposure to credit risk, or our failure to actively manage it, could have a material adverse effect on our business, prospects, results of operations, financial conditions and/or cash flows.

Liquidity risk

Liquidity risk arises from a mismatch between our cash requirements and the sources thereof. We carry out a prudent management of liquidity risk and, given the dynamic nature of our businesses, our policy is to maintain flexibility in funding sources through the availability of committed credit facilities. Due to this policy, we have available liquidity of over €1.9 billion, considering cash and available credit lines, as at June 30, 2017. However, we may not be able to draw down or access liquid funds in a sufficient amount and at a reasonable cost to meet our payment obligations at all times. Failure to maintain adequate liquidity levels may materially and adversely affect our business, prospects, results of operations, financial conditions and/or cash flows, and, in extreme cases, threaten our future as a going concern and lead to insolvency.

Inflation risk

A significant portion of our operating costs could rise as a result of higher inflation. Further, most of our infrastructure services contracts are indexed to inflation. As a consequence, our results of operations could be affected by inflation and/or deflation.

Alternative Performance Measures

In addition to financial information presented herein and prepared under IFRS-EU, we have included in this Registration Document certain alternative performance measures as defined in the ESMA Guidelines, including "**EBITDA**", "**Adjusted EBITDA**", "**Net Debt**" and "**Recurring Leveraged Free Cash Flow**". We believe that the presentation of the APMs included herein comply with the ESMA Guidelines.

We define these measures as follows:

- "EBITDA" is calculated as profit from operations before depreciation and amortization charge.
- "Adjusted EBITDA" is calculated as profit from operations before depreciation and amortization charge and after adding back certain non-recurring and non-cash items (such as advances to customers and prepaid expenses).
- "Net debt" is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents.
- "Recurring Leveraged Free Cash Flow" is calculated as Adjusted EBITDA minus Maintenance Capex plus/minus changes in working capital, plus interest received, minus interest expense paid and minus income tax paid.

The following table sets forth a reconciliation of EBITDA and Adjusted EBITDA to our profit from operations for the same periods.

	For the six-month period ended June 30,		**For the year ended December 31,**		
	2017	**2016**	**2016**	**2015**	**2014**
	(unaudited)			**(unaudited)**	
			(in thousands of €)		
Operating profit	52,999	41,515	86,729	63,297	85,795
Depreciation and amortization charge	99,703	82,591	176,779	153,500	91,032
EBITDA	**152,702**	**124,106**	**263,508**	**216,797**	**176,827**
Non-recurring expenses[1]	14,354	9,033	23,458	16,966	
Advances to customers	1,210	462	2,556	921	921
Adjusted EBITDA	**168,266**	**133,601**	**289,556**	**234,684**	**177,748**

(1) Non-recurring expenses as broken down below.

Non-recurring expenses breakdown	**For the six-month period ended June 30,**		**For the year ended December 31,**		
	2017	**2016**	**2016**	**2015**	**2014**
			unaudited		
			(in thousands of €)		
Costs related to acquisitions[1]	7,517	5,540	7,392	12,870	-
Tax associated with acquisitions [2]	-	-	2,344	1,396	-

Non-recurring expenses breakdown	For the six-month period ended June 30, 2017	2016	For the year ended December 31, 2016 unaudited	2015	2014
	(in thousands of €)				
Contract renegotiation [3]	3,825	-	-	-	-
Lease cancellation costs [4]	-	-	5,631	-	-
Prepaid expenses [5]	3,012	3,493	8,091	2,700	-
Total non-recurring expenses	**14,354**	**9,033**	**23,458**	**16,966**	**-**
Advances to customers [6]	1,210	462	2,590	921	921
Total non-recurring expenses and advances to costumers	**15,564**	**9,495**	**26,048**	**17,887**	**921**

(1) In 2015 this item related to IPO expenses and other associated expenses incurred as a result of the flotation which include acquisition costs for Galata and correspond to the costs for investment banks, legal, accounting, tax advisors and auditors, as well as bond issue expenses. In 2016 this items relates to the expenses incurred during the acquisition processes carried out during the year. In 2017 this items relates to the expenses incurred during the acquisition processes carried out during the first semester.
(2) In 2015 this item represent the 'Tobin tax' paid on the incorporation of Cellnex Italia. In 2016 this item relates to Real Estate Transfer Tax paid on the transfer of infrastructures in the Netherlands and stamp duty paid on the acquisitions in the UK.
(3) This item relates to the cancellation expenses incurred in relation to the amendment of an agreement with Arilion, a service provider in the area of Administration and Human Resources. The amendment aimed at achieving significant savings in costs over the coming years.
(4) This item relates to the non-cash provision made in relation to the consolidation of the corporate offices in Madrid. This reorganisation took place in 2016 in order to achieve significant savings in rental costs over the coming years.
(5) This item relates to prepaid ground rental costs, prepaid energy and agency fees incurred to renegotiate the rental contracts and which are recognised in the consolidated income statement over the life of the corresponding ground lease contract.
(6) This item includes the amortization of amounts paid for infrastructures 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 (MNOs). 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.

The following table sets forth recurring leveraged free cash flow data for the six-month period ended June 30, 2017 and 2016 and for the years ended December 31, 2016, 2015 and 2014.

	For the six-month period ended June 30, 2017	2016	For the year ended December 31, 2016	2015	2014
	(unaudited)		(unaudited)		
			(in thousands of €)		
Adjusted EBITDA[1]	168,266	133,601	289,556	234,684	177,748
Maintenance Capex[2]	(10,089)	(3,457)	(21,423)	(17,880)	(13,211)
Recurring operating cash flow	-	-	268,133	216,804	164,537
Changes in current assets/current liabilities[3]	(4)	479	17,931	962	31,013
Net payment of interest[4]	(13,886)	(2,704)	(23,208)	(9,799)	(6,781)
Income tax payment[5]	(5,421)	(1,778)	(11,477)	(13,913)	(37,493)
Recurring leveraged free cash flow	**138,866**	**126,141**	**251,379**	**194,054**	**151,276**

(1) Calculated as the recurring operating profit before depreciation and amortization and excluding impacts not involving cash transactions, such as the amounts corresponding to advances and non-recurring expenses.
(2) Calculated as investment in existing tangible or intangible assets, such as investment in infrastructure, equipment and information technology systems, and are primarily linked to keeping sites in good working order, but which excludes investment in increasing the capacity of sites.
(3) See "*changes in current assets/current liabilities*" in the consolidated statement of cash flows included in the Financial Statements.
(4) Corresponds to the net of "*interest payments*" and "*interest received*" in the consolidated statement of cash flows included in the Financial Statements.
(5) See "*income tax payment*" in the consolidated statement of cash flows included in the Financial Statements.

Net debt

We use net debt, a non-IFRS-EU measure, as a liquidity metric. We calculate our net debt as total borrowings (including current and non-current borrowings) less cash and cash equivalents.

Our net debt decreased to €1,551,502 thousand as of June 30, 2017 from €1,499,454 thousand as of December 31, 2016. This increase is mainly due to cash generated from our operations.

Our net debt increased to €1,499,454 thousand as of December 31, 2016 from €926,938 thousand as of December 31, 2015. This increase is mainly due to the contribution of the acquisitions performed during 2016.

Our net debt increased to €926,938 thousand as of December 31, 2015 from €330,545 thousand as of December 31, 2014. This increase arose as a result of borrowings made in connection with the acquisition of the infrastructures and for the acquisition of Galata during 2015.

The following table sets forth a reconciliation of net debt, to gross debt. We present net debt herein as we believe that net debt provides investors with a better understanding of our liquidity position and requirements, if any, that we may have for external financing.

	As of June 30,	As of December 31,		
	2017 (unaudited)	2016	2015 (audited)	2014
		(in thousands of €)		
Bank borrowings	311,519	281,839	378,195	421,436
Bond issues	1,833,749	1,410,466	599,743	—
Bank borrowings and bond issues	**2,145,268**	**1,692,305**	**977,938**	**421,636**
Cash and equivalents	(593,766)	(192,851)	(51,000)	(90,891)
Net bank borrowings and bond issues	**1,551,502**	**1,499,454**	**926,938**	**330,545**

Key Performance Indicators

We closely monitor the following key drivers of our businesses. The table below shows our key performance indicators as of and for the six-month periods ended June 30, 2017 and 2016 and as of December 31, 2016, 2015 and 2014 on a historical basis.

	As of June 30,	As of December 31,		
	2017	2016	2015	2014
	(historical)	(historical)	(historical)	(historical)
Total number of infrastructures including broadcasting and other services (at period end)	18,515	17,900	15,119	7,493
Total number of infrastructures within the Telecom Infrastructure Services activity (at period end)	16,955	16,362	13,578	5,914
Customer ratio(1)	1,64	1.62	1.53	1.81

(1) Customer ratio corresponds to the average number of customers per infrastructure, taking into account changes in the consolidation perimeter. Customer ratio is calculated by dividing the aggregate number of customers in the infrastructures by the total number of infrastructures during the relevant period.

The table below shows our customer ratio in each country in which we operate as of the year ended December 31, 2016.

	As of December 31, 2016
Customer ratio – total	**1.62**
Customer ratio – Spain	1.95
Customer ratio – Italy	1.31
Customer ratio – Rest of Europe	1.83

CAPITALIZATION AND INDEBTEDNESS

The following table sets forth the Company's capitalization and indebtedness as of June 30, 2017 and as of December 31, 2016. This table should be read together with "Selected Financial Information and Other Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations".

We believe that the financial resources that are currently available, together with the financial resources that we expect to generate over the next 12 months, are sufficient to meet our business needs.

	As of	
	June 30, 2017	**December 31, 2016**
Liquidity		
Other current financial assets	-	-
Cash and cash equivalents	593,766	192,851
Total liquidity	**593,766**	**192,851**
Debt		
Bank borrowings	311,519	281,839
Other financial liabilities	1,833,749	1,410,466
Total financial debt	**2,145,268**	**1,692,305**
Total net financial debt	**1,551,502**	**1,499,454**
Equity		
Share capital	57,921	57,921
Treasury shares	(2,097)	(2,694)
Share premium	338,733	338,733
Reserves	67,762	36,000
Profit for the period	19,114	39,817
Non-controlling interests	82,057	81,424
Total equity	**563,490**	**551,201**
Total capitalization[(1)]	**2,114,992**	**2,050,655**

(1) Total capitalization is equal to the sum of total net financial debt and total equity.

INDUSTRY OVERVIEW

Our activities are concentrated in three business segments: Telecom Infrastructure Services, Broadcasting Infrastructure, and Other Network Services.

We act primarily as an owner and operator of what we believe to be essential infrastructure assets which we use to provide services to enterprises in the communications and media industry and public administrations. Our assets and the quality of our services play a crucial role in our customers' ability to serve their clients. Therefore, the various market dynamics which affect our business in each business segment can be classified in two different categories.

- The dynamics of the markets in which our clients operate. In fact, our clients' evolving operating and technological environments have long-term implications on our business's growth opportunities.

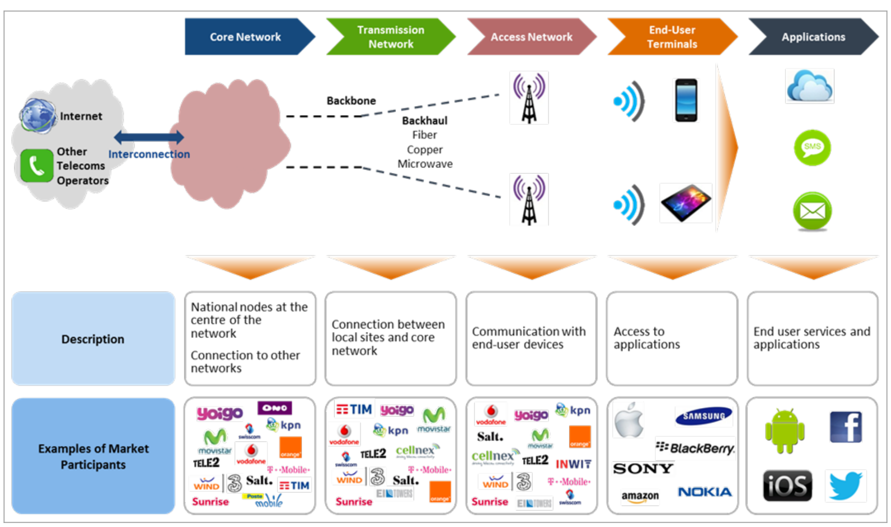
- The structure and trends affecting the infrastructure markets where we and similar infrastructure companies operate. We operate in an industry where typically only a very limited number of players provide the services we provide, in particular in the telecom infrastructure services, television broadcasting, nationwide radio broadcasting and some of our other network services. This situation is largely the result of a number of structural factors, notably the capital and asset intensity required for the provision of our services, the significant economies of scale inherent to our business and the complexity of the technical skills required to satisfy the stringent service level agreements ("**SLAs**") demanded by our customers.

Telecom Infrastructure Services

The Wireless Telecom Tower Infrastructure Market

In order to provide wireless communication services to their customers, MNOs require high quality transmission network and access network infrastructure. As illustrated below, we focus on providing transmission network services and access network services which occupy a critical part of the wireless communication services value chain. Transmission network services include the provision of intermediate links between the core network and the wireless access infrastructures. Access services include the operation of physical tower infrastructure.

The Wireless Communication Value Chain



Key Drivers Supporting Demand for Tower Infrastructure

Mobile Data Traffic Growth

The proliferation of mobile devices such as smartphones and tablets and the omnipresence of sophisticated, data intensive mobile applications and services are expected to drive strong demand for mobile bandwidth supporting an explosive growth of data usage. Mobile data traffic in Europe is expected to grow at a CAGR of 42% from 2016 through 2021 (Source: Cisco VNI Index 2016-21), as larger screens, better cameras, faster processors and innovative apps drive higher rates of data consumption on the cellular network. Similar growth rates are expected across all markets where we are currently present. With users demanding faster communication speeds and higher bandwidth, and MNOs looking to compete on network quality, we expect that independent tower infrastructure operators like us will continue to enjoy strong demand for their services.

Network Design

MNOs continue to increase the density of their networks as the data traffic handled by each cell continues to grow. The roll-out of 4G/LTE together with the growing smartphone penetration and the anticipated VoLTE (Voice over LTE) adoption would require a network design with higher cell density in order to support heavy mobile data traffic requiring MNOs to further densify their antenna grid. This trend is expected to drive additional demand for services we provide on our infrastructures. Additionally, given that there is generally a limited availability of spectrum, mobile operators would need to resort to increase the number of antennae in order to ensure adequate network capacity. This effect is expected to be significantly increased with the adoption of 5G due to its expected densification requirements.

Network Outsourcing Growth

As a response to pressure on their profitability, European MNOs are increasingly looking for ways to outsource their tower portfolios as demonstrated by multiple recent sales of infrastructures. Tower outsourcing provides MNOs with significant benefits. It raises cash proceeds and achieves reduction in operating expenditures and Capex while enhancing network quality through improved maintenance and technical expertise. Furthermore, it allows MNOs to focus on their core operations while at the same time reduces time to market in network expansion.

In this regard, independent tower operators offer MNOs a win-win situation where MNOs' networks capacity is enhanced while decreasing costs and at the same time, tower operators can capture significant organic growth.

New Technologies and Services

Aside from the steady spread of portable devices (i.e. smartphones and tablets) and the 4G/LTE adoption, other technological developments that enable the diffusion of new radio technologies for the connection of devices to the network are driving the growth in mobile services demand. Advances in the Internet of Things (IoT) ecosystem should lead to significant growth in the number of Machine to Machine (M2M) devices connected to mobile networks. Cisco VNI estimates that the number of devices connected to the internet worldwide will rise from 16.3 billion in 2015 to 26.3 billion in 2020. This increase may require further development of new infrastructures to meet territorial and population coverage requirements in areas that may be strategic for MNOs.

Small Cells and DAS Services

Traffic is expected to outgrow the available capacity of current network infrastructures creating an increasing need for new technologies such as Small Cells, DAS ("**Distributed Antenna System**") or 5G in order to further densify MNOs' networks. In order to offer higher traffic speeds, solutions combining macrocells and Small Cells/DAS are in development as they can offer higher network capillarity and increased capacity. The former can be placed in regular urban furniture (street lamps, bus stops, etc.) the latter is ideal to cover large crowded areas (stadiums, shopping malls, etc.).

Broadcasting Infrastructure

TV Broadcasting Market Overview

We are the reference provider of DTT transmission services to public and private broadcasting groups in Spain. The long-term prospects of the DTT platform are important for our business, which in turn depends on DTT continuing to be both (i) an attractive platform to receive TV from the perspective of end users and (ii) a key media from the point of view of its public and private TV channel clients.

The positioning of DTT in Spain as a TV delivery platform

In Western Europe, TV is watched through a variety of platforms that differ with respect to the underlying technology used to carry the signal to viewers. The various platforms—terrestrial, cable, broadband (IPTV) and satellite—are conditioned by different competing players. Each technology and player has unique competitive advantages and its own history, and the proportion of households that use a specific platform as their primary access to content varies greatly from one country to another.

In Spain, the terrestrial platform is the most commonly used to watch TV. The audience share of DTT in Spain is one of the highest in Western European region reaching 79% in September 2016 (latest available data). The other platforms include cable/IPTV (18% audience share) and satellite (3% audience share) as of September 2016 (Source: CNMC).

DTT is the only platform in Spain that is free of charge and widely present in rural areas, and it is one of the main sources of entertainment for viewers. DTT's leading position is expected to remain strong in the mid to long-term as it is supported by a number of features and trends and significant advantages relative to other platforms.

Overview of the main TV channels in Spain

There are a large number of TV channels in Spain delivered over multiple platforms, and a wide range of associated business models. We believe Spain provides an attractive channel offering on DTT as the majority of them are FTA. Even though the "historical" channels (that already used analogue technology) remain the most popular channels in Spain, the demand for DTT channels is still increasing.

Funding of TV in Spain

TV broadcasting infrastructure activities are business critical and are based on mid-term fixed and recurrent fee contracts, making our cash flow relatively independent of short-term dynamics in sources of funding of TV (advertising, public funds and, to a much lesser extent, subscription fees). Broadcasting service fees account for a very small share of the costs of TV channels, for which programming and operating expenses are much larger cost items. However, long-term developments in the sources of funding of TV are important for us as they support our clients' future investments in content and audience growth.

TV Broadcasting Infrastructure Market Overview

DTT is broadcasted through MUXs, which refer to each of (i) the processing equipment used to send multiple signals or streams of information at the same time in the form of a single, complex and digital signal; (ii) the spectrum resources shared by several content providers that agree to broadcast a TV signal over the same geographical area; and (iii) the broadcasting network, designed to transmit a signal, which aggregates a determined number of channels within a specific frequency and geography, and according to certain population coverage requirements and SLAs. The word MUX also refers to a group of channels which come together to sign broadcasting contracts with broadcasting infrastructure providers such as us through a company they jointly own or have back-to-back agreements with.

National DTT, which is the core service provided by us, is widely received by Spanish households with more than 99% coverage as most households are equipped with appropriate receivers and antennas.

Radio Broadcasting Market Overview

Radio broadcasting in Spain is a mature market dominated by four major groups (which are our main customers for this sector) with a combined audience share of approximately 70% of the generalist and thematic markets. FM is the most popular broadcast platform for radio content combining extensive coverage with good sound quality. The growing influence of Internet radio may change the market dynamics in the near future.

Other Network Services

Public Protection and Disaster Relief (PPDR)

PPDR services consist of the provisioning of emergency network services to public administration agencies to ensure mission critical terrestrial or maritime communications. PPDR services are typically provided through stringent SLAs, and demand the highest level of service availability usually backed by redundant infrastructures and continuous monitoring through 24/7 always-on network operation centers.

Basic services for security and emergency users or PPDR agencies are voice services such as group calls and short data services, including communication of position data or status messages. Networks are mainly based on TETRA (Terrestrial Trunked Radio) or Tetrapol technologies in the 380-400 MHz frequency band. PPDR networks can be contracted to carriers (for example, Airwave in U.K. or Telefónica in Spain), managed directly by public bodies (for example, in Finland, Sweden, Belgium) or owned by the government and operated and maintained by third parties.

Connectivity Services

In the connectivity services market, demand for backhaul and data transport services is driven by telecom operators such as MNOs or fixed network operators ("**FNOs**"), public administrations, and small and medium enterprises.

In the case of MNOs, 4G/LTE deployment is a key driver of increased demand for the use of fiber optics and microwave technologies.

Urban telecom infrastructure

The Internet of Things (IoT) can be defined as the next generation of information and communications technology, whereby objects interact, potentially independently, with each other and with their environment. This interaction in the form of transmission of data between objects is sometimes also referred to as machine-to-machine communication, or M2M communication.

O&M

In order to ensure the quality of networks and prevent defects or malfunctions of the passive and active network equipment, telecom carriers or corporate users increasingly outsource O&M to third party service providers. O&M services typically include operations around supervision and control, engineering and consultancy, and preventive and corrective maintenance of networks and equipment.

BUSINESS

Overview

We provide services through three different segments: (i) Telecom Infrastructure Services, (ii) Broadcasting Infrastructure and (iii) Other Network Services. Our primary customers in these three segments are MNOs, radio and TV broadcasting companies, government agencies and municipalities and other public and private customers. Our infrastructures are often used to provide several of the above-mentioned services.

- Our Telecom Infrastructure Services activity is focused on providing MNOs access to our infrastructure, either on telecom or broadcasting infrastructures, in order to provide coverage related services and to co-locate their equipment on our infrastructures, offering services that allow MNOs to rationalise their networks and optimise costs, through the dismantling of duplicate infrastructures (decommissioning) and building new infrastructures (build-to-suit) in strategic sites that could offer service to one or more MNOs. These services have the aim to complete the deployment of 4G and the future 5G, reduce areas with no signal coverage and extend network densification. Telecom Infrastructure Services are offered in Spain, Italy, the Netherlands, the UK, France and in Switzerland. This activity accounted for 54.3% of our total operating income in 2016.
- Our Broadcasting Infrastructure activity manages in Spain the distribution and transmission of digital TV and radio signals as well as the O&M of broadcasting networks, and provides related connectivity and other services. This activity accounted for 33.4% of our total operating income in 2016.
- Our Other Network Services activity includes the provision of connectivity to MNOs, PPDR services, general O&M services, communications networks for the so-called "urban telecom infrastructure" (Smart Cities and the IoT) and others. This activity accounted for 12.3% of our total operating income in 2016.

As of December 31, 2016, we own and operate substantially all our infrastructures, with a nationwide portfolio of 7,415 infrastructures in Spain, 8,811 infrastructures in Italy, 725 infrastructures in the Netherlands, 578 infrastructures in the UK and 371 in France. With completion of the Bouygues Acquisition, the Bouygues II Acquisition, the Swiss Towers Acquisition and the Alticom Acquisition, we expect to own 3,729 additional infrastructures in France, 2,239 in Switzerland and 30 additional infrastructures in the Netherlands (See "*Material Contracts"*).

As of December 31, 2016, our portfolio consisted of 17,900 infrastructures with locations both in urban areas (municipalities with more than 25,000 inhabitants) and rural areas (municipalities with less than 25,000 inhabitants). Our portfolio of infrastructures provides seamless coverage solutions in certain in-building and outdoor wireless environments and it is operated pursuant to medium- and long-term services arrangements with our customers, whose duration is typically between a minimum of three and a maximum of 40 years, including renewals.

Competitive Strengths

Leading operator of mission critical infrastructure for MNOs and audiovisual media

We believe we are the leading independent telecom infrastructure operator in Europe, operating 13%, 18%, 5%, 1% and 1% of telecom infrastructures in Spain, Italy, the Netherlands, the UK and France, respectively, as of December 31, 2016 (source: Arthur D. Little). Upon completion of the Bouygues Acquisition, the Bouygues II Acquisition and the Swiss Towers Acquisition, our market share in France and Switzerland is expected to increase to 9% and 21% respectively. We have substantial scale with a portfolio of 7,415 infrastructures in Spain, as of December 31, 2016 and have demonstrated a history of leadership through co-location on broadcast infrastructures and dedicated wireless infrastructures. In Italy, we believe we are the leading independent telecom infrastructure operator with a unique portfolio of 8,811 infrastructures (as of December 31, 2016) spread over the Italian territory with attractive locations. As a result of our recent acquisitions together with our acquisitions completed in 2016 in the Netherlands, the UK and France, we have strengthened our international growth and consolidated our presence in Europe.

We are the main broadcasting infrastructure operator in Spain, as we enjoy the number one position in DTT with a 100% market share in nationwide broadcasting.

Our commitment to operational excellence has resulted in strong commercial relationships with blue-chip MNOs and TV and radio broadcasters, as well as with public administrations and utility companies to whom we provide our services.

Favorable underlying markets with a positive outlook

Our clients operate in markets driven by the strong demand for highly reliable, resilient and high quality communication services. Our business is not cyclical and is not affected by seasonal changes. We believe our portfolio of infrastructures is attractive, among others, for the following reasons.

Firstly, mobile data traffic in Europe is expected to experience a significant growth, with forecasts of mobile data traffic growth at a CAGR of 47% between 2016 and 2020 (sources: Cisco: VNI Mobile Forecast Highlights, 2016-2020).

Secondly, MNOs are required to achieve certain minimum population coverage as part of the 4G/LTE spectrum auctions which is expected to drive strong demand for infrastructure.

Thirdly, there is an increasing trend of MNOs across Europe outsourcing infrastructure assets and using co-location to free-up capital, optimize costs and reduce Capex. In the United States, MNOs have outsourced their telecom infrastructures to independent infrastructure operators since the 1990s.

Fourthly, DTT is currently the number one TV platform in Spain with an approximately 78.6% (source: CNMC) audience share (one of the highest in Europe) and we expect it will remain the main TV delivery platform for the foreseeable future. DTT is supported by its nationwide coverage, its already deployed infrastructure, the attractiveness of the platform for advertising purposes, the small but steady growth of TV viewing time by end customers (over already high-levels), the attractive content on a FTA platform, its already experienced technological evolution and its further evolution potential.

Lastly, we benefit from the continued demand for tailor-made telecom solutions, including urban telecom infrastructure and emergency communication services from municipalities, regional authorities, armed forces and enterprises, which can be efficiently served through an extensive portfolio of infrastructures such as ours. Moreover, new technologies such as 5G could increase the demand for our infrastructure as the higher capacity will demand higher network densification.

We mainly operate in markets with limited number of competing players and a rational competitive environment. Regarding Telecom Infrastructure Services, we believe we currently are the leading independent operator in Spain, Italy and Switzerland, as we estimate that we own and operate a significant portion of the outsourced telecom infrastructures in such countries. In 2016, we started the Telecom Infrastructure Services operations in the Netherlands, the UK and France. In the Broadcasting Infrastructure activity, we are the sole operator in Spain of national TV MUXs and we believe to be the leading provider of regional TV MUXs and national radio transmission services.

Unique and dense portfolio of infrastructures and network assets

Our telecom and broadcasting infrastructure network is technically complex and our competitors would require high investments to replicate it. This is due to several factors such as high Capex, the difficulty of finding new locations (particularly in areas with greater population density), the complexity of the administrative processes to obtain the necessary authorizations, the strict limits on electromagnetic radiation and the high costs of migration from one infrastructure provider to another (switching costs). We have invested over €2.7 billion in passive infrastructure and active network assets since 2006.

Attractive, resilient business model underpinning strong revenue visibility, high-levels of profitability and recurring cash flow generation

We enjoy strong revenue visibility as the largest portion of our revenues arises from existing long-term contracts. As of December 31, 2016, we had a substantial backlog of approximately €8,637,564 thousand as calculated by us (assuming the contracts taken into account for purposes of the backlog calculation were renewed (by us, counterparties or both, as the case may be) to their maximum permitted terms. Upon completion of the Bouygues II Acquisition, and the Swiss Towers Acquisition, our estimated backlog will amount to approximately €15 billion under the same assumptions. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results of Operations—Backlog*".

In the Telecom Infrastructure Services activity, our contracts with anchor customers have 10 to 20-year initial maturities, with potential for renewals. Additionally, the renewal of contracts with anchor customers is only possible for the entire portfolio and not for a portion thereof. Agreements in our Broadcasting Infrastructure activity and Other Network Services activities typically have 3 to 10-year maturities.

We have a high EBITDA margin excluding elements passed through to our customers (namely electricity and in some cases ground rental costs) from both expenses and revenues (calculated as the ratio between EBITDA and operating income), which was 46%, 43% and 41%, respectively, for the six-month period ended as of June 30, 2017 and for the years ended December 31, 2016 and 2015. Our business model has high operational leverage through an infrastructure, network and operational cost structure which leads to incrementally higher EBITDA margins on new revenues. Our operating leverage is driven by an efficient, controlled, predominantly CPI-capped and scalable cost base from which we benefit. In this regard, only part of the costs are usually increased as a result of acquisitions, mainly energy, leases and royalties and repairs and maintenance, although certain expenses such as energy costs are generally passed through to our customers, and, in the case of certain anchor telecom infrastructure customers, also the rent for the land. Our contracts also typically benefit from price escalators linked to an index such as the Spanish, Italian, Dutch or Swiss CPI, as applicable, which may result in additional revenue and EBITDA growth as well as EBITDA margin expansion. In France, the price escalator is fixed at 2% annually.

We have contained Maintenance Capex requirements which amounted to 2.67% of our consolidated operating income for the six-month period ended as of June 30, 2017, and 3% and 2.9% of our consolidated operating income for the years ended December 31, 2016 and 2015, respectively and, driving high cash flow conversion equivalent to 83%, 87% and 82% of our EBITDA in the six-month period ended as of June 30, 2017 and the years ended December 31, 2016 and 2015, respectively. Expansion Capex is typically incurred only after we sign one or more medium- and/or long-term contracts that generate attractive returns. Our utilization of existing infrastructure to provide additional services reduces the required amount of limit incremental Capex, driving short payback periods on invested capital. We also benefit from the sharing of infrastructure among our different activities.

Proven strong platform to capture organic growth and wireless infrastructure roll-up opportunities

We believe we are well-positioned to capture the numerous organic growth opportunities offered in the markets where we operate. We believe we have the potential to organically grow customer rates on our existing portfolio of 17,900 infrastructures as of December 31, 2016, by capturing additional PoP in the wireless telecom markets in Spain, Italy, the Netherlands, the UK, Switzerland and France both by capturing new PoP in our unique telecom infrastructure portfolio or by rationalization projects (a process consisting of decommissioning one infrastructure and moving equipment to another one, so that out of two infrastructures only one remains) with other infrastructures with existing PoP nearby. We have the opportunity to deploy capital in decommissioning existing infrastructures which results in an increase in the number of PoP per infrastructure. We also have an opportunity to deploy further capital in land acquisitions and “build-to-suit” or infrastructure decommissioning on behalf of one or more MNOs who will then use those infrastructures under infrastructure services agreements, among others.

We believe we are well-positioned to acquire and integrate portfolios of wireless telecom infrastructures, especially in countries where we already operate. We have a best-in-class track record of infrastructure asset roll-up in Europe with the acquisition of more than 15,000 infrastructures in five different countries since 2013 (without taking into account the Bouygues Acquisition, the Bouygues II Acquisition and the Swiss Towers Acquisition), which we believe is greater than the acquisition track-record of any of our European peers. We have developed a history of value creation through cost optimization and leasing up acquired infrastructures. We obtain benefits from operational synergies and market knowledge in Spain and Italy, which are two of the largest telecom markets in Europe. Furthermore, in 2016, we executed several acquisitions and entered into in the Netherlands, the UK and France, and in 2017 we initiated our operations in Switzerland. As an integral part of our growth strategy, we continue to consider acquisitions of telecom infrastructure portfolios in the markets in which we are present, as well as in new markets. Additionally, we follow a proven partnership driven approach of attractive sourcing of proprietary merger and acquisitions opportunities with a diligent and selective acquisition strategy. Throughout our history, we have built substantial credibility with MNOs due to the tailor-made approach on our client-focused culture, as well as our understanding of frequency planning and active equipment operations inherited from the Broadcasting Infrastructure activity. We maintain a highly disciplined approach to control operating investments and acquisitions through strict pre-defined investment criteria and prudent business planning.

Experienced management team with a track record of delivering growth

Our management team has substantial experience in the management of wireless telecom infrastructures. Most of the members of our management team have been with us for over ten years and the team is led by our founder and CEO. We have built, maintained and developed long-term relationships with key customers and regulators and have established a management organization committed to the highest standards of corporate governance. Our management team follows a clear, well-defined strategy to deliver the business’ next phase of growth. We believe we are the leading telecom infrastructure operator in Europe that has articulated and implemented a wireless infrastructure growth strategy. We differentiate ourselves from our competitors due to our neutrality within the market and the difficulty in replicating our value proposition, which features substantial cost savings for MNOs and low execution risk. Our management team has a strong track record of successfully executed transactions with seamless integration. See “*Management and Board of Directors*”.

We have also demonstrated a track record of delivering tangible results. Our current management created the company, has consolidated the broadcasting market and built one of the largest wireless infrastructure businesses in Europe, generating substantial value for our shareholders. We successfully sell technical know-how in international markets, and we believe we are highly regarded by key customers as an effective and commercially reliable partner, which is demonstrated by our high contract renewal rate (although none of our contracts with anchor customers has reached its maturity). We also have a proven history of implementing operational efficiencies for our customers over the past years.

Strategy

Our long-term vision is to enhance our position as a leading European independent provider of wireless telecom infrastructure by providing innovative services and network end-to-end solutions to MNOs and media broadcasting operators. Through long-term partnerships with our customers and our role as a trusted partner, resulting from our operational excellence of delivering value-added services, we have been able to acquire infrastructures from MNOs at favorable terms, and we aim to continue our strategy of rolling up the European telecom infrastructure market. Over time, we aim to become a key player in the consolidation of the European telecom infrastructure market.

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

Telecom Infrastructure Services

In the Telecom Infrastructure Services activity, we believe we are the leading independent wireless telecom infrastructure provider in Europe. Our aim is to remain as such through organic growth as well as through selective acquisitions of infrastructure portfolios.

Our acquisition strategy of infrastructure portfolios is based on a disciplined and selective approach based on the business case for each acquisition. Our investments follow rigorous analysis criteria including both target equity internal rates of return for our shareholders and the quality of the relevant assets. Our growth strategy in new countries is based on the acquisition of an initial portfolio allowing for a subsequent market consolidation. We are primarily focused on pursuing acquisitions, and particularly believe that we can generate value accretive transactions in markets in which we already have a strong presence (such as Spain, Italy and Switzerland) and in markets in which an initial acquisition has been completed (such as the Netherlands, the UK and France) or announced. By pursuing follow-on acquisitions in markets where we are already present, we believe we can benefit from economies of scale and synergies between the infrastructure portfolios.

We have benefited from a first mover advantage in Spain, through the acquisition of 1,000 rural infrastructures from Telefónica in Spain in 2012 and a series of follow-on acquisitions of over 3,000 infrastructures from Telefónica and Yoigo in the years 2013-2015 in the context of Projects Volta and Volta Extended Phase I and Phase II. In Italy, we have followed a similar strategy, entering the market in 2014 through the acquisition of TowerCo. Our position in Italy was significantly strengthened through the acquisition in 2015 of 7,377 infrastructures from Wind in the context of the Galata Acquisition, the acquisition in 2016 of CommsCon and the subsequent acquisition in 2017 of the remaining 10% of Galata. Moreover, in 2016 we started operating 725 infrastructures in the Netherlands, 578 infrastructures in the UK and 371 in France (which will be increased by 3,729 additional infrastructures upon completion of the Bouygues Acquisition and the Bouygues II Acquisition). Finally, in 2017 we have also announced the acquisition and building of additional infrastructures in Switzerland and in the Netherlands.

We intend to pursue additional follow-on acquisitions in the markets in which we operate and to replicate this follow-on acquisition strategy in other attractive European markets, although we are also exploring the possibility that this strategy will be implemented also through the acquisition of minority interests or other growth opportunities such as joint ventures or M&A arrangements or, in general, any structure with the potential to add value to us as long as our rigorous investment criteria are met. For these investment criteria, see "*Business—Material Contracts—General—Acquisition Strategy*".

Our organic growth strategy is based on four distinct business models: (i) multiple allocation, (ii) rationalization, (iii) build-to-suit and (iv) Small Cells and DAS.

Multiple allocation

Our Telecom Infrastructure Services activity has seen strong organic growth in 2016, with an increase in PoPs of 4.5% mainly due to multiple allocation (that means more customers on our infrastructures because they require additional locations for their 4G roll out, reduction of coverage gaps and higher densification). We intend to continue our strategy of acquiring infrastructures from MNOs through transactions based on long-term infrastructure services contracts and offering these carriers certain coverage related services and co-location benefits, including substantial savings in network costs and Capex and improved network availability. We plan to continue leveraging our extensive existing infrastructure to expand the provision of infrastructure services to MNOs and capitalizing on the growth in the number of PoPs in our markets to maximize the customers' ratios on our infrastructures. We also plan to strengthen our long-term relationships with MNOs and continue developing a sophisticated understanding of key trends that influence their strategies and infrastructure needs (including LTE technology, 5G and white space frequencies, among others) and to maintain our relentless commitment to operational excellence. We aim to remain well-positioned to address our clients' requirements with efficient, innovative and strategic infrastructure and infrastructure sharing solutions. We plan to drive profitability by managing the terms of our services agreements and by setting pricing levels that reflect the distinctive features and unique locations of our rural and urban infrastructures.

Rationalization

We possess valuable know-how to proactively drive MNO infrastructure sharing initiatives by acquiring telecom infrastructures from several MNOs and decommissioning redundant infrastructures and equipment transfers. Following a strict capital return deployment criteria, we plan to expand our presence in Europe by carefully identifying opportunities to acquire sizeable infrastructure portfolios which can become the building blocks of subsequent in-market consolidation transactions. We estimate that there are significant annual cost saving opportunities for MNOs in all the markets where we operate. As of December 31, 2016, we had completed a decommissioning program in which we decommissioned 211 infrastructures in the last three years. We believe that we can capture future opportunities due to our rationalization and radio frequency planning know-how.

Build-to-suit

We aim to deploy build-to-suit infrastructures for MNOs in certain instances as a way to capture future growth in co-location demand, subject to our internal return criteria. We have proven build-to-suit expertise as we have deployed more than 179 build-to-suit infrastructures in both Spain and Italy to date, including the infrastructures deployed by TowerCo prior to our acquisition. With Bouygues Telecom we have contractually agreed on 1,200 infrastructures to be built over an estimated period of five years. With regards to the Swiss Towers Acquisition, we have agreed on building 400 additional infrastructures over an estimated period of 10 years. We believe that we can capture future opportunities in this area due to our engineering and maintenance know-how.

DAS/Small cells

In addition to our traditional infrastructure business, we are pursuing our strategy in the DAS/Small Cells segment where we believe there are attractive opportunities for growth. DAS is a network of spatially distributed antennas connected to a common source, thus providing wireless service within a specific geographic area. The system can support a wide variety of technologies and frequencies, obviously including 2G, 3G and 4G. We work as a real independent host, together with the MNOs, in order to provide the optimal solution for the increasing need for coverage and densification in complex scenarios. We manage the complete life cycle of the solution: site acquisition, design, installation, commissioning, O&M, supervision and service quality assurance.

Globally, Small Cells and DAS are starting to be deployed, mainly in the U.S. and Europe. According to ABI Research, revenues associated with DAS/Small Cells in in-building wireless systems are expected to grow approximately 20% per year (CAGR 2018-2025). On June 22, 2016, we acquired, through our fully owned subsidiary Cellnex Italia, the 100% of CommsCon, an Italian operator and provider of innovative Small Cell solutions for mobile broadband coverage in large open and closed spaces, which further confirms our commitment to developing and rolling out Small Cells and enhances our strategic positioning in the sector. We have already deployed more than 1,000 DAS nodes, with a customer ratio of three MNOs per site, in venues such as stadiums, skyscrapers, shopping malls, dense outdoor areas, airports, underground lines and railway stations. In addition, we have entered into an agreement with Sunrise to deploy 200 DAS over an estimated period of 10 years. We expect our DAS/Small Cells activity to grow approximately 20% per year from 2018.

Broadcasting Infrastructure

In our view, the Broadcasting Infrastructure activity is relatively resilient to the economic cycle and, in particular, to downturns in the economy. Our strategy in this activity is to maintain our strong market position while capturing potential organic growth. We plan to maintain our leadership position in the national digital TV sector (in which we are the sole operator of national TV MUXs) by leveraging our technical knowledge of infrastructure and network infrastructure, our market understanding and the technical expertise of our staff. The contract fees with the blue-chip customers are CPI-linked. We plan to continue working closely with regulatory authorities in relation to technological developments in both the TV and radio broadcasting markets and to leverage our existing infrastructure and client relationships to obtain business in adjacent areas where we enjoy competitive advantages.

In addition to pursuing our growth strategy of internationalization and client diversification for our Telecom Infrastructure Services activity, we may also consider potential transactions related to our Broadcasting Infrastructure activity, provided that: (i) they allow us to consolidate a leading position in a country other than Spain, or (ii) if the relevant assets are part of a portfolio of infrastructures similar to our portfolio (e.g., that apart from being used for broadcasting services, they may also be used by telecom operators). Any potential opportunity needs to meet our strict investment criteria and be value accretive.

Other Network Services

In Other Network Services, our strategy is based on capturing market growth to reinforce our market position. We aim to expand and increase our data transmission connectivity services, for both MNOs backhaul and corporate data access, by focusing on services and solutions where our valuable network can be leveraged to differentiate our proposition from our competitors, and by taking advantage of our favorable position to provide mutualized high speed data transmission to MNOs in our infrastructures. We plan to leverage our 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 services networks. We aim to be a frontrunner in new types of infrastructure services including urban telecom infrastructure solutions.

History and Development

In 2000 our predecessor, Acesa Telecom, S.A. ("**Acesa Telecom**"), embarked upon its journey in the audiovisual sector and in mobile radio-communications for security and emergency corps by acquiring 100% of the shares of Tradia. In 2003 the audiovisual business of Retevisión became part of us, strengthening our presence in the Spanish telecommunications sector.

We started our Telecom Infrastructure Services business in 2001 on the back of our experience in broadcasting services. In 2012, we started an expansion process with the acquisition of 1,000 telecommunication infrastructures from Telefónica Móviles, S.A. ("**Telefónica**"). In 2013 and 2014 we agreed to purchase up to 3,244 infrastructures from Telefónica and Xfera Móviles, S.A.U. ("**Yoigo**"). All the above-mentioned acquisitions were performed by our subsidiary On Tower and they were structured as asset acquisitions.

In 2014, we started our international expansion by acquiring TowerCo and its portfolio of 306 telecom infrastructures as at the time of acquisition along Italian motorways. Also, we deployed the first IoT network in Spain, positioning ourselves as a reference player in the construction of an "IoT Ecosystem" in Spain.

In 2015, we continued our expansion in Italy through the Galata Acquisition. On May 7, 2015, our shares were admitted to listing on the Spanish Stock Exchanges under the symbol "CLNX".

In the first half of 2016, six new DTT channels began their emissions, all of which had signed contracts with us. Also in the first half of 2016, we started our operations in the Netherlands through the Protelindo Acquisition and the acquisition of CommsCon in Italy.

In June 2016, the IBEX 35 Technical Advisory Committee approved our entry into the main stock index of the Spanish market. Our shares were incorporated into the index on June 20, 2016. In the second half of 2016, we started our operations in France with the Bouygues Acquisition. We also entered into an agreement for the acquisition of the Shere Group in the UK.

Recent developments

On January 19, 2017, the managers of the FTSE4GOOD sustainability index announced that we had been incorporated into that index, valuing the quality in managing risks associated with environmental, social and corporate governance factors.

Also in the first quarter of 2017, we reached an agreement with Bouygues Telecom for the acquisition and building of up to 3,000 urban infrastructures in France. It is structured around two projects: (a) the acquisition of up to 1,800 infrastructures over a period of two years, and (b) building up to 1,200 infrastructures over a period of five years.

Additionally, we entered into three relevant agreements. Firstly, JCDecaux and us announced our commercial alliance in Italy and Spain to speed up the roll-out of DAS networks and "Small Cells" to improve the capacity and quality of 4G coverage (and 5G in the future) in urban areas. Secondly, we and Haya Real Estate ("**HRE**"), the largest Spanish real estate management services and property assets company, have signed an exclusive cooperation agreement to identify ideal locations among the property assets managed by HRE in urban locations and, if appropriate, to locate buildings suitable for housing telecommunication infrastructures that will make it possible to roll out telecommunications network. Thirdly, we entered into a framework agreement with the fourth Italian MNO providing full flexibility for the MNO's network deployment.

Moreover, in the third quarter of 2017, a consortium of investors led by us announced the Swiss Towers Acquisition, for the acquisition and building of infrastructures in Switzerland and the Alticom Acquisition in the Netherlands (See "*Material Contracts—Swiss Towers Acquisition and Alticom Acquisition*").

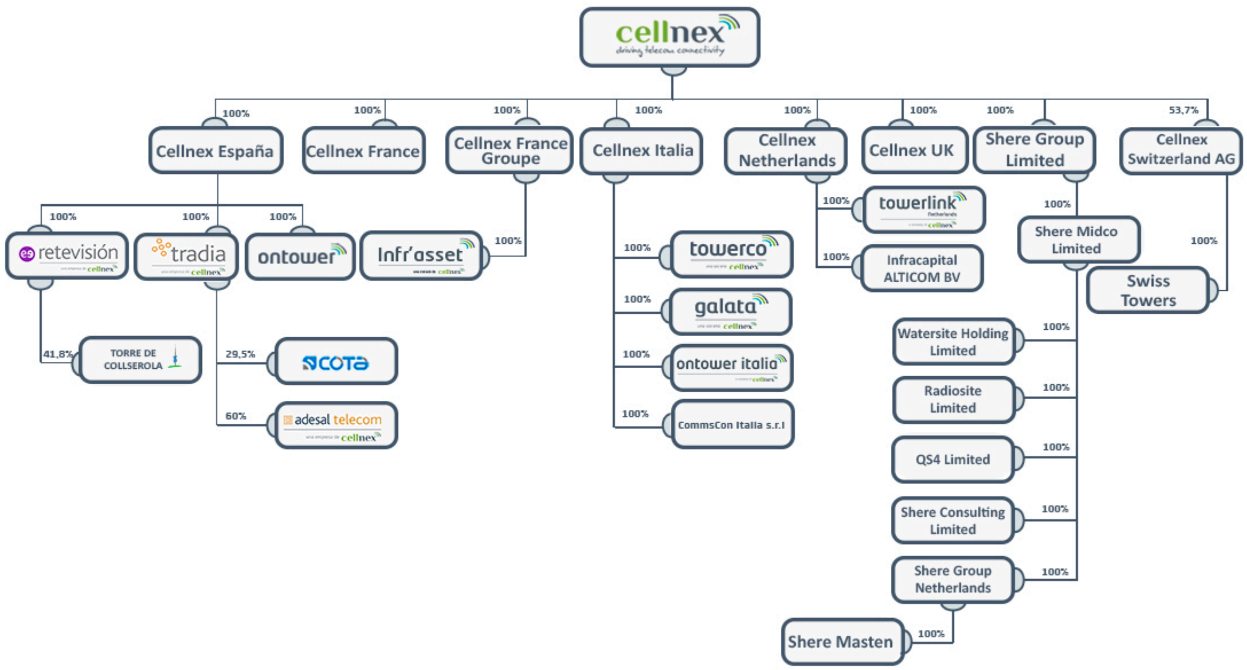
In the third quarter of 2017, pursuant to the put option agreement entered into Cellnex and the minority shareholders of Galata on February 27, 2015, Cellnex acquired an additional 10% of the share capital of Galata. As a result of such acquisition, Cellnex holds 100% of the share capital of Galata. Also in the third quarter of 2017, Cellnex and Bouygues Telecom agreed to extend their agreement in order to acquire up to a 600 additional urban sites in France. As a result of this extension, the agreement with Bouygues Telecom consists of the acquisition and construction of up to a maximum of 4,100 sites in France.

Corporate Structure

We conduct our operations through our directly and indirectly owned subsidiaries and joint ventures.

Cellnex is our parent company, which comprises seven fully owned subsidiaries (Cellnex Telecom España, Cellnex UK Limited, Cellnex Italia, Cellnex Netherlands, Cellnex France, Cellnex France Groupe and the Shere Group) and one partially-owned subsidiary (Cellnex Switzerland AG). In addition, Cellnex indirectly holds stakes in other companies.

The following summary chart sets forth our corporate structure as of the date of this Registration Document.



- 58.3% of the share capital of Torre de Collserola is owned by government institutions (Generalitat of Catalonia and Barcelona City Council) and Telefónica.
- 70.5% of the share capital of COTA is owned by Emurtel, Extensa (telecom engineering company), IDSA and ITETE (telecom facilities companies).
- 39.9% of the share capital of Adesal is owned by Aguas de Valencia.
- The remaining 46% of the share capital of Cellnex Switzerland is owned by Swiss Life GIO II EUR Holding S.a.r.l. (28%) and Deutsche Telekom Capital Partners NL II C.V. (18%).

Company	**Country of Registration**	**Registered Office**	**Main service**	**Direct stake %**	**Indirect stake %**	**Consolida-tion Method**
			Spain			
Cellnex Telecom España, S.L.U.	Spain	Juan Esplandiú 11-13, 28007, Madrid	Holding	100	—	Full
Retevisión-I, S.A.U.	Spain	Juan Esplandiú 11-13, 28007, Madrid	Terrestrial telecommunications infrastructure operator	100	—	Full
Tradia Telecom, S.A.U.	Spain	Av. Del Parc Logístic, 12-20 08040 Barcelona	Terrestrial telecommunications infrastructure operator	100	—	Full
On Tower Telecom Infraestructuras, S.A.U.	Spain	Juan Esplandiú 11-13, 28007, Madrid	Terrestrial telecommunications infrastructure operator	100	—	Full
Adesal Telecom, S.L.	Spain	Ausias March 20, Valencia	Provision of related services for terrestrial telecommunications concessions and operators	—	60.08	Full

Company	Country of Registration	Registered Office	Main service	Direct stake %	Indirect stake %	Consolida-tion Method
Torre de Collserola, S.A.	Spain	Ctra. de Vallvidrera al Tibidabo, s/n. Barcelona	Construction and operation of terrestrial telecommunications infrastructure	—	41.75	Equity method
Consorcio de Telecomunicaciones avanzadas, S.A. (COTA)	Spain	Alcantarilla (Murcia)	Provision of related services for terrestrial telecommunications concessions and operators	—	29.5	Equity method
France						
Cellnex France, S.A.S.	France	30 Rue Godot de Mauroy, 75009 Paris	Holding	100	—	Full
Cellnex France Groupe	France	1 Avenue de la Cristallerie, 92310 Sèvres, Paris, France	Holding	100	—	Full
Infr'Asset Management SAS	France	13 Avenue Morane Saulnier, CS 60740 Velizy Villacoublay (Paris)	Engineering and network analysis	—	100	Full
Italy						
Cellnex Italia, S.r.L.	Italy	Via Carlo Veneziani 58, 00148 Rome, Italy	Holding	100	—	Full
Towerco, S.p.A.	Italy	Via Alberto Bergammini 50, Roma, Italia	Terrestrial telecommunications infrastructure operator	—	100	Full
Galata, S.p.A.	Italy	Via Carlo Veneziani 56/L 00148 Roma	Terrestrial telecommunications infrastructure operator	—	100	Full
TowerLink Italia S.r.L.	Italy	Via Carlo Veneziani 58, 00148 Rome, Italy	Terrestrial telecommunications infrastructure operator	—	100	Full
CommsCon Italia, S.r.L.	Italy	Via Carducci 32, 20123 Milano	Terrestrial telecommunications infrastructure operator	—	100	Full
On Tower Italia, S.r.L.	Italy	Via Carlo Veneziani, 58 CAP 00148 Rome, Italy	Terrestrial telecommunications infrastructure operator	—	100	Full
The Netherlands						
Cellnex Netherlands, BV	Netherlands	Dr. Lelykade 22, Unit 9, 2583CM's, Gravenhage	Holding	100	—	Full
Infracapital Alticom, BV	Netherlands	Branderweg 7, 8042PD Zwolle	Holding	100	—	Full
Alticom Holding BV	Netherlands	Branderweg 7, 8042 PD Zwolle, the Netherlands	Holding	—	100	Full

Company	Country of Registration	Registered Office	Main service	Direct stake %	Indirect stake %	Consolida-tion Method
Alticom BV	Netherlands	Branderweg 7, 8042 PD Zwolle, the Netherlands	Terrestrial telecommunications infrastructure operator	—	100	Full
Breedlink BV	Netherlands	Branderweg 7, 8042 PD Zwolle, the Netherlands	Broadband microwave internet provider	—	100	Full
Towerlink Netherlands, BV	Netherlands	Dr. Lelykade 22, Unit 9, 2583CM’s - Gravenhage	Terrestrial telecommunications infrastructure operator	—	100	Full
Shere Group Netherlands BV	Netherlands	Leeghwaterstraat 21, 2811 DT Reeuwijk, Netherlands	Holding	—	100	Full
Shere Masten BV	Netherlands	Leeghwaterstraat 21, 2811 DT Reeuwijk, Netherlands	Terrestrial telecommunications infrastructure operator	—	100	Full
UK						
Cellnex UK Limited	UK	55 Old Broad Street, London, EC2M 1RX, United Kingdom	Holding	100	—	Full
Shere Group Limited	UK	55 Old Broad Street, London, EC2M 1RX, United Kingdom	Holding	100	—	Full
Shere Midco Ltd	UK	55 Old Broad Street, London, EC2M 1RX, United Kingdom	Holding	—	100	Full
Watersite Holding Limited	UK	55 Old Broad Street, London, EC2M 1RX, United Kingdom	Terrestrial telecommunications infrastructure operator	—	100	Full
Radiosite Limited	UK	55 Old Broad Street, London, EC2M 1RX, United Kingdom	Terrestrial telecommunications infrastructure operator	—	100	Full
QS4 Limited	UK	55 Old Broad Street, London, EC2M 1RX, United Kingdom	Terrestrial telecommunications infrastructure operator	—	100	Full
Shere Consulting Limited	UK	55 Old Broad Street, London, EC2M 1RX, United Kingdom	Terrestrial telecommunications infrastructure operator	—	100	Full
Switzerland						
Cellnex Switzerland AG	Switzerland	c/o RA Andreas Derungs, Poststrasse 12, Postfach 1149, CH-630I Zug	Holding	54	—	Full
Swiss Towers AG	Switzerland	Binzmühlestrasse 130, 8050 Zurich, Switzerland	Owns and manages telecom towers in Switzerland	—	54	Full

Operations

Telecom Infrastructure Services

Overview

Operating income from our Telecom Infrastructure Services activity was €217,708 thousand for the six-month period ended as of June 30, 2017, which represented 57.57% of our consolidated operating income for such period, and €382,539 thousand, €302,026 thousand and €106,531 thousand for the years ended December 31, 2016, 2015 and 2014, which represented 54.3%, 49.4% and 24.4% of our consolidated operating income for such periods, respectively.

Our backlog as at December 31, 2016 for the Telecom Infrastructure Services activity was €7,856,707 thousand, assuming the contracts taken into account for purposes of the backlog calculation were renewed (by us, our counterparties or both, as the case may be to their maximum permitted terms).

Services

We provide our customers in Telecom Infrastructure Services with coverage related services and access to our infrastructure to co-locate their equipment, offering additional services that allow MNOs to rationalise their networks and optimise their costs, through the dismantling of duplicated infrastructures (decommissioning) and building new infrastructures (build-to-suit) in strategic sites that can service one or more MNOs at the same time. These services aim to support the deployment of 4G and the 5G in the future, reduce areas with no signal coverage and increase MNOs' network densification. We act as an independent carrier for MNOs and other telecom operators who generally require complete access to network infrastructure in order to provide services to end users.

We act as a multi-infrastructure operator, our customers are responsible for the individual communication equipment hosted in our telecom and broadcasting infrastructures. Our revenue is primarily generated from customer services agreements. We generally receive monthly payments from customers, payable under long-term contracts (up to 40 years, including extensions). The annual payments vary considerably depending upon numerous factors, including, but not limited to, the type of service, the infrastructure location, the number and type of customer's equipment on the infrastructure, ground space required by the customer, customer ratio, equipment at the infrastructure and remaining infrastructure capacity. Our main costs typically include related services (which are primarily fixed, with annual cost escalations) such as energy and ground costs, property taxes and repairs and maintenance. See "*Business—Properties*" for details on the type of infrastructure we own and use in this activity.

We maintan the MNOs' equipment installed on our infrastructures. In general, MNOs engage in the maintenance of their own equipment under their responsibility, although in some cases they may subcontract to us the maintenance of their equipment as a separate and additional service. In these cases, the maintenance services are usually awarded through bidding processes to companies capable of providing such services, such as vendors of equipment, maintenance and installation companies and other companies with sufficient capacity to provide the services, such as ourselves.

We have extensive experience in DAS network solutions. We have deployed more than 1,000 DAS nodes, with a customer ratio of three MNOs per infrastructure, in venues such as stadiums, skyscrapers, shopping malls, dense outdoor areas, airports, underground lines and railway stations. DAS is a network of spatially distributed antennas connected to a common source, thus providing wireless service within a specific geographic area. The system can support a wide variety of technologies and frequencies, obviously including 2G, 3G, 4G and 5G in the future. We work as a real independent host, together with the MNOs, in order to provide the optimal solution for the increasing need for coverage and densification in complex scenarios. We manage the complete life cycle of the solution: infrastructure acquisition, design, installation, commissioning, O&M, supervision and service quality assurance.

Customers and Contracts

We consider ourselves to be a leading independent operator of telecom and broadcasting infrastructures in Europe by number of infrastructures as of December 31, 2016. As such, our customer base includes the main MNOs in Spain, Italy, the Netherlands, the UK and France and we have close and long-standing relationships with some of the largest European MNOs and the largest Spanish media broadcasting operators.

MNOs require our services mainly to increase network coverage, optimize their operating costs, reduce Capex and avoid any difficulties in the co-location of their networks among MNOs.

The main telecom customers of our co-location services as of December 31, 2016 were: Orange, Telefónica, Vodafone, Yoigo, H3G, Tim, Wind, Bouygues Telecom and KPN. Our five largest customers of the Telecom Infrastructure Services activity represented €342,734 thousand, accounting for 89.6% of Telecom Infrastructure Services operating income for the year ended December 31, 2016. As of June 30, 2017, the portion of our operating income for the Telecom Infrastructure Services activity generated by our top five customers remained similar to the figures indicated in this paragraph for the period ended on December 31, 2016.

We have existing MSAs with the main MNOs, including H3G, Orange, Telefónica, Tim, Vodafone, Yoigo, Wind, KPN, Bouygues Telecom and Sunrise. Such agreements are framework agreements providing certain terms that govern the contractual relationships related to our infrastructures with such MNOs during the term of the MSA. In particular, MSAs specify the services that we provide and the economic terms of the agreement. In the case of smaller MNOs, we may enter into individual separate agreements negotiated *ad hoc* for each particular case as opposed to MSAs.

In general, our contracts for co-location services with our anchor customers have an initial non-cancellable term of 10 to 20 years, with multiple renewal terms (up to 40 years for our anchor customers including renewals), and payments that typically increase based on an inflationary index like the CPI or on fixed escalators. Our customer contracts have historically had a high renewal rate. In this regard, we have experienced a very high renewal rate of our MSAs with our MNO customers over the last ten years, although no agreement with anchor customers has reached its maturity.

In the vast majority of cases, the service contracts with our customers may not be terminated prior to the end of their current term except in extraordinary cases, such as loss of a license or continued failure to perform by us. In general, each customer contract which is renewable will automatically renew at the end of its term unless the customer provides prior notice of its intent not to renew. Our customers tend to renew their services agreements because suitable alternative infrastructures may not exist or be available and repositioning an infrastructure in their network may be expensive and may adversely affect the quality of their network. The contracts with our anchor customers may only be renewed for the entirety of the infrastructures and not for a portion thereof (all or nothing clause).

Competition

According to our estimates, we believe we are a leading independent wireless telecom infrastructure operator in Spain and Italy. Additionally, in 2016 we started to operate in the Netherlands, the UK, and France and in 2017 we have started operating significant portfolio infrastructures in Switzerland. In all countries in which we operate, we compete primarily against other infrastructure operators who provide regional co-location services, MNOs which operate their own infrastructures or share infrastructures with other MNOs and other infrastructure owners or operators of rooftops, water infrastructures, Small Cells, broadcast infrastructures, or utility poles, among others. See "*Risk Factors—Risks Related to the Industry and Businesses in which We Operate - Increasing competition in our industry may materially and adversely affect us*".

Broadcasting Infrastructure

Overview

Operating income from our Broadcasting Infrastructure activity was €120,956 thousand for the six-month period ended June 30, 2017, which represented 31.99% of our consolidated operating income for such period, and €235,234 thousand, €224,699 thousand and €250,354 thousand for the years ended December 31, 2016, 2015 and 2014, which represented 33.4%, 36.7% and 57.4% of our consolidated operating income for such periods, respectively.

Our backlog as at December 31, 2016 for Broadcasting Infrastructure activity was €609,374 thousand.

Our Broadcasting Infrastructure activity consists of the distribution and transmission of TV and radio signals as well as the O&M of broadcasting networks, the provision of connectivity for media contents, OTT broadcasting services and other services.

The provision of these services requires unique high mast infrastructures that, in most cases, only we own, substantial spectrum management know-how, and the ability to comply with very stringent service levels. In Spain, the broadcast infrastructures we manage cover more than 99% population coverage with DTT and 95% with radio, which is a combined portfolio larger than all of our competitors combined.

Our Broadcasting Infrastructure activity is characterized by predictable, recurrent and stable cash flows as well as by the high technical know-how that allows us to provide consulting services. Economies of scale acquire special relevance in this activity. Although it is a mature business in Spain, the Broadcasting Infrastructure activity has proved very resilient to adverse economic conditions like the ones experienced in Spain in recent years, driven by the fact that our revenues do not directly depend on macroeconomic factors but on the demand for TV and radio broadcasting services by broadcasting companies.

Services

We classify the services that we provide to our customers as a broadcast network operator in three groups:

Digital TV (distribution and broadcasting of DTT, DTT premium & Hybrid TV)

We operate as a media distribution player throughout the entire broadcasting value chain by owning the infrastructures and equipment that TV broadcasters use to compress and distribute the signal in Spain.

The TV value chain encompasses a wide range of contractual relationships between a highly diverse set of market players and, from a contractual and technical point of view, consists of six key steps. These include content production (which can be done internally or externally), content aggregation, media operations (i.e., programming), compression and multiplexing, signal distribution and signal transmission. We consider ourselves to be a leading player in the latter three stages of the value chain and a growing player in media operations.

The digital TV spectrum is owned by the Spanish State and is typically licensed to public TV entities for non-limited time periods and to the various media groups which own private TV channels for 15 year periods, with automatic renewal. Most of the current licenses are valid until 2025, with some of them until 2030, with expected automatic renewal afterwards. However, to the extent broadcasters do not own any equipment or infrastructures (and do not intend to own them), we act as an infrastructure and network services provider, effectively being responsible for bringing the signal from studios to the broadcasting infrastructures and transmitting it to the end users.

DTT's strong position, with a screen share of 78.6% (as of September 2016) in Spain, is expected to remain stable in the mid to long term as it is supported by a number of features and trends and significant advantages relative to other platforms: (i) it is the only TV platform to offer more than 30 channels in the Spanish language free of charge and with coverage of more than 99% of the population; (ii) it is the most popular public and commercial channels are broadcast on DTT; (iii) it is less costly for a TV entity to reach a TV household in Spain via DTT than via direct-to-home ("**DTH**"); (iv) in the medium term, hybrid broadcasted TV, which takes benefit of broadband, is expected to bring interactivity, enrich the DTT platform and yield new revenue streams for the broadcasters; (v) the diversity and the quality of the channels available are expected to increase with the wide adoption of new technologies keeping the DTT platform innovative and competitive; (vi) its superior coverage and traffic capacity; and (vii) the Spanish regulator has stated on numerous occasions that they are highly supportive of DTT.

Radio (distribution and transmission of analogue and digital radio)

We are one of the main players in the value chain of Spanish radio infrastructure. We are able to provide services across the whole radio broadcasting value chain. We distribute radio signals, both analogue and digital, with analogue FM being the dominant platform in Spain. Regarding the analogue FM radio, we own and manage a network infrastructure and the necessary equipment to provide broadcasting services to public and private customers. We also host radio stations that want to self-broadcast using our infrastructure.

We believe we are the largest radio broadcast operator in Spain. We broadcast FM, AM and DAB services and the largest players in Spain broadcast using our infrastructures. We are also a significant provider of infrastructures to the other players although these tend to rely more on self-broadcasting.

Other broadcasting services (O&M, connectivity and others)

We also provide maintenance services and connectivity services to our broadcasting customers.

Customers and Contracts

Our customers within the Broadcasting Infrastructure activity include all national and most regional and local TV broadcasters as well as leading radio station operators in Spain. Some of our key customers for DTT services include Atresmedia, CTTI, Mediaset España, Net Televisión and Radio Televisión Española. The top five customers in this segment generated operating income of €145,691 thousand for the year ended December 31, 2016, representing 79.6% of our operating income generated by our DTT services for the year. As of June 30, 2017, the portion of our operating income generated by our top five customers remained similar to the figures indicated in this paragraph for the period ended on December 31, 2016.

Our DTT broadcasting contracts do not have any volume risk, have stable and visible pricing of MUXs, are fully compliant with the regulation and contain attractive indexation terms. The main features of these contracts are:

- Medium-term contracts with high renewal rates. Complying with legal limitations, we usually enter into either 5-year or 4-year maximum term contracts. We have experienced a high rate of renewal for these types of contracts in the recent past.
- No volume risk. For each MUX distributed, we receive a "flat fee" as long as the conditions attached to the audiovisual licenses for TV channels do not change.

- Stable and visible pricing. The prices we charge to our customers are negotiated between the parties although we have to fulfil a series of regulatory requirements. In order to price our services, we use a method which has been fully disclosed to the telecom regulator and competition authorities.
- Indexation to CPI that allows us to cover increase in operational costs.

Our key customers for radio services include Catalunya Radio, Cope, Grupo Radio Blanca, Onda Cero and RNE. Our contracts with radio stations typically have a term of five years and the prices are usually indexed to inflation. The top five customers in this segment generated €14,591 thousand of operating income for the year ended December 31, 2016, accounting for 68% of our operating income generated from radio services for the year. Moreover, approximately 75% of the operating income generated by our radio activity came from private funding. As of June 30, 2017, the portion of our operating income generated by our top five customers remained similar to the figures indicated in this paragraph for the period ended on December 31, 2016.

The main customers for our other broadcasting services (O&M, connectivity and others) include, among others, Televisió de Catalunya, Elecnor and Radio Televisión Española. These contracts have an initial term of three years.

Competition

According to the CNMC, we are the leading audiovisual media infrastructure operator in Spain with an overall audiovisual market share (TV and radio) of approximately 84% as measured by revenues as of December 31, 2015 (latest available). According to the CNMC, the total TV and radio broadcast services at the national and regional level generated €179 million of operating income for the same period, not including pay TV and subsidies. We currently enjoy 100% of the domestic market share in national TV broadcast services.

Other Network Services

Overview

Operating income from our Other Network Services activity was €39,466 thousand, €86,812 thousand, €85,059 thousand and €79,160 thousand, which represented 10.44%, 12.3%, 13.9% and 18.2% of our operating income for the six-month period ended June 30, 2017 and the years ended December 31, 2016, 2015 and 2014, respectively. Our backlog as at December 31, 2016 for this activity was €171,483 thousand.

Services

We classify the type of services that we provide in this activity in four groups, each of which is described in detail below.

<u>Connectivity services</u>

These services include connectivity between different nodes of the telecommunication networks (backhaul) of our clients and/or connectivity with our customers' premises (enterprise leased lines), using radio-links, fiber or satellite. We also provide specialised leased lines to telecom operators such as MNOs or fixed network operators ("**FNOs**"), public administrations, and small and medium enterprises as well as companies in rural areas of Spain enabling high speed connectivity

<u>PPDR services</u>

We operate seven regional and three municipal TETRA networks which are critical for the communication needs of regional governments and municipalities where the networks are located and a highly reliable Global Maritime Distress and Safety System ("**GMDSS**") for the Maritime Rescue Service for the Safety of Life at Sea, which provides communication services to ships in distress and risk situations in the coastal areas around Spain. We also operate the Automatic Identification System ("**AIS**") for the Spanish Maritime Safety Agency, an arm of the Spanish Ministry of Transport and Public Works.

<u>O&M</u>

We manage and operate infrastructure (as opposed to outsourcing it to third parties) and provide maintenance services of customer equipment and infrastructure to our customers (other than our broadcasting customers that are serviced by the Broadcasting Infrastructure activity).

<u>Urban telecom infrastructure</u>

We provide communications networks for Smart Cities and specific solutions for efficient resource and service management in the cities.

Customers and Contracts

Our main customers for our connectivity services are BT, Colt, Orange and Vodafone. Our connectivity contracts usually have an initial term of three years and the fees we charge are linked to the number of circuits deployed and the capacity used.

We serve multiple national, regional and local public entities for which we act as a trusted supplier of mission critical services and infrastructure. Some of the key customers for the public safety and emergency networks services include the Ministry of Defense, the National Maritime Rescue, the Generalitat of Catalonia and the Generalitat of Valencia.

The main customers for our O&M services are Enel, Gas Natural Fenosa, Telefónica and Vodafone. Although it varies depending on each specific service, our O&M contracts usually have an initial term from two to ten years and the fees that we charge our customers are linked to the quantity of equipment to be maintained and the particular type of maintenance provided.

The key customers for our urban telecom infrastructure services are the city council of Barcelona and Securitas Direct. Some of the customers of our other services are Ferrocarrils de la Generalitat of Catalonia and UTE Energía L9.

The five largest customers of the Other Network Services activity generated €49,247 thousand of operating income for the year ended December 31, 2016, representing 56.7% of our operating income from the activity for the year. As of June 30, 2017, the portion of our operating income of the Other Network Services activity generated by our top five customers remained similar to the figures indicated in this paragraph for the period ended on December 31, 2016.

Competition

Our main competitors in the provision of connectivity services are MNOs providing wholesale access such as Orange, Telefónica and Vodafone.

Within the PPDR activity, our main competitor at a national level is Telefónica's TETRA network. In the other services that we provide within this line of activity there is a wide range of competitors operating.

Our main competitors in the provision of O&M services and trading are Ericsson and Huawei, among others.

Our main competitors in the provision of Smart City services are companies such as Indra, Schneider Electric and Telefónica.

Properties

As of December 31, 2016, we owned or leased our network of 17,900 infrastructures which transmit signals for several of the services that we provide. Many of our infrastructures are used for more than one activity (for example, MNO equipment hosted on broadcasting infrastructures), generating economies of scale in our business. All our telecom infrastructures and most broadcasting infrastructures are remotely monitored. We believe we have a unique and dense, nationwide portfolio of infrastructures well diversified between telecom and broadcasting infrastructures.

As of December 31, 2016, we own and operate substantially all of our infrastructures, with a nationwide portfolio of 7,415 infrastructures in Spain, 8,811 infrastructures in Italy, 725 infrastructures in the Netherlands, 578 infrastructures in the UK and 371 in France. Upon completion of the Bouygues Acquisitions, the Swiss Towers Acquisition and the Alticom Acquisition, we expect to own 3,729 additional infrastructures in France, 2,239 in Switzwerland and 30 additional in the Netherlands (See "*Material Contracts*").

For information of our operating offices, see "*Relatated Party Transactions*".

Material Contracts

General – Acquisition Strategy

Our acquisition strategy of infrastructure portfolios is based on a disciplined and selective approach based on the business case for each acquisition. As to the financing of each project, we generally analyze the different financing alternatives when each payment is due.

Alticom Acquisition

In the third quarter of 2017, our subsidiary Cellnex Netherlands entered into a sale and purchase agreement with Infracapital F1 S.À.R. L., whereby it acquired 100% of Alticom, a Dutch operator and provider of location services for wireless telecommunications transmission equipment, location of servers and access to the optical fiber network. The acquisition, which includes 30 high-rise and long-range sites throughout the Netherlands, was agreed for a total investment of € 133 million.

The incorporation of Alticom strengthens and consolidates our strong position among independent telecommunications infrastructure operators in the Netherlands. Alticom's long-range network (high towers with large equipment capacity) hosts wireless voice, data and audiovisual content transmission equipment and complements the network of 758 urban and rural sites that Cellnex Netherlands already managed in the Netherlands.

The characteristics of Alticom's sites are a key element to the future roll-out of 5G. The sites are connected to the optical fiber backbone and can host remote servers to enhance data processing and storage capacity to the end users of 5G-based applications which is essential for meeting the exponentially increasing demand and requirements of an increasing number of people and connected objects: 50 billion by 2020.

Swiss Towers Acquisition

In the second quarter of 2017, a consortium of investors including Swiss Life (the asset management arm of the life insurance and pensions company), Deutsche Telekom Capital Partners (the investment management group of Deutsche Telekom) and Cellnex entered into a share purchase agreement with Sunrise Communications International S.A. ("**Sunrise**") and Skylight Sàrl for the acquisition of 100% of the share capital of Swiss Towers AG ("**Swiss Towers**") for a consideration of approximately €430 million. We hold a 54% stake in the consortium and will control and consolidate the acquired entity. Swiss Towers' assets include 2,239 towers in Switzerland and the related contracts. As part of the transaction, Swiss Towers entered into several agreements with Sunrise creating a long-term relationship between Swiss Towers and Sunrise.

The closing of the transaction was subject to fulfilment of certain obligations, including obtaining various regulatory approvals, which were fulfilled by early August 2017. In connection with the acquisition, the consortium entered into several agreements, including:

- an agreement for the sale and purchase of all of the shares in Swiss Towers AG ("**Swiss Towers SPA**");
- a Master Services Agreement for the rendering of services relating to radio equipment ("**Swiss Towers MSA**"),
- a Build-to-suit agreement for the deployment of additional infrastructures ("**Swiss Build-to-suit Agreement**").

In addition, Deutsche Telekom Capital Partners and Cellnex entered into a put option agreement ("**DTCP Put Option Agreement**"), in which Deutsche Telekom Capital Partners has a put option to sell its stake (c.18%) to us, payable in cash or in Cellnex shares.

In order to partially finance the Swiss Towers Acquisition:

- the consortium has entered into a CHF 170 million (equivalent to € 156 million) facility agreement with a syndicate of banks in Cellnex Switzerland (of which, CHF 155 million (equivalent to € 142 million) corresponds to a loan and CHF 15 million (equivalent to € 14 million) to a credit facility). The shares of Swiss Towers SPA are pledged in favour of the lending entities of such facility agreement; and
- Cellnex has entered into a loan agreement with a limit of CHF 200 million (equivalent to € 183 million).

Swiss Towers SPA

Pursuant to the Swiss Towers SPA, Sunrise and Skylight Sàrl sold 100% of the share capital of Swiss Towers to the consortium in exchange for a consideration of approximately €430 million payable on the closing date. The Swiss Towers SPA contains certain representations and warranties of Sunrise and certain indemnification obligations in case of breach thereof.

Swiss Towers MSA

The MSA establishes the conditions under which Swiss Towers will provide, on a non-exclusive basis, a range of services to Sunrise for a period of 20 years starting on January 1, 2017, extendible by a further 20 years in two 10-year periods.

Pursuant to the terms of the MSA, Swiss Towers shall provide Sunrise with infrastructure management services in consideration for an annual fee which may be adjusted to reflect changes of scope of the agreement and certain other events, and indexed to the Swiss CPI. The Swiss Towers MSA (as well as the Swiss Towers SPA and Swiss Build-to-suit Agreement) is subject to Swiss law.

Swiss Build-to-suit Agreement

Under the Swiss Built-to-suit Agreement, Swiss Towers and Sunrise agreed on the terms for the building of additional infrastructures over the next ten years. Swiss Towers will be the beneficial owner of these additional sites and Sunrise will be entitled to operate its radio equipment and ancilliary equipment on these additional sites in accordance with the Swiss Towers MSA.

DTCP Put Option Agreement

Under the DTCP Put Option Agreement, Cellnex granted Deutsche Telekom Capital Partners a put option over his shares in Cellnex Switzerland (c.18%). In case of exercise of the put option, the purchase price for the shares would be calculated according to certain formulas included in the DTCP Put Option Agreement. We may choose to pay the purchase price in case of an exercise either in cash or with Cellnex shares.

Bouygues II Acquisition

In the first quarter of 2017, our subsidiary Cellnex France reached an agreement with Bouygues Telecom for the acquisition and building of up to 3,000 urban infrastructures in France, structured around two separate projects:

- The first one relates to the acquisition of up to 1,800 infrastructures for a total enterprise value of €500 million and involves urban infrastructures in the main cities of France (approximately 85% located in areas with a population above 400,000 inhabitants) which are to be gradually transferred to Cellnex France over a period of two years.

- We have also agreed with Bouygues Telecom on a second project for the building of up to 1,200 infrastructures for a total investment of €354 million. This build-to-suit project relates to urban infrastructures to be built over an estimated period of five years.

In the third quarter of 2017, it was agreed to increase the number of infrastructures to be acquired by us up to a maximum of 600 additional urban sites in France for an amount of €170 million, which are to be gradually transferred to Cellnex France no later than 2020. As a result of this extension, the agreements with Bouygues Telecom consists of the acquisition and construction of up to a maximum of 4,100 sites in France.

We are thus strengthening our position in France by becoming the second largest independent infrastructure operator, reinforcing our current long-term partnership with Bouygues Telecom and setting the foundations to continue capturing organic growth in the country through future densification needs.

Bouygues Telecom will be our main customer of this portfolio of infrastructures, with whom we have signed a tailor-made Master Service Agreement for an initial period of 15 years that can be extended up to 15 additional years, and with a 2% annual fixed fee escalator.

Shere Acquisition

In the third quarter of 2016, we entered into an agreement with funds managed by Arcus Infrastructure Partners and other minority shareholders for the acquisition of 100% of Shere Group for a total consideration of €393 million.

Shere's assets include a portfolio of 1,004 infrastructures, 464 in the Netherlands, spread evenly throughout the country, and 540 located in the UK, concentrated mainly in England and Wales.

The acquisition consolidated our position as a key player in the Netherlands.

Bouygues Acquisition

In the third quarter of 2016, our subsidiary Cellnex France reached an agreement with Bouygues Telecom to acquire up to 500 infrastructures in two phases. The infrastructures are distributed throughout France, mostly in suburban and rural areas, with a small percentage in urban areas.

The closing of the first and second phase of the transaction were subject to fulfilment of customary administrative procedures, which were fulfilled on September 16, 2016 and December 1, 2016, respectively. In connection with the acquisition, we entered into, among others, the following agreements:

- a master purchase agreement (the "**Bouygues MPA**") between Cellnex France and Bouygues Telecom; and
- a master services agreement (the "**Bouygues MSA**") between Cellnex France and Bouygues Telecom.

The transaction allowed us to enter the French market and to consolidate our position as a key independent telecommunications infrastructure operator with extensive presence in European markets. In addition, the agreement with Bouygues Telecom could lead to additional business opportunities such as construction of new infrastructures on demand or the deployment of new technologies such as small cells for extension of mobile coverage.

Bouygues MPA

Under the Bouygues MPA, Cellnex France and Bouygues Telecom agreed on the acquisition of 500 infrastructures in France in two phases:

- In the first phase, Cellnex France acquired 230 telecommunication infrastructures from Bouygues Telecom for a consideration of €80 million.
- In the second phase, we acquired 270 additional infrastructures from Bouygues Telecom for €67 million.

Thus, the cumulative investment in the acquisition of the 500 infrastructures in France amounted to €147 million.

Since both transactions were structured as asset acquisitions, the infrastructures involved in the two batches acquired are being gradually integrated into Cellnex France and operated by the company. This gradual process allows the completion of the formal administrative procedures with landlords and local administrations. Under the terms of the Bouygues MPA, we also have the pre-emptive right and right-to-match to build up to 250 new infrastructures for Bouygues Telecom (build-to-suit) during five years.

Bouygues MSA

In line with our business strategy to adopt a partnership-based approach when considering potential acquisitions, and in connection with the acquisition, we entered into, among others, the Bouygues MSA with Bouygues Telecom.

The Bouygues MSA establishes the conditions under which we will provide, on a non-exclusive basis, a range of services to Bouygues Telecom for a period of 15 years starting on the date on which each infrastructure is transferred. Unless the agreement is terminated under the terms described therein, Bouygues Telecom may confirm the expiration of the agreement following such term or renew it for all the infrastructures covered for 3 additional period of 5 years.

Under the terms of the Bouygues MSA, we shall provide Bouygues Telecom with a value added integrated set of highly qualified services to allow and support Bouygues Telecom to set up, develop and manage its network in order to provide undisturbed and continuous mobile communication services to its clients. These services include the identification, acquisition and management of an infrastructure within a relevant geographical area, infrastructure engineering, infrastructures and infrastructure construction, encompassing: (i) infrastructure management activities, (ii) rollout of new customers and equipment upgrades, (iii) assumption, performance on enforcement of all rights and obligations pursuant to hospitality agreements with third parties, (iv) hospitality of customers in new areas, (v) construction of infrastructure in new areas, (vi) infrastructure upgrades, and (vii) static verification. In addition, Cellnex France may have to provide additional support services related to the roll-out of additional customers on the infrastructures.

Bouygues Telecom has the right to install, maintain, connect and provide services with its own equipment on any Cellnex infrastructure, as well the right to remove, modify and, with our prior written consent, relocate its equipment on any infrastructure. Bouygues Telecom undertakes not to market, or in any way commercially exploit, the space it uses at any infrastructure of Cellnex.

The fees agreed in the Bouygues MSA in exchange for the services will increase a 2% annual fixed fee escalator. The Bouygues MSA is subject to French law.

CommsCon Acquisition

In the first half of 2016, Cellnex Italia acquired the 100% of CommsCon, an Italian operator and provider of innovative 'small cell' solutions for mobile broadband coverage in large open and closed spaces for a consideration of €19,904 thousand. Our actual cash outflow in relation to this transaction has been €18,729 thousand for the year ended December 31, 2016, following the incorporation of €1,175 thousand of cash balances on the balance sheet of the acquired company.

CommsCon, set up in 2002, specialises in providing coverage to mobile operators in high-traffic areas such as airports, hospitals, stadiums, large offices, etc. The company operates 85 technical rooms which host up to 720 base transceiver stations ("**BTS**"). These are connected to a dense network of 12,200 small antennas deployed in the DAS systems managed by CommsCon. This infrastructure provides coverage in emblematic infrastructures such as Milan's San Siro stadium and Turin's Juventus stadium, the Milan, Genoa and Brescia undergrounds, hospitals in Bergamo and Milan, high-speed tunnels in Bologna, the Gran Sasso Tunnel (10 km under the Apenines) Milan's historic city centre, offices and exhibition halls, as well as the Milano-Malpensa Airport and commercial malls (e.g. IKEA centers).

The acquisition confirms our commitment to developing and rolling out Small Cells and enhances our strategic position in the sector.

Protelindo Acquisition

In the third quarter of 2016, we entered into an agreement with Protelindo, a subsidiary of the Indonesian telecommunications towers group PT Sarana Menara Nusantara, and Management Tower Europe S.à r.l. for the acquisition of 100% of the share capital of Protelindo Netherlands B.V.for a consideration of € of €112 million.

The transaction added 261 mobile telecom infrastructures in the Netherlands to our portfolio. The 261 infrastructures acquired from Protelindo are spread all over the country. 80% of these infrastructures are located in areas close to the main road corridors, adding to their appeal as a location for mobile operators' equipment. The average customer ratio of these infrastructures is 1.88 and 75% of the revenues are linked to contracts lasting until 2028.

The acquisition allowed us to enter one of the most advanced telecom markets in Europe. Additionally, the independent telecom infrastructure operators generally have strong positions in the Dutch market further enhancing the overall attractiveness of the market.

Galata Acquisition

In the first quarter of 2015, we reached an agreement with Wind for the acquisition, through our wholly owned Italian subsidiary Cellnex Italia, of 90% of the share capital of Galata for a consideration of €693 million. Wind retained ownership over 10% of the remaining share capital until July 4, 2017 when Wind exercised its preemption rights for the transfer of its entire ownership interest of Galata for € 87,518 thousand, pursuant to a put option contract. With this acquisition, Cellnex Italia holds 100% of the share capital of Galata.

Several ancillary agreements (shareholders, transitory services, infrastructure services and option agreements) were executed in the context of the acquisition laying the basis for a long-term relationship with Wind.

Further Acquisition of infrastructures from Telefónica

In the second half of 2014, our subsidiary On Tower entered into a letter of intent with Telefónica to set up the framework for the acquisition, among other transactions, of up to 1,340 infrastructures (Project Volta Extended Phase I) and 450 infrastructures (Project Volta Extended Phase II). In relation to Project Volta Extended Phase I, On Tower acquired 1,090 infrastructures in the second half of 2014 in exchange for €154 million. In relation to Project Volta Extended Phase II, On Tower agreed to acquire 300 infrastructures in the second half of 2014 in exchange for €43.5 million, half of which was paid in the first quarter of 2015.

Several ancillary agreements (subleasing, infrastructure sharing and services agreements) were executed in the context of the acquisition, deepening our relationship with Telefónica.

Insurance

We maintain insurance coverage for property damage, employer's liability, and public and private liability, levels which are customary in our industry. We also maintain other types of insurance that are typical in our industries at customary industry levels, such as environmental and pollution, cyber-risks or electronic equipment. Our insurance policies are subject to customary deductibles and exclusions.

Environmental

We have an environmental policy applicable to all our companies and a global environmental management system that ensures compliance with local environmental regulations and seeks to continuously improve the environmental management processes of our activities and facilities.

We consider that in the context of our operations we comply with applicable environmental protection laws and we have procedures designed to encourage and ensure such compliance. For the six-month period ended June 30, 2017 and for the years ended December 31, 2016, 2015 and 2014, we did not account for any provision to address potential environmental risks since we considered that there were no significant contingencies associated with potential lawsuits, indemnities or other items, as our operations comply with environmental protection laws and as procedures are in place to foster and ensure compliance.

It is our policy to pay maximum attention to environmental protection and conservation, and we adopt 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. We have an environmental policy applicable to all our companies and a comprehensive environmental management system that ensures compliance with local environmental legislation and continuously improves the environmental management processes for our activities and facilities.

Thus, in addition to focusing our activity on sustainability and responsibility principles, we have defined Sustainable Business Development as one of the basic pillars of the CR Master Plan. The goals defined in the Plan under the Sustainable Business Development pillar are:

- Maintaining a level of integrated environmental management throughout the Group;
- Promoting energy efficiency, increasing the use of renewable energy and implementing efficiency measures at our premises;
- Opting for sustainable mobility;
- Implementing a Zero Waste culture;
- Reduce progressively our carbon footprint;
- Protecting and respecting the ecosystems affected by our activity;
- Participating in the analysis of ERM in Spain;
- Promoting a sustainable culture within our organisation;
- Measuring and communicating environmental performance, as well as reporting it annually in international organizations (CDP, GRI, DJSI, UNGC or FDTE).

With regard to quality control, our companies Retevisión-I, S.A.U., Tradia and On Tower are certified in ISO 9001 Quality, ISO 14001 Environmental Management, OSHAS 18001 Occupational Health and Safety, UNE 166002 Research, Development and Innovation, ISO 17025 Competence of Testing and Calibration Laboratories and ISO 27001 Information Security, underscoring their continued commitment to quality.

We have invested significant amounts in environmental activities regarding civil works, equipment and environmental licensing projects. The acquisition cost of these activities for the years ended December 31, 2016, 2015 and 2014 amounted to €5,032 thousand, €4,870 thousand and €4,493 thousand, respectively, and the related accumulated depreciation and amortisation was €2,244 thousand, €2,017 thousand and €1,799 thousand for the year ended December 31, 2016, 2015 and 2014. Expenditure on protecting and improving the environment accounted for directly in our consolidated income statement amounted to €889 thousand, €736 thousand and €646 thousand for the year ended December 31, 2016, 2015 and 2014, mainly corresponding to consulting services and external waste management costs.

We consider that the potential contingencies, indemnities and other environmental risks associated with our activities adequately covered by civil liability insurance policies that we have subscribed.

Employees

As of June 30, 2017, we had a total of 1,324 employees: 1197 were in Spain, 118 in Italy, 11 in France, 10 in the UK and 8 in the Netherlands. As at December 31, 2016, we had a total of 1,320 employees (1,245 and 1,156 as of December 31, 2015 and as of December 31, 2014, respectively).

The table below shows the number of our employees, its subsidiaries and associates at the end of the month period ended June 30, 2017 and at the end of the years 2016, 2015 and 2014, broken down by job category and gender. During the relevant period, we had not employed a significant number of temporary employees.

	As of June 30,			As of December 31,								
	2017			2016			2015			2014		
Number of our employees	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Executive Director.........	1	0	1	1	-	1	1	—	1	1	—	1
Senior Management.......	8	1	9	6	1	7	5	1	6	4	1	5
Middle Management......	83	25	108	98	24	125	85	20	105	55	16	71
Other Employees...........	962	244	1.206	945	239	1,187	914	219	1,133	885	194	1,079
Number of employees at the period-end...........	**1,054**	**270**	**1,324**	**1,050**	**264**	**1,320**	**1,005**	**240**	**1,245**	**945**	**211**	**1,156**

Investigation, Research and Development

As part of our business, we are committed to investing in research and development and investigation ("**R&D+i**").

At international level, the European H2020 GrowSmarter project in the area of Smart Cities is notable as work has continued on the implementation of an urban resource IoT platform in the city of Barcelona in order to enable the integrated management of mobility and energy efficiency, including the development of an "intelligent, energy efficient street lamp" and intelligent management of taxi ranks for the Metropolitan Institute of Taxis (Institut Metropolità del Taxi). In addition, the European project H2020 5GCity kicked-off on the second quarter of 2017 at our offices. It is aimed at investigating and validating solutions for the provision of 5G services through the figure of a federating entity or "neutral operator", allowing the sharing of resources and the efficiency and rationalization of 5G technology.

Also at the European level, three Celtic-Plus awards have been awarded for the following European projects: (i) Flexnet Project, through a consortium cordinated by us, aimed at investigating the development of 5G solutions for IoT applications in security and emergency environments using SDN (Software Defined Network); (ii) Lean Project, in which we act as coordinator of the Spanish contribution, aimed at developing and validating 5G solutions for applications in rural environments contemplating the sharing of infrastructure; and (iii) Project Sarws, a project aimed at improving road safety in unfavourable weather conditions through the application of IoT and V2X technologies.

In the field of the "connected vehicle", we have continued with the V2XArch project, where a simulator has been constructed and has begun the development of the Backend platform for testing in a real environment towards the end of the year. The Polarys project also continued, aimed at developing of solutions with VDES technology through the use of drones to improve safety and services provided at sea.

We also undertook the Veo5G Project, funded by CDTI and coordinated by us, for the validation of models of exploitation of 5G infrastructures using NFV virtualization techniques. Likewise, the Solare2RF project, financed by the Basque Government, has continued and is intended to develop solutions and monitoring tools to increase the level of energy efficiency at our sites.

Regarding the audiovisual industry, we may highlight some notable projects: TVRING, in the field of broadcasting and related to hybrid television through broadcasting and the Internet and Globalitv, with European and Brazilian partners intended to boost the European standard for Hybrid TV in Brazil.

In addition to the above, other projects have been continued, such as, the iCity project (with the participation of Barcelona, London, Bologna and Genoa), COMPOSE (on IoT), ACORN (Software Defined Radio applied to IoT), REINVEL (solutions for charging electric cars at parking meters), PLEASE (on 4k broadcasting and encoding solutions) and ONDADA (expanding coverage at sea for the marine safety platform and marine positioning of boats and AIS).

Legal Proceedings

At any given time, we may be a party to litigation or be subject to non-litigated claims arising out of the normal operations of our business. As of the date of this Registration Document the material legal proceedings outstanding are summarized below and they all refer to antitrust and state aid proceedings where the Company and Retevisión are involved. If any of these legal proceedings were not resolved in our favor, it could have a material adverse effect on our business, prospects, results of operations, financial condition and cash flows.

- On May 19, 2009, the CNMC imposed a fine of €22.7 million on the successor of Abertis Telecom, S.A.U. for an alleged abuse of dominant position in the market for transportation and broadcasting of TV signal in Spain, contrary to article 2 LDC and article 102 of the Treaty on the Functioning of the EU ("**TFEU**"). In the opinion of the CNMC, the Company had allegedly abused its market power by (i) demanding substantial sums of money from its customers as a penalty for early termination of contracts; (ii) establishing contracts of excessive duration; and (iii) offering discounts if customers purchased more than one service. The decision also imposed on the Company a duty to grant certain customers of carrier support services (Sogecable, Telecinco and Net TV) the right to terminate certain contracts unilaterally and for whatever reason, by giving three months' prior notice. Such notice can be given both for a partial termination of any of the regional territories (*placas regionales*) or for the entire national territory. The Company requested the deferral of the payment of the fine until the Court ruled on the matter, a deferral that was granted on January 10, 2010. The Company also appealed the decision of the CNMC before the Spanish High Court (*Audiencia Nacional*), which on February 16, 2012 denied the appeal and upheld the decision on all grounds. We further appealed the decision of the Spanish High Court to the Supreme Court on June 12, 2012. The Supreme Court ruled on April 23, 2015 and partially granted the appeal and declared that the CNMC resolution regarding the calculation of the fine was not in accordance with law and ordered the CNMC to recalculate it. The decision issued by the CNMC recalculating the aforementioned amount (€18.7 million) was appealed against to the Spanish High Court on September 29, 2016.

  On February 8, 2012, the Spanish antitrust authorities imposed a fine of €13.7 million on the successor of Abertis Telecom, S.A.U. for an alleged abuse of dominant position in the DTT-signal transport business in Spain contrary to article 2 LDC and article 102 of the TFEU. The alleged infringement derived from the Company establishing margin squeezing prices for (i) wholesale access to its broadcast centers and infrastructures in Spain; and (ii) retail transport services for distribution of OTT signals. We filed an appeal against the Spanish antitrust authorities' decision before the Spanish High Court (*Audiencia Nacional*) on March 21, 2012 and also requested the deferral of the payment of the fine until the Court rules on the matter, a deferral that was granted on June 18, 2012. The Spanish High Court ruled on February 20, 2015 and partially upheld our appeal. We further appealed the decision of the Spanish High Court to the Supreme Court on May 26, 2015. The Supreme Court has not yet ruled on the matter. Until the appeal before the Supreme Court is not resolved, the CNMC will not start the process of calculating the fine.

  As a result of the spin-off of Abertis Telecom, S.A.U. (now Abertis Telecom Satélites, S.A.U.) on December 17, 2013, we assumed any rights and obligations that may arise from the aforementioned legal proceedings, as they relate to the spun-off business (terrestrial telecommunications). An agreement was therefore entered into between us. and Abertis Telecom Satélites, S.A.U. stipulating that if the aforementioned amounts have to be paid, Retevisión-I, S.A.U. will be responsible for paying these fines. At June 30, 2017, we have provided three guarantees amounting to €32.4 million (€36.4 million at the close of 2016) to cover the disputed rulings with the CNMC explained above.

- On June 19, 2013, the EC issued a decision concluding that the Company's subsidiary Retevisión and other terrestrial platform operators had received state aid in the form of €260 million scheme to finance the digitalization and extension of the terrestrial TV network in remote areas of Spain during the digital switch-over process and that such state aid was incompatible with the EU rules. The decision ordered the Kingdom of Spain to recover the aid by November 10, 2013, which according to the EC amounted to an aggregate of €40 million for Retevisión. The amount to be returned is still uncertain. On October 9, 2013 Retevisión filed an appeal before the Court of Justice of the EU against such decision which was rejected by a decision on November 26, 2015. We have filed on February 5, 2016 an appeal with the European Court of Justice as we consider there are sufficient grounds for the appeal to succeed and that the public contest was not state aid incompatible with the EU rules. However, it is difficult to predict the ruling of the General Court of the EU.

  The Spanish government, through the Spanish Secretary of State for the Information Society and Digital Agenda (*Secretaría de Estado para la Sociedad de la Información y la Agenda Digital* or "**SESIAD**"), has instructed the different regional governments to issue recovery orders on the basis of their interim calculation. Recovery proceedings have begun in Castile Leon, La Rioja, Aragon, Extremadura, Andalusia, Balearic Islands, Madrid (2 different proceedings) Catalonia, Navarra and Valencia, and to all the Group has filed opposing statements all of these proceedings, as it considers the amounts are not in conformity with the Law. The only proceeding that has been resolved by the courts is the first one relating to the Madrid government by which it requested the repayment of the aid received in this region. We appealed this decision from the Madrid government. On March 31, 2016, the High Superior Court of Justice of Madrid resolved the annulment of the Order of the Madrid government. On July 2017 Retevisión and the Madrid government have reached an agreement by which it has been convened the procedure of repayment and refund to Retevisión of the aid received. Both Aragon and Andalucia Region have proceed with the provisional execution of the aid repayment orders. Retevisión has failed a claim for liability against the referred Regions

- On October 1, 2014, the EC issued a decision concluding that the Company's subsidiary Retevisión and other terrestrial and satellite platform operators had received state aid in the form of a €56.4 million scheme to finance the digitalization and extension of the terrestrial TV network in remote areas of Castile-La Mancha (a Spanish region) during the digital switch-over process and that such state aid was incompatible with the EU rules. The decision ordered the Kingdom of Spain through the regional government of Castile-La Mancha to recover the aid. On October 29, 2015, the government of Castile-La Mancha began an aid recovery proceeding for €719 thousand, which we are opposing. We have not provisioned any amount for this proceeding as it considers there are grounds for ours appeal to succeed. On December 15, 2016, the General Court of the European Union passed a ruling that declined the appeals presented against it. On February 20, 2017, we filed an appeal with the European Court of Justice as we consider there are sufficient grounds for the appeal to succeed. Our appeals have not suspended the enforceability of the recovery orders, which were declared lapsed *ex oficio* on July 4, 2016.

REGULATION

Telecom Infrastructure Services Activity

Despite the existence of laws and regulations applicable to this activity in all markets in which we operate, such as obligations with respect to network sharing or regulations related to emission and power on infrastructure, the Telecom Infrastructure Services activity that we develop is not subject to specific sector-related regulation in any country in which we operate.

Broadcasting Infrastructure Activity

Our Broadcasting Infrastructure activity is an "electronic communications activity" regulated by the Spanish General Telecommunications Act (Law 9/2014, of May 9) (the "**GTA**"), which implemented the EU regulations on the matter in Spain, including, among others, (i) Directive 2002/21/EC of the European Parliament and of the Council of March 7, 2002 on a common regulatory framework for electronic communications networks and services; (ii) the Recommendation on Relevant Product and Service Markets approved by the EC on December 17, 2007 (the "**2007 Recommendation**") regarding the relevant markets of products of services within the electronic communications sector that are eligible for *ex ante* regulation pursuant to Directive 2002/21/CE; and (iii) the Guidelines 2002/C165/03 on market analysis and the assessment of SMP under the European regulatory framework for electronic communications networks and services.

The national regulation authorities ("**NRAs**") on electronic communication matters in Spain are:

1. The CNMC, since its creation in 2013 has assumed many of the functions performed by its predecessor, the CMT; and
2. The Spanish Secretary of State for the Information Society and Digital Agenda (Secretaría de Estado para la Sociedad de la Información y la Agenda Digital or "**SESIAD**"), part of the Ministry of Energy, Tourism and Digital Agenda, and responsible, among others, for the registration of MNOs and the management and control of the radioelectric spectrum.

European regulations

In order to promote competition in the provision of electronic communications networks and services, the European directives that comprised the "Telecom Package" approved in 2002 contemplates that NRAs shall carry out periodic market reviews consisting of three main steps:

1. Relevant market definition: identify markets displaying characteristics which may justify the imposition of *ex ante* regulatory obligations. Any market which satisfies the following three criteria in the absence of regulation will be subject to *ex ante* regulation:
    - o barriers to entry;
    - o low tendency towards competition; and
    - o insufficiency of *ex post* competition law remedies.
2. Significant Market Power (SMP) operators' identification: NRAs must carry out an analysis of the relevant markets, taking into account the guidelines set by the European regulations. Where an NRA concludes that there is no effective competition in a market, it must identify the operators with SMP in that market; and
3. Imposition of *ex ante* obligations on the SMP operators in the market: taking into account the circumstances and particularities of the market, the NRA may impose the appropriate *ex ante* obligations to attempt to ensure the maintenance of an effective competition in the analyzed market.

In the 2007 Recommendation, Market 18 (wholesale access to transmission infrastructures, a market in which we operate) was excluded from those that, *prima facie*, require an analysis of the NRAs. To reach this conclusion the 2007 Recommendation argued that:

- significant changes were underway, with greater competition between platforms due to the transition from analogue to digital TV;
- certain obligations could solve platform accessibility problems that certain TV channels could face, so that *ex ante* regulation was no longer necessary; and
- the NRAs have the power to impose infrastructure sharing obligations without regulating the market.

In any case, NRAs maintain the capacity to apply the three criteria test established in the European regulations to any electronic communications market in order to assess whether, on the basis of national circumstances, a market not included in the 2007 Recommendation might nonetheless still be subject to *ex ante* regulation in a particular member state.

The Spanish General Telecommunications law of 2003 contained the standards that authorized the former CMT to carry out market reviews under the terms described. These standards are currently set out in the GTA.

Definition and market analysis of the television broadcasting transmission service

The former CMT (current CNMC) has conducted three reviews of this market. The first two were approved in 2006 and 2009. On April 30, 2013 the latest revision was approved, which is currently in force.

In a resolution of the Market 18, the CMT (current CNMC) defined the market for broadcasting transmission services by terrestrial waves as that which "includes technical activities consistent in making available audiovisual content produced by broadcasters to the public through telecommunication services as a distribution channel by means of terrestrial waves". Additionally, it geographically distinguished the following markets (i) one national market, (ii) 19 regional markets corresponding to each of the territories of the autonomous communities and autonomous cities, and (iii) 308 local markets defined in terms of boundaries contained in the technical television plan.

The CNMC concluded in its resolution that the market was non-competitive, susceptible to *ex ante* regulation and therefore imposed certain obligations on us due to our deemed condition of SMP operator.

The CNMC considers that there are certain high and non-transitory barriers to market entry in the broadcasting transmission services market mainly because (i) sunk costs are particularly relevant in the market; (ii) there are significant economies of scale that allow the historical operators to obtain relevant reductions in average unit costs; (iii) the service requires an infrastructure that is not easily reproducible and under which no alternative supply is available; and (iv) the existence of legal obstacles to the occupation of the public domain for the installation of networks.

The main obligations imposed on us due to our status as an SMP operator are:

- *Access to other operators.* Obligation to facilitate access to our broadcasting infrastructures of national network to other operators, that reasonably request it, at regulated prices either (i) via co-location and other forms of capacity sharing, or (ii) via interconnection to our equipment when the infrastructure is not replicable, space is no longer available or when the infrastructures are used for national population coverage over 93%.
- *Price control.* Access to third parties must be granted at regulated cost-oriented access prices. The model to determine fair and reasonable prices is based on our costs of production. The goal is to avoid margin squeeze and other predatory or anticompetitive prices. The CNMC determines the system of cost accounting and approves an appropriate return on capital employed.
- *Regulatory accounting obligations.* We must keep a separate accounting of costs and revenue for individual services in order to verify that there is no cross-financing between retail and wholesale prices.
- *Non-discrimination obligation on access conditions.* We must provide resources to third operators equivalent to those provided to ourselves.
- *Notification obligations.* All agreements reached with national TV broadcasters must be notified to the CNMC as well as all agreements to grant access to broadcast operations to our infrastructures.
- *Access reference offer.* There is an obligation of transparency under which we must publish a reference offer for the regulated service, including infrastructure lists, characteristics, service-level agreements and the economic terms. Our regulated prices must not exceed the prices set out in the relevant reference offer. The Reference Offer for Access to Issuers Sites of Cellnex ("**ORAC**") is available on the website of the CNMC (www.cnmc.es). The latest review of ORAC was approved in February 2015.
- *Determination of the specific terms of access.* In any dispute between operators where no voluntary agreements are reached, the CNMC will assess the reasonableness of the access request and, if applicable, will dictate the agreement conditions.
- *Obligations on downstream markets.* There is a general prohibition of anticompetitive behaviors.

*General Telecommunications Act ("**GTA**")*

Our main activity is supplied under free competition in the electronic communications sector, which is regulated by the GTA.

The GTA is the law regulating the electronic communications sector in Spain, which includes network operations and the provision of electronic communications services and associated resources with the exclusion of services regulated by the General Audiovisual Communications Act (Law 7/2010, of March 31).

In general, any natural or legal person who wants to provide services in the electronic communications market must obtain the appropriate authorization certificate that is attained by a system of prior communication to the CNMC, currently operating the Register of Operators (except for those services using radio spectrum and subject to obtaining the appropriate authorization certificate from SESIAD prior to its use).

We hold the necessary authorization certificates for the transmission service of signals using radio spectrum (the only service offered by the electronic communications market) and we are registered in the Register of Operators. The appropriate authorization certificates required for the use of the radio spectrum for radio and television broadcast are not held by us and are held by our clients (i.e., the different operators that provide final telecom services such as TV broadcasters, FM/AM radio broadcasters, etc.). We are required to verify that our clients have those authorization certificates prior to providing transmission and broadcasting service of the signal.

The spectrum used by wireless telecom networks (such as FM, DTT, mobile or PDDR, among others) is a scarce resource that is managed and controlled by the competent organizations of the public administration. Specifically, although the allocation of the different uses of the spectrum is governed by general principles applicable at the European and international level, member states of the EU are responsible for setting the frequency bands authorized for each of the applications. Specifically, in Spain the SESIAD is responsible for this. The frequency allocation is performed in the National Frequency Allocation Table, which determines which frequencies are valid for each of the applications and the technical conditions of use thereof.

The GTA provides an overall framework in which operators can develop their activity, this framework is based on the principles of transparency, non-discrimination and proportionality in order to promote free competition and interoperable networks and services. It aims to establish the CNMC conditions to apply *ex ante* regulations for this market and to resolve disputes between operators. The GTA also regulates the following aspects relevant to the development of our activity:

- rights of operators and deployment of public electronic communications networks, which is the general framework for the implementation and deployment of our networks;
- infrastructure and public electronic communications networks in buildings, as it affects the reception of broadcast services provided by us;
- radio public domain, because we are required to verify that our customers have the authorization certificates needed to use it in their activity, and whose regulation is implemented by the recently enacted Royal Decree 123/2017, of February 24, approving the regulation on the use of radio public domain;
- taxes on telecommunications; and
- inspection and sanction system.

*Spanish Audiovisual Communication Act ("**LGCA**")*

The LGCA states that radio and audiovisual broadcasting are services of general interest that can generally be provided in a competitive environment by anyone, subject to prior notice to SESIAD, and only subject to the constraints derived from the limitations of the spectrum and the protection of the interests of citizens. The audiovisual media services provided by the Spanish Government, however, are considered a public service.

The prior regime based on administrative concessions was substituted by a license regime. Services requiring the use of radio spectrum will have to follow a tender process to obtain the relevant licenses. These licenses generally have terms of 15 years, with renewal mechanisms. The civil radio spectrum allocated to each DTT operator consists of a specific bandwidth that allows them to broadcast one or more channels within a digital MUX. For audiovisual content to reach viewers, DTT operators need a broadcast network that carries the DTT signal from the DTT operators at production centers. This broadcast network consists of a series of transmitters and relay stations where the transmission systems, infrastructure telecommunications equipment, power cables, air conditioning and other equipment which are installed to enable the DTT signal to be carried.

Audiovisual licenses granted to national DTT broadcasters in Spain require nearly complete coverage on population basis: a 96% population coverage requirement for commercial operators and a 98% population coverage requirement for public operators. Currently, the Company is the only Spanish operator which provides the DTT broadcasting services with this total national coverage.

Digital Dividend

The analogue switch-off ("**ASO**") and the implementation of DTT in Spain were completed in April 2010. Royal Decree 805/2014, of September 19, approved the National Technical Plan for Digital Terrestrial Television. Among other matters, this new Technical Plan allowed the release of the so-called "Digital Dividend", so that part of the 800 MHz band of frequencies used by DTT has been made available from March 2015 to mobile operators which were awarded the frequencies through auctions conducted in 2011. As a consequence of the reallocation of the frequencies, the number of MUXs available for DTT service was reduced from eight to seven at a national level and, on a general basis, from two to one at the regional level.

On April 17, 2015, the Spanish government approved a resolution that was published in the Spanish Official Gazette on April 18, 2015 and that contained the basis for a public tender for the award of six new DTT national licenses: two standard definition ("**SD**") channels within the RGE2 MUX, another SD channel within the MPE4 MUX, and three high definition ("**HD**") channels within the MPE5 MUX. The licenses have been awarded to: Grupo Secuoya, Kiss and 13TV (SD licenses) and Mediaset, A3media and Real Madrid (HD licenses). These new channels began their emissions in April 2016.

The World Radio Communication Conference 2015 (WRC 2015) held in Geneva during November 2015 made important decisions on the UHF band, impacting in our business:

- 700MHz band (694 – 790MHz): the WRC15 agreed on the technical details in order to be used by mobile services (LTE) and defined the co-primary allocation of the band to broadcast and mobile services.
- Sub 700MHz band (470 – 694MHz): the WRC15 agreed on keeping the primary use of the band for DTT and to avoid any new debate about the use of the band till World Radio Communication Conference 2023.

In February 2016 and, taking into account the outcome of the WRC15, the European Commission published a draft Decision setting out the use of the UHF band for the coming years.

On May 17, 2017 the Decision (EU) 2017/899 of the European Parliament and of the Council, of 17 May 2017, on the use of the 470-790 MHz frequency band in the Union was approved:

- 700MHz band: The so-called second Digital Dividend, by June 30, 2020, Member States shall allow the use of the 700 MHz frequency band for terrestrial systems capable of providing wireless broadband electronic communications services only under harmonised technical conditions established by the Commission. Member States may, however, delay allowing the use of the 700 MHz frequency band for up to two years on the basis of one or more of the duly justified reasons set out in the Decision.
- Sub 700MHz band: Member States shall ensure availability at least until 2030 of the sub-700 MHz frequency band for the terrestrial provision of broadcasting services, including free television, and for use by wireless audio PMSE (programme-making and special events) on the basis of national needs, while taking into account the principle of technological neutrality. Member States shall ensure that any other use of the sub-700 MHz frequency band on their territory is compatible with the national broadcasting needs in the relevant Member State and does not cause harmful interference to, or claim protection from, the terrestrial provision of broadcasting services in a neighbouring Member State.

In addition, as soon as possible and no later than June 30, 2018, Member States shall adopt and make public their national plan and schedule ('national roadmap'), including detailed steps for fulfilling their obligations above. Member States shall draw up their national roadmaps after consulting all relevant stakeholders. The Spanish government has not yet made any decision in this regard.

Competition Law

Practices restricting competition are prohibited in Spain under applicable competition regulations. Such practices include, among others, (i) the abuse of a dominant position and (ii) prohibited collusive agreements.

The prohibition of competition-restricting practices is the result of both EU and Spanish law. European and Spanish competition laws (articles 101 and 102 of the TFEU and articles 1 and 2 of the Law 15/2007, of July 3 on

Competition) regulate these practices in a similar manner. EU laws regulate any prohibited practices that may affect trade between EU member states, and Spanish laws regulate practices that have a domestic effect.

If the relevant competition authorities (generally the EC on the European level and the CNMC on the national level) determine that a company has abused its dominant position or is party to a prohibited agreement, they may order us to cease such anti-competitive practices and/or impose sanctions which may include fines up to 10% of the revenues obtained by the offending company in the year preceding the resolution.

Actions constituting the abuse of a dominant position, or any clauses in agreements prohibited by the competition regulations, are void and therefore not enforceable. Engaging in competition-restricted practices may trigger the filing of civil claims by third parties that suffered an economic loss. The competition regulation prohibits any agreement between competitors aimed at price fixing, either directly or indirectly, or other relevant commercial conditions, limiting production, allocation of markets or customers, or boycott to third parties.

The competition regulation also prohibits certain practices in connection with the supplier-customer relationship. In this case, there are no absolute prohibitions as they depend on the market share of the parties, duration of the clauses and characteristics of the restrictions of competition.

Regarding the abuse of a dominant position, we enjoy a dominant position in the market affected by the practice. Thus, before examining whether a specific conduct is abusive, it is necessary to determine the relevant market and our position in such market. Defining the relevant market is of great importance because it determines our position in the market. This definition must be done from two perspectives: product/service and geographical. It is therefore crucial to assess the substitutability between goods and services and the homogeneity of competition conditions between regions.

A dominant position is defined as a position of economic or commercial strength that enables a party to behave independently of its suppliers, competitors and customers. There is no legal definition of dominant position either in the Spanish or European regulation, however there are different criteria that are used to assess whether such a position exists or not. One such criterion is market share which gives an indication of the existence of dominance. In this regard, market shares below 30% generally exclude the possibility of the existence of dominance. In any event, the particular circumstances applicable to each case should be carefully analyzed.

Abuse may take different forms. Article 2 of the LDC and Article 102 of the TFEU list the most important: (i) application of non-equitable prices or other trading conditions or services, (ii) limiting production, distribution or technical development to the unreasonable detriment of companies or consumers; (iii) unjustified refusal to satisfy purchases of products or services demands; (iv) applying discriminatory conditions to commercially equivalent situations, which places some competitors at a disadvantage compared to others; or (v) the subordination of certain services to contracting others that are not related to them.

Other Network Services activity

Despite the existence of laws and regulations applicable to this activity, the Other Network Services activity that we develop is not subject to specific sector-related regulation.

MANAGEMENT AND BOARD OF DIRECTORS

Directors

Spanish corporate law provides that a company's Board of Directors is responsible for the management, administration and representation of a company in all matters concerning the business of the company, subject to the provisions of such company's Bylaws and the powers granted by shareholders' resolutions.

The Company's Bylaws provide for a Board of Directors consisting of between four and thirteen members. The Board of Directors of the Company currently consists of ten Directors. The composition of the Board of Directors of the Company at the date of this Registration Document and the status of its members in accordance with the provisions of the Bylaws and the Board of Directors regulations (*Reglamento del Consejo de Administración* or "**Board of Directors Regulations**") of the Company are shown below:

Name	Nature	Title	Date of Appointment or Relection	Term Expires
Mr. Francisco Miguel Reynés Massanet................	Proprietary(*)	Chairman	June 30, 2016	June 30, 2019
Mr. Bertrand Boudewijn Kan	Independent	Vice Chairman	April 16, 2015	April 16, 2018
Mr. Tobías Martínez Gimeno	Executive	Chief Executive Officer	June 30, 2016	June 30, 2019
Mr. Francisco José Aljaro Navarro	Proprietary(*)	Director	June 30, 2016	June 30, 2019
Mr. Pierre Blayau..	Independent	Director	April 16, 2015	April 16, 2018
Mr. Josep Maria Coronas Guinart...........................	Proprietary(*)	Director	June 30, 2016	June 30, 2019
Mr. Lluis Deulofeu Fuguet	Proprietary(*)	Director	April 16, 2015	April 16, 2018
Mr. Peter Shore...	Independent	Director	April 16, 2015	April 16, 2018
Mr. Giampaolo Zambeletti......................................	Independent	Director	April 16, 2015	April 16, 2018
Ms. Concepción del Rivero Bermejo......................	Independent	Director	April 27, 2017	April 27, 2020

(*) Propietary directors representing Abertis Infraestructuras, S.A.

The business address of our Directors and senior managers is currently Juan Esplandiú 11-13, 28007, Madrid, Spain.

The Company's Directors are elected by the Company's shareholders to serve for a term of three years and may be re-elected to serve for an unlimited number of terms, provided that the Directors will cease to qualify as independent Directors once they have served as Directors of the Company for a continuous term exceeding 12 years. If a Director does not serve out his or her term, the Board of Directors may fill the vacancy by appointing a replacement Director to serve until the next General Shareholders Meeting. Any natural or legal person may serve on the Board of Directors, except for persons specifically prohibited by applicable law. A Director may be removed from office by the shareholders at a General Shareholders Meeting.

The Company's Board of Directors is governed by the Company's Bylaws and the Board of Directors Regulations. The Board of Directors Regulations develops our Bylaws and establishes the principles for the functioning of our Board of Directors, including the basic rules for its organization and functions and the standards of conduct for the Board of Directors.

The Board of Directors Regulations provides that the Board of Directors shall ordinarily meet at least once every three months. The Chairman of the Board of Directors may call a meeting whenever he or she considers such a meeting necessary or suitable, and the Chairman of the Board of Directors is also required to call a meeting at the request of one third of the members of the Board of Directors, who shall be entitled to call the meeting by themselves if the Chairman does not attend such request within the following month. The Company's Bylaws provide that a majority of the members of the Board of Directors (represented in person or by proxy by another member of the Board of Directors) constitutes a quorum. Except as otherwise provided by law or specified in the Bylaws and Board of Directors Regulations (such as the delegation on a permanent basis of certain functions on the Executive Committee and other actions that require approval by 2/3 of the Board of Directors), resolutions of the Board of Directors are passed by an absolute majority of the Directors present or represented at a Board Meeting.

Biographical Information

Below is a brief description of the qualifications and professional experience of our Directors.

Mr. Francisco Miguel Reynés Massanet

Mr. Francisco Miguel Reynés is Chairman of our Board of Directors and the Vice Chairman and Chief Executive Officer of Abertis Infraestructuras, S.A. ("**Abertis Infraestructuras**") a position he has held since 2010. He is an Industrial Engineer, Mechanics speciality, from the University of Barcelona and has an MBA from the IESE Business school. He also studied Top Management programmes in the USA and Germany. He was born in Majorca in 1963. He represents Abertis Infraestructuras on the Governing Boards of Sanef in Paris, Arteris in São Paulo and Hispasat in Madrid. Before joining Abertis Infraestructuras, Francisco Reynés was General Manager of Criteria CaixaCorp, "la Caixa's" business holding. From this position he managed the company's Stock Exchange flotation operation in October 2007. In recent years, he has been a Board Member of Gas Natural Fenosa, Aguas de Barcelona, Segur Caixa Holding, Boursorama, Adeslas and Port Aventura.

Mr. Bertrand Boudewijn Kan

Mr. Bertrand Boudewijn Kan is an independent Director of Cellnex. 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 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 served on the Investment Banking Global Executive Committee. Among other responsibilities, he is currently a member of the Board of Síminn hf., the telecommunication's operator in Island, and also a member of the Advisory Board of Wadhwani Asset Management and of the Supervisory Board of UWC Netherlands. Bertrand Kan graduated with B.Sc. and an M.Sc. degrees in Economics from the London School of Economics.

Mr. Tobías Martínez Gimeno

Mr. Tobías Martínez Gimeno is the current Chief Executive Officer of Cellnex. He joined Abertis Telecom in 2000 (the former Acesa Telecom, S.A.) to develop the diversification project of Acesa in the field of telecommunications infrastructure, first as Director and General Director of Tradia and later of Retevisión. Before joining the Abertis group, he headed his own business project in Information and Telecommunication Systems for more than ten 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).

Mr. Francisco José Aljaro Navarro

Mr. Francisco José Aljaro Navarro is a director of Cellnex since 2005. He was born in Cordoba in 1961. He began his career at Arthur Andersen, as Audit Manager. In 1991, he joined the Cortefiel group as CFO. Subsequently, as Director of Strategy, Finance and Control, he played a part in the international growth of the company until 2003, when he took up a similar position with the González Byass group. Nowadays is the Chief Financial and Corporate Development Officer of Abertis Infraestructuras. Responsible for the areas of Finance and Rating, Investors Relations, Controlling and Consolidation, Tax as well as the Strategic Planning and M&A Projects. He is also a Board Member of Abertis' group of companies in several countries.

Mr. Pierre Blayau

Mr. Pierre Blayau is an independent Director of Cellnex. He is currently holding the position of president of CCR (Caisse Central de Reassurance) and an independent member of the Boards of Directors of FIMALAC and the Canal+ Group. He was previously Chief Executive Officer of Saint-Gobain, 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 National d'Administration de Paris.

Mr. Josep Maria Coronas Guinart

He is responsible at Abertis Infraestructuras for the Corporate Secretary, Legal Advice, Risk Control and Insurances, Internal Auditing and Communication and Branding, as well as Institutional Relationships and the Abertis Foundation. He is State Attorney, economist and full member of the Royal Academy of Economics and Finance. He is also Vice Secretary of the Abertis Infraestructuras' Board. Among other previous responsibilities, he's been Secretary of the Regional Economic-Administrative Tribunal of Catalonia and Legal Advice Director in the Economic and Finance Department of the Catalan Government.

Mr. Lluis Deulofeu Fuguet

Mr. Lluis Deulofeu Fuguet is a Director of Cellnex. He is the Managing Director of the Sanef Group and President and Managing Director of SAPN. He was previously Managing Director for Resources and Efficiency at Abertis Infraestructuras, and a Director of various companies related to the Abertis group of companies. He has furthermore been Chief Technology Officer of La Caixa, Director of "e-la Caixa", Invercaixa Gestión and the President of Silk, all of which belong to the "la Caixa" Group. He has held the position of Vice-President of the Catalan Foundation for Research and Innovation, and been a Director of the Barcelona Digital Foundation. Lluis Deulofeu Fuguet holds a Telecommunications Engineering degree from the Universitat Politècnica de Catalunya and PDG from the IESE School of Barcelona.

Mr. Peter Shore

Mr. Leonard Peter Shore is an independent Director of Cellnex. He has extensive experience in the telecommunications and tech sector. He held the position of Chairman of Arqiva in the UK for eight years from 2007. He has also been Chairman of Uecomm, Lonely Planet Publications, the Hostworks Group and Airwave. He was Group Managing Director at Telstra in Australia, Chief Executive Officer of Priceline (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. Leonard Peter Shore holds a degree in Applied Mathematics and Computing Science from the University of Adelaide.

Mr. Giampaolo Zambeletti

Mr. Giampaolo Zambeletti is an independent director of Cellnex. He has spent much of his professional career in the chemicals/pharmaceuticals and telecoms sectors, and currently holds the position of President of RCS Investimenti and 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. Recently has been appointed Board Member of Banca Farmafactoring Group in Milan.

He 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

Ms. Concepción del Rivero Bermejo

Ms. Concepción del Rivero Bermejo is an independent director of Cellnex. She has 25 years of experience in leadership roles in the world of information and communications technology, mobility and the digital services industry and is one of the most prominent profiles in the sector in Spain. She has extensive experience and a proven track record ranging from key consumers to manufacturers and suppliers of hardware, to telecom operators and software industry. Her career and executive responsibilities have included working at Telefónica, Nokia (Iberia and Corporation), Xfera Móviles, Amena and Nefitel. She is currently Senior Advisor at Ericsson and is a member of the advisory boards of the "Made in Mobile" technology incubator and the "Roca Salvatella" digital transformation consultancy. She is a Board member of the *International Women's Forum* and of the *Women Corporate Directors Foundation* in Spain.

The table below sets out all relevant entities (except those family owned asset-holding companies not relevant for us or other merely instrumental non-operative companies not relevant for Cellnex) in which the members of the Board of Directors have been a members of the administrative, management or supervisory bodies or partner at any time during the five year period preceding the date of this document, indicating whether or not each person is still a member of the administrative, management or supervisory bodies or partner in any such entities.

Director	Company	Position	Status
Mr. Francisco Miguel Reynés Massanet	Abertis Infraestructuras, S.A.	Vice Chairman and Chief Executive Officer	Current
	Sanef	Member of the Board of director	Current
	A4 Holding, S.p.A.	Member of the Board of director	Current
	Hispasat, S.A.	Member of the Board of director	Current
	Arteris, S.A.	Member of the Board of director	Current
	Inversora de Infraestructuras, S.L.	President	Current
	Abertis Autopistas Chile, S.A.	President	Current
	Holding d'Infraestructures de Transport 2, S.A.S	President	Current
	Participes En Brasil, S.A.	President	Current
	Holding d'Infraestructures de Transport, S.A.S	Sole director/President	Current
	Abertis Autopistas España, S.A.	Joint director	Current
	Autopistas, Concesionaria Española, S.A.	Joint director	Current
	Autopistes de Catalunya, S. A., Concessionària de la Generalitat de Catalunya	Joint director	Current
	Infraestructures Viàries de Catalunya, S.A., Concessionària de la Generalitat de Catalunya	Joint director	Current
	Autopistas Aumar, S.A., Concesionaria del Estado	Joint director	Current
	Iberpistas, S.A., Concesionaria del Estado	Joint director	Current
	Castellana de Autopistas, S.A., Concesionaria del Estado	Joint director	Current
	Autopistas de León, S.A.C.E. Concesionaria Del Estado	Joint director	Current
	Infraestructuras Americanas, S.L.	Joint director	Current
	Societat d'Autopistes Catalanes, S.A.	Joint director	Current
	Abertis Internacional, S.A.	Joint director	Current
	Abertis India, S.L.	Joint director	Current
	Participes En Brasil II, S.L.	Joint director	Current
	Fundació Privada Abertis	Patron	Current
	TBI Limited	Member of the Board of Directors	Non-current
	Sociedad Concesionaria Autopista Central, S.A.	Director	Non-current
	Operadora del Pacífico, S.A.	Director	Non-current
	Nocedal, S.A.	Director	Non-current
	Ladecon, S.A.	Director	Non-current
	Infraestructuras Dos Mil, S.A.	Director	Non-current
	Sociedad Concesionaria Rutas Del Pacífico, S.A.	Director	Non-current
	Abertis Autopistas Chile, S.A.	Director	Non-current
	Desarrollo de Concesiones Aeroportuarias, S.A.	Joint director	Non-current
	Gestión Integral de Concesiones, S.A.	Joint director	Non-current
	OldEquiter, S.p.A.	Director	Non-current
	Re.Consult, S.r.L.	Director	Non-current
	Eutelsat Communication	Representative of Board member Abertis Infraestructuras, S.A.	Non-current
	Eutelsat, S.A.	Representative of Board member Abertis Infraestructuras, S.A.	Non-current
	Serviabertis , S.L.	Representative of Board member Abertis Infraestructuras, S.A.	Non-current
Mr. Tobías Martínez Gimeno	AMETIC Cataluña	Vice Chairman	Non-current
	Pleno de la Cambra de Comerç de Barcelona	Member	Non-current
	Broadcast Networks Europe (BNE)	Chairman	Non-current
	Eutelsat, S.A.	Director	Non-current
	Hispasat, S.A.	Director	Non-current
Mr. Francisco José Aljaro Navarro	Abertis Infraestructuras, S.A.	Chief Financial and Corporate Development Officer	Current
	Sanef	Member of the Board of Directors	Current
	Abertis Infraestructuras Finance B.V.	Member of the Board of Directors	Current
	Abertis Motorways UK Limited	Member of the Board of Directors	Current
	Inversora de Infraestructuras, S.L.	Member of the Board of Directors	Current
	Participes en Brasil, S.A.	Member of the Board of Directors	Current
	Arteris, S.A.	Member of the Board of Directors	Current
	Central Korbana Sweden AB	Director	Current
	Central Korbana Sweden Holdings AB	Director	Current
	Abertis Autopistas Chile, S.A.	Director	Current
	Autopista Central, S.A.	Director	Current
	Operadora del Pacifico, S.A.	Director	Current
	Participes En Brasil II, S.L.	Joint Director	Current

Director	Company	Position	Status
	Abertis Autopistas España, S.A.	Joint Director	Current
	Autopistas, Concesionaria Española, S.A.	Joint Director	Current
	Autopistes de Catalunya, S. A., Concessionària de la Generalitat de Catalunya	Joint Director	Current
	Infraestructures Viàries de Catalunya, S.A., Concessionària de la Generalitat de Catalunya	Joint Director	Current
	Autopistas Aumar, S.A., Concesionaria del Estado	Joint Director	Current
	Iberpistas, S.A., Concesionaria del Estado	Joint Director	Current
	Castellana de Autopistas, S.A., Concesionaria del Estado	Joint Director	Current
	Autopistas de León, S.A.C.E. Concesionaria Del Estado	Joint Director	Current
	Infraestructuras Americanas, S.L.	Joint Director	Current
	Societat d'Autopistes Catalanes, S.A.	Joint Director	Current
	Abertis India, S.L.	Joint Director	Current
	Abertis Internacional, S.A.	Joint Director	Current
	Central Korbana, S.à.r.l.	Class A director	Current
	Hispasat, S.A.	Representative of Board Member Abertis Telecom Satélites, S.A.	Current
	Serviabertis, S.L	Representative of sole director Abertis Infraestructuras, S.A.	Non-current
	Ladecon, S.A.	President	Non-current
	Sociedad Concesionaria Rutas del Pacífico, S.A.	President	Non-current
	Operadora del Pacifico, S.A.	President	Non-current
	Infraestructuras Dos Mil, S.A.	President	Non-current
	Abertis Autopistas Chile, S.A.	President	Non-current
	Autopistas Corporation	Member of the Board of Directors	Non-current
	Brisa Auto-Estradas De Portugal, S.A.	Member of the Board of Directors	Non-current
	Abertis Portugal SGPS, S.A.	Member of the Board of Directors	Non-current
	Desarrollo De Concesiones Aeroportuarias, S.A.	Joint Director	Non-current
	Gestión Integral De Concesiones, S.A.	Joint Director	Non-current
	Abertis Airports, S.A.	Joint Director	Non-current
	Autopistas de Puerto Rico, LLC	Representative	Non-current
	Serviabertis, S.L.	Representative of Sole Administrator Abertis Infraestructuras	Non-current
Mr. Pierre Blayau	CCR (Caisse Central de Reassurance)	Chairman	Current
	FIMALAC	Director	Current
	Grupo Canal +	Director	Current
	Areva	Director	Non-current
	Harbour Conseils	Director	Non-current
	Geodis	Chairman and CEO	Non-current
Mr. Josep Maria Coronas Guinart	Abertis Infraestructuras, S.A.	Vice secretary (not board member), General Secretary and Public and General Director of Corporate Affairs	Current
	Hispasat, S.A.	Member of the Board of Directors	Current
	Abertis Autopistas España, S.A.	Joint Director	Current
	Autopistes de Catalunya, S. A., Concessionària de la Generalitat de Catalunya	Joint Director	Current
	Infraestructures Viàries de Catalunya, S.A., Concessionària de la Generalitat de Catalunya	Joint Director	Current
	Autopistas, Concesionaria Española, S.A.	Joint Director	Current
	Autopistas Aumar, S.A., Concesionaria del Estado	Joint Director	Current
	Iberpistas, S.A., Concesionaria del Estado	Joint Director	Current
	Castellana de Autopistas, S.A., Concesionaria del Estado	Joint Director	Current
	Autopistas de León, S.A.C.E. Concesionaria Del Estado	Joint Director	Current
	Participes en Brasil II, S.L.	Joint Director	Current
	Abertis India, S.L.	Joint Director	Current
	Infraestructuras Americanas, S.L.	Joint Director	Current
	Societat d'Autopistes Catalanes, S.A.	Joint Director	Current
	Abertis Internacional , S.A.	Joint Director	Current
	Abertis Portugal SGPS, S.A.	Member of the Board of Directors	Non-current
	Re Consult, S.r.L.	Member of the Board of Directors	Non-current
	Abertis Tower, S.A.	Joint Director	Non-current
	Desarrollo de Concesiones Aeroportuarias, S.A.	Joint Director	Non-current
	Gestión Integral de Concesiones, S.A.	Joint Director	Non-current
	Abertis Airports, S.A.	Joint Director	Non-current
	Inversora de Infraestructuras, S.L.	Joint Director	Non-current

Director	Company	Position	Status
Mr. Lluis Deulofeu Fuget	Emetteur Groupe Sanef	President	Current
	Leonord Exploitation, SAS	Representative of President SANEF	Current
	Eurotoll	Representative of President SANEF	Current
	Bip&Go	Representative of President SANEF	Current
	GSA Location	Representative of President SANEF	Current
	Autoroute de Liaison Seine-Sarthe - ALIS	Representative of director Societè des Autoroutes Paris-Normandie - SAPN	Current
	Societè des Autoroutes Paris-Normandie - SAPN	General Director	Current
	Overon	Member of the Board of Directors	Non-current
	TBI Limited	Member of the Board of Directors	Non-current
	Hispasat, S.A.	Member of the Board of Directors	Non-current
	Sanef	Member of the Board of Directors	Non-current
	Participes en Brasil, S.A.	Member of the Board of Directors	Non-current
	Arteris, S.A.	Member of the Board of Directors	Non-current
	Serviabertis, S.L.	Representative of sole director Abertis Infraestructuras, S.A.	Non-current
Mr. Leonard Peter Shore	Bluejay Technologies Ltd.	Chairman	Current
	Minnamurra Partners Lta.	Chairman	Current
	Arqiva	Chairman	Non-current
Mr. Giampaolo Zambeletti	Tages Group	Director	Non-current
	Italgas SpA	Chairman	Non-current
	RCS Investimenti	Chairman	Current
	Unidad Editorial S.A.	Vice Chairman	Current
	Banca Farmafactoring	Director	Current
Mr. Bertrand Boudewijn Kan	UWC Netherlands	Member of the supervisory body	Current
	Síminn hf.	Member of the Board of Directors	Current
Ms. Concepción del Rivero Bermejo	MadeinMobile	Member of Advisory Board	Current
	Telefónica	Director	Non-current

Board Committees

Audit and Control Committee

The Board of Directors Regulations provide that the Audit and Control Committee shall be composed of a minimum of three and a maximum of five members that must be non-executive Directors of the Company. Furthermore, most of the members must have the status of independent Directors and, at least, one shall be appointed taking into account his or her knowledge and experience in accounting, auditing or both.

On April 17, 2015, the Board of Directors approved the creation of the Audit and Control Committee and the appointment of all of its members. As of the date of this Registration Document, the composition of the Audit and Control Committee is as follows:

Name	Position	Nature
Mr. Bertrand Boudewijn Kan	Chairman	Independent
Mr. Francisco José Aljaro Navarro	Member	Proprietary
Mr. Leonard Peter Shore	Member	Independent
Ms. Mary Annabel Gatehouse	Secretary	

The Board of Directors shall appoint a Chairman from among the independent Directors for a 4-year term. The Audit and Control Committee shall appoint a Secretary and may also appoint a Vice-Secretary, who may not be members of the Committee.

The Audit and Control Committee shall meet as often as necessary for the performance of its functions and shall be convened by its Chairman, either on her or his own initiative or at the request of the Chairman of the Board of Directors or two members of the Committee.

The Audit and Control Committee’s responsibilities include reporting to the General Shareholders Meeting on the matters within its competence; proposing to the Board of Directors for submission to the General Shareholders Meeting the selection, appointment, reappointment and removal of the auditors of the Company; monitoring the effectiveness of the Company’s internal control systems, verifying the adequacy and integrity of these; supervising the preparation and presentation of the financial information; establishing appropriate relationships and communications with the auditors or external audit firms; issuing an annual report, prior to the issuance of the audit report, stating an opinion on the independence of the auditors; informing the Board of Directors on the financial information that the Company must periodically make public and reporting on any transactions that involve or may involve conflicts of interest, among other responsibilities.

Appointments and Remuneration Committee

The Board of Directors Regulations provide that the Appointments and Remuneration Committee shall consist of a minimum of three and a maximum of five members, all of them qualifying as non-executive Directors. Further, at least two of them must have the status of independent Directors.

On April 17, 2015, the Board of Directors approved the creation of the Appointments and Remuneration Committee and the appointment of all of its members. As of the date of this Registration Document, the composition of the Appointments and Remuneration Committee is as follows:

Name	Position	Nature
Mr. Giampaolo Zambeletti	Chairman	Independent
Mr. Pierre Blayau	Member	Independent
Mr. Josep Maria Coronas Guinart	Member	Proprietary
Ms. Concepción del Rivero Bermejo	Member	Independent
Mr. Javier Martí de Veses Estades	Secretary	

The Board of Directors shall appoint a Chairman from among the independent Directors. The Appointments and Remuneration Committee shall appoint a Secretary and may also appoint a Vice-Secretary, who may not be members of the Committee.

The Appointments and Remuneration Committee shall meet each time the Board of Directors or its Chairman requests a report or the adoption of proposals and, in any case, whenever advisable for the proper performance of its functions. The Appointments and Remuneration Committee shall be convened by its Chairman, either on his own initiative or at the request of the Chairman of the Board of Directors or two members of the committee.

The Appointments and Remuneration Committee shall be validly formed when a majority if its members concurred, either present or represented. Resolutions shall be adopted by a majority of the members present or represented.

The Appointment and Remuneration Committee's responsibilities include evaluating the skills, knowledge and experience of the members of the Board of Directors; setting a goal of having female members present on the Board of Directors; submitting to the Board of Directors the proposals for appointment of independent Directors to be appointed on an interim basis or for submission to the decision of the General Shareholders Meeting, as well as proposals for re-election or removal of such Directors by the General Shareholders Meeting; reporting on proposals for appointment of other Directors on an interim basis or for submission to the decision of the General Shareholders Meeting, as well as proposals for re-election or removal of appointments by the General Shareholders Meeting; reporting on proposals for appointment and removal of Senior Management and the basic conditions of their contracts; recommending to the Board the remuneration policy for Directors and General Management; proposing to the Board of Directors the members that should be part of each of the committees; and periodically reviewing the remuneration programs, among other responsibilities.

Executive Committee

The Board of Directors may appoint an Executive Committee, reflecting the composition of the Board as much as possible. The President of the Board and the Chief Executive Officer will be members of the Executive Committee.

The Executive Committee shall exercise the powers delegated by the Board of Directors.

As of the date of this Registration Document, there is not an Executive Committee and it is not foreseen that one will be established in the near-term.

Senior Management

Our Senior Management is composed by our Chief Executive Officer and the people identified below:

Name	Title
Mr. Alexandre Mestre Molins	Chief Commercial Officer
Mr. Antoni Brunet Mauri	Corporate and Public Affairs Director
Mr. Javier Martí de Veses Estades	General Secretary
Mr. José Manuel Aisa Mancho	Chief Financial Officer
Ms. Rosa Piñol Raurich	Chief Resources Officer

Name	Title
Mr. Daniel Fernández-Capo	Chief Business Operating Officer
Mr. Albert Cuatrecasas Freixas	Managing Director Spain
Mr. Gianluca Landolina	Managing Director Italy
Mr. Jordi Arandes Corbella	Deputy Managing Director Spain
Mr. Sergio Tórtola Pérez	Deputy Chief Business Operating Officer

Below is a brief description of the qualifications and professional experience of the members of our Senior Management who do not serve on our Board of Directors.

Mr. Alexandre Mestre Molins

Mr. Alexandre Mestre Molins is Chief Commercial Officer (Business and Commercial Development). He is in charge of international business development, development of new products and our services, coordinate and follow-up the country Set-ups and responsible to commercial business units and global accounts, He is the Chairman of TowerCo, Telecom's Italian subsidiary. He is a Telecommunications Engineer from the Polytechnic University of Catalonia (UPC) and holds an International MBA from La Salle (Ramon Llull University). He also has a Master in International Cooperation from the Open University of Catalonia (UOC).

Mr. Antoni Brunet Mauri

Mr. Antoni Brunet Mauri is Director of Corporate Public Affairs in Cellnex and coordinates the company's communication, and institutional relationships and corporate responsibility policies. He joined the Abertis' group of companies in 2005, as Director of the Studies and Communication area, and subsequently moved on to the European Affairs and Presidency areas. He has a degree in philosophy, a Diploma in Senior Management from the IESE and in Business Management from the ESADE. He also studied Politics and Sociology at the Autonomous University of Barcelona (UAB).

Mr. Javier Martí de Veses Estades

Mr. Javier Martí de Veses Estades is General Secretary. He is in charge of the company's legal area, integrating Legal Advice, Regulatory Affairs, and Internal Auditing and Risk Control. He is also Secretary of the Board of Directors and Chairman of the Ethics and Compliance Committee. He has been working in the Cellnex Group since 1998, when he took charge of Legal Advice in the former Retevisión, and since then he has held a number of different positions within the organisation. He graduated in Law from the University of Barcelona (UB) and also has a Master in Business Legal Assessment from the Business School of Madrid.

Mr. José Manuel Aisa Mancho

Mr. José Manuel Aisa Mancho is Chief Financial Officer and the Corporate Development Director. He is also responsible for coordinating and leading the areas of Strategic Planning, Management Control, Investor Relations, Finance, Tax and Corporate Development. Since 1999 he has worked in the corporate development area, participating in Abertis group's main Merger and Acquisition (M&A) projects. In 2011, he took over Strategic Planning and Corporate Development Management of the Abertis group. He graduated in Business Administration, MBA, from the ESADE Business School and also has a Master in International Management from the London School of Economics.

Ms. Rosa Piñol Raurich

Ms. Rosa Piñol Raurich is Chief Resources Officer. She has been Director of Resources of Cellnex since 2001, and also responsible for coordinating and leading the areas of Organization and Transformation, Human Resources, Security and General Services. Until 2016 also she was responsible to Quality, Environment and Risk Prevention in Cellnex. She has managed integration processes in the Abertis group, as well as change management at Cellnex Telecom and in Abertis Airports as Human Resources and Organisation in Luton (UK). She holds a degree in Economics from the University of Barcelona (UB) and a PDG (General Management Program) from the IESE Business School.

Mr. Daniel Fernández-Capo

Mr. Daniel Fernández-Capo is Chief Business Operating Officer. He is the person responsible for the development of Cellnex Telecom Group Industry Model, the excellence in process and operations and the continuous improvement and efficiency in the Information Systems, as well as, in different areas of Technical Area and Site Management. He manages and coordinates the integration of new companies and transversal projects among countries and departments. He has developed his activity in the industry sector and business and operations consulting. He has a Bachelor's Degree in Economics and Business from the International University of Catalonia (UIC), an MBA from IESE and a GCP (Program from CEIBS, Wharton School and IESE).

Mr. Albert Cuatrecasas Freixas

Mr. Albert Cuatrecasas Freixas is Managing Director of Spain. The activity in Spain is divided into three business areas: Services to Operators, Broadcast (DTT and FM services) and Telecom Network services. He is also a Board Member in Cellnex Telecom's investee companies in the country. He joined Acesa Telecom (now Cellnex Telecom) in 2001. He is a Telecommunications Engineer from the Polytechnic University of Catalonia (UPC) and holds a diploma in General Management (PDG) from the IESE.

Mr. Gianluca Landolina

Mr. Gianluca Landolina is Managing Director of Italy, after serving for two years as the Deputy Managing Director of Cellnex Italy and as the Managing Director of Galata. Prior to his current position, he worked for sixteen years at Wind Telecomunicazioni, one of the leading telecommunications carriers in Italy, first as Head of Planning and Control and then as Real Estate Manager. He is a Civil Engineer and holds an MBA from the SDA Bocconi business school in Milan.

Mr. Jordi Arandes Corbella

Mr. Jordi Arandes is Deputy Managing Director of Cellnex Spain, coordinating more directly the Engineering and Network Operation and Maintenance areas, and is directly responsible for the management of expenses and investments associated with companies technical activity and in the area that manages the business in Spain. He was the Technical Director of the Telecommunications Centre of the Government of Catalonia (CTTI) and joined the Cellnex Telecom team when it was created. He is a Telecommunications Engineer from La Salle (URL), and has a Master in Telecommunications from the PompeuFabra University (UPF).

Mr. Sergio Tórtola Pérez

Mr. Sergio Tórtola Pérez, as Deputy Chief Business Operating Officer, is in charge projects related to the Group's operations, the Industrial model development, the excellence in processes and operations, continuous improvement and efficiency, as well as Information Systems, Purchasing, Technical, Site Management areas, the Integration of new companies and transversal projects among countries and business units. Since 2001, he has occupied various posts at Cellnex Telecom, such as Technology Manager, Business Manager Organization and Efficiency Manager, and Global Operations and Efficiency Manager. He has a higher degree in telecommunications from the Polytechnic University of Catalonia (UPC) and passed the Management Development Program (PDD) at IESE business school.

The table below sets out all entities (except those family owned asset-holding companies not relevant for Cellnex) in which the members of the Senior Management have been appointed as members of the administrative, management or supervisory bodies or in which they have held shareholdings at any time during the five year period preceding the date of this document, indicating whether or not each person is still a member of such bodies or holds any shares in any such entities.

Senior Manager	Company	Position	Status
Mr. Jose Manuel Aisa Mancho	TBI Limited	Director	Non-current
	Société des Autoroutes du Nord et de L'Est de la France (Sanef)		Non-current
	Hispasat, S.A.		Non-current
	ACDL		Non-current
	GAP	Alternative director	Non-current
	Abertis Infraestructuras, S.A.	Financial Director and Corporate Development	Non-current

Conflicts of Interest

As set forth above, some of the Directors of the Company are also officers and/or employees of companies within the Abertis group. For more information on matters relating to the relationship between the Company and Abertis, see "*Related Party Transactions*".

Other than as set out in the paragraph above and the "Related Party Transactions" section, there are no potential conflicts of interest between any duties owed by the Directors or Senior Management to the Company or Abertis, respectively, and their private interests or other duties.

The Board of Directors Regulations in Article 4, provide that Directors act in the interests of the shareholders and in compliance with legal, statutory and derived functions, respecting, in particular, the requirements imposed by law, fulfilling in good faith the explicit and implicit contracts with employees, suppliers, financiers and customers and, in general, observing the ethical duties reasonably imposed by a responsible business conduct. The Company has adopted a number of mechanisms that restrict the powers of the Directors and senior executives who may be disqualified on conflicts of interest.

On March 19, 2015, our Board of Directors adopted the Internal Code of Conduct in matters concerning Securities Markets (*Reglamento Interno de Conducta*) (the "**Internal Code of Conduct**"), as amended on July 28, 2016. Article VIII of the Internal Code of Conduct defines a conflict of interest as a clash between the interests of the Company and the personal interests the Directors and Management are subjected through their family relationships, personal assets, their activities outside the Company or any other cause. The Internal Code of Conduct consider a potential conflict of interest any conflict arising from personal holdings when said holdings arise in relation to a company in which the director holds a management post or has a significant stake (which is understood to mean a total stake, direct or indirect, in excess of twenty per cent of its total issued share capital).

The conflicts of interest of the Directors of the Company are governed by the Internal Code of Conduct and additionally by the Board of Directors Regulations.

Article 28 of the Board of Directors Regulations establishes that the Director shall notify the Board of Directors of the existence of conflicts of interest, direct or indirect, that he or any person related to him may have in relation with the interests of the Company and refrain from intervening agreements or decisions of the Company in the transaction to which the conflict refers.

In particular, the duty to avoid conflicts of interest obliges Directors to refrain from, *inter alia*, transactions with the Company, unless specifically waived by any of the mechanisms established for that purpose in the Board of Directors Regulations or, in case of ordinary operations, such operations are made under standard conditions for customers and are immaterial (i.e., not relevant in the fair presentation of the assets, financial position and results of operations.

Regarding Senior Management, the mechanisms regulating conflicts of interest are mainly based on the obligations established for the persons affected by the Internal Code of Conduct and defined in that regulation. In this regard, pursuant to Article VIII of the Internal Code of Conduct, a senior manager shall notify the General Secretary of any potential conflicts of interest that may arise and shall act at all times with loyalty to the Company and regardless of their own interests or those of others and refrain from intervening or influencing on decisions of matters affected by the conflict and from accessing confidential information affecting any such conflict.

Internal Code of Conduct and Corporate Governance

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

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

The Internal Code of Conduct, among other things:

- establishes the restrictions on, and conditions for, the purchase or sale of our securities or our other financial instruments by persons subject to the Internal Code of Conduct and by those who possess material non-public information;
- provides that persons subject to the Internal Code of Conduct shall not engage in market manipulation with respect to our securities or our other financial instruments; and
- provides that persons report potential conflicts of interest.

As of the date of this Registration Document, we believe that we substantially comply with the recommendations of the Spanish Unified Code of Good Governance for publicly listed companies (*Código Unificado de Buen Gobierno de las sociedades cotizadas*). Certain of our corporate practices, however, currently vary from these recommendations in certain respects, as set forth below.

- Recommendation number 6: although as of December 31, 2016 we did not publish all the reports drafted (in particular, the Report on the Auditor Independence and the Report on Related-Party Transactions, as the essential content of these reports was already set out in the annual accounts and in the Annual Corporate Governance Report), as of the date of this Registration Document we comply with this recommendation as those reports are published in the corporate web page.
- Recommendation number 16: the percentage of property directors is over 44% of the aggregate number of non-executive directors. However, except Abertis Infraestructuras, S.A. (owner of a 34 % of our share capital), no other shareholder with a stake above 3% of our share capital has requested the Company to become a member of its Board of Directors.
- Recommendation number 18: We make public on our website all information about the Directors provided in this recommendation. Notwithstanding the foregoing, with respect to paragraph b), all remuneration activities carried out by Directors whatever their nature is not included.
- Recommendation number 25: the Regulations of the Board of Directors does not set out the maximum number of boards of companies on which our Directors can serve, however article 26 of the Regulations of the Board of Directors establishes that directors must have an adequate dedication and must adopt the necessary measures to ensure good management and control of the company when carrying out their role functions.
- Recommendation number 27: the Regulations of the Board of Directors does not set out the obligation to assign representation with instructions as such requirement cannot always be possible due to no previous participation in the debates and deliberations of the matters put forward to the Board of Directors.
- Recommendation number 40: we have an internal audit unit dependent of the Secretary General and reports directly to the Audit and Control Committee.
- Recommendation number 42: we have an internal auditing area controlled by the Secretary General and which reports directly to the Audit and Control Committee. As such, the Secretary General is responsible for the selection, appointment, re-election and removal of the head of the internal audit service and the area’s budget and work plans. However, as established in section 15 of the Board of Directors’ Regulations, the Audit and Control Committee is responsible for monitoring the effectiveness of the Company’s internal controls and the internal auditing services, by verifying their suitability and integrity, and reviewing the appointment and replacement of the heads of the services.
- Recommendation number 48: the Board of Directors has not approved to separate the Appointments and Remuneration Committee in two different committees.
- Recommendation number 61: the long-term variable compensation of the Executive Director is partially linked to the delivery of shares, whereas the variable annual compensation may be paid either in cash or with shares. In compliance with current legislation, the Board of Directors shall prepare an Annual Corporate Governance Report, which shall be discussed and approved simultaneously with the management report and shall be made available to the shareholders.

We also have a corporate website (www.cellnextelecom.com) through which we inform our shareholders, investors and the market at large of any significant events.

Share Ownership

The table below sets out the shares in the Company directly or indirectly held by members of our Board of Directors and Senior Management team as of the date hereof.

Director	**Number of shares**	**%**
Mr. Francisco Miguel Reynés Massanet	11,265	0.005
Mr. Bertrand Boudewijn Kan	10,000	0.004
Mr. Tobías Martínez Gimeno	20,000	0.009
Mr. Pierre Blayau	12,000	0.005
Mr. Lluis Deulofeu Fuguet	3,571	0.002
Manager		
Mr. Javier Martí de Veses Estades	1,722	0.001
Mr. Antoni Brunet Mauri	2,570	0.001
Ms. Rosa Piñol Raurich	850	0.000
Mr. Alexandre Mestre Molins	600	0.000

Director	Number of shares	%
Mr. Sergio Tortola Pérez	2,938	0.001
Mr. Jordi Arandes Corbella	714	0.000
Total	**66,230**	**0.029**

Compensation

Compensation of Board of Directors

In accordance with the provisions of the Bylaws and the Board of Directors Regulations, the remuneration of the Directors, in their capacity as such, shall consist of a fixed annual amount, which will not exceed the quantity earmarked to this end by the remuneration policy approved by the General Shareholders' Meeting. The remuneration policy for the directors is approved by the General Shareholders' Meeting at least every three years, prior proposal from the Board of Directors that is supported by a specific report from the Appointments and Remuneration Committee.

On April 27, 2017 the General Shareholders' Meeting approved the amendment of the remuneration policy for the Directors and a new consolidated version for the year 2017 and the two following years with the contents required by the Spanish Companies Act.

The determination of the remuneration for each Director, in his/her capacity as such, will be established by the Board of Directors, taking into account the duties and responsibilities assigned to each Director, membership of Board Committees and other objective circumstances that are relevant.

For independent Directors, the Board of Directors and the Appointments and Remuneration Committee shall take all measures within their powers to ensure that the remuneration of the independent Directors reflects their actual dedication and offers incentives for such dedication while not constituting an obstacle to their independence.

Executive Directors will be entitled to receive additional remuneration for the executive functions they perform in accordance with the relevant contract entered into between the Director and the Company. The Board of Directors shall fix the remuneration for the performance of executive duties and the terms and conditions applicable to the contracts entered into by the Company in accordance with the remuneration policy approved by the General Shareholders' Meeting.

We have entered into an executives and directors civil liability policy for the members of the Board of Directors, the Executive Director and all the directors of the companies of the Group at a cost amounting to €111.1 thousand at December 31, 2016.

The table below shows the remuneration paid for the year 2016 to our Directors (excluding, for the avoidance of doubt, the additional remuneration received by the Executive Director for his executive functions).

Director	Fixed remuneration (in thousand of €)
Mr. Francisco Miguel Reynés Massanet	120
Mr. Tobías Martínez Gimeno	68
Mr. Francisco José Aljaro Navarro	97
Mr. Pierre Blayau	113
Mr. Josep Maria Coronas Guinart	97
Mr. Lluis Deulofeu Fuguet	68
Mr. Leonard Peter Shore	97
Mr. Giampaolo Zambeletti Rossi	113
Mr. Bertrand Boudewijn Kan	97
Total	**870**

Compensation of Senior Management

Fixed and variable remuneration for the year ended December 31, 2016 for members of Senior Management (not including, for the avoidance of doubt, the Executive Director) amounted to €2,018 thousand. In addition, members of Senior Management received, as other benefits, contributions made to cover pensions and other remuneration in kind to the amount of €158 thousand and €153 thousand, respectively.

Members of our Senior Management receive annual bonuses based on the achievement of objectives.

The table below shows the breakdown of the aggregate remuneration paid for the year 2016 to our Senior Management (not including, for the avoidance of doubt, the Executive Director).

	As of December 31,
	2016
	(in thousand of €)
Fixed remuneration	1.266
Variable remuneration	752
Other benefits	153
Contributions made to cover pensions	158
Stock options	0
Total	**2,329**

The table below shows the breakdown of the aggregate remuneration paid for the first six months of 2017 to our Senior Management (not including, for the avoidance of doubt, the Executive Director).

	As of June 30,
	2017
	(in thousand of €)
Fixed and variable remuneration	1,238
Other remunerations in kind	102
Contributions made to cover pensions	102
Total	**1,442**

Annual variable compensation based on objectives is in a range of between 30% and 50% of base compensation, assuming 100% achievement of such objectives, which may be increased if up to 125% of the objectives are achieved. Other benefits include the right to use a company car and life and medical insurance, among others.

We have arrangements with one member of our senior management that are dependent on such members staying within our Group until the second half of 2017, under which they receive additional compensation that will annually accrue until they leave the Group.

The compensation received in 2016 by our Executive Director in his capacity as director, amounted to €68 thousand. In addition, the Executive Director entered into a services agreement with the Company to regulate the remuneration he is entitled to receive for the performance of his executive functions in the Group according to the Company's remuneration policy for the Directors approved by the General Shareholders' Meeting on April 27, 2017.

In particular, the remuneration policy currently in force sets forth that the Executive Director's fixed remuneration amounts to €700 thousand per year plus an annual variable remuneration that is 60% of his fixed remuneration. The payment method of the annual variable remuneration incentive may be paid in cash and/or with shares. Furthermore, the Executive Director has a component of his compensation link to a long-term variable incentive as further explained below.

In certain cases, as compensation by the end of his contractual relationship, the Executive Director shall be entitled to compensation amounting to two years of his fix and variable remuneration (accrued during the last year prior to the end of his contract).

For performing senior management duties, in 2016 the Executive Director earned €900 thousand in concept of fixed and variable remuneration. He also accrued other benefits, such as social contributions and other benefits in kind amounting to €150 thousand and €13 thousand, respectively.

Other Remuneration for Directors and Senior Management

On April 10, 2015 we approved the first Long-term Incentive Plan (the "**ILP 2015-2017**") for certain employees, including the Executive Director and the members of the Senior Management. This accrues from May 2015 until December 31, 2017 and the final valuation of the objectives will be made by the Appointments and Remuneration Committee once its term has finished and the payment, if applicable, will be made after the General Shareholders' Meeting that approves the 2017 financial statements. Among the beneficiaries are the Executive Director, Senior Management and several of our key employees (up to a maximum of 32 staff). At the option of the beneficiary, remuneration under the ILP 2015-2017 may be paid in cash, in shares or by contributions to pension plans.

The amount receivable by the beneficiaries is determined by the degree of achievement of two objectives, with a weighting of 50% each:

- The cumulative revaluation of our share price calculated between the IPO share price and the average price of the last quarter of 2017, weighted to the volume (‘**vwap**’), following a sliding scale.
- Achievement of certain parameters relating to the results in accordance with the market consensus and with a constant consolidation scope, following a sliding scale.

The cost of the ILP 2015-2017 for us if it were to reach the maximum level of achievement of the objectives is estimated at approximately €7.8 million.

In 2017, the Board of Directors, following the proposal of the Appointments and Remuneration Committee, approved the creation of a rolling long-term incentive plan (the “**Rolling LTIP**”) applicable during the validity of the Company’s remuneration policy approved by the General Shareholders’ Meeting on April 27, 2017. The rolling long-term incentive plan consists of a series of 3-years incentive plans (“**2017-2019 LTIP**”, “**2018-2020 LTIP**” and “**2019-2021 LTIP**”) with the objective of retaining and motivating the Executive Director and some of our key employees.

The objectives included in the different plans within the Rolling LTIP will be determined in a timely manner by the Board of Directors, following a proposal of the Appointments and Remuneration Committee, related to share performance and economic results/magnitudes of Cellnex.

As an exception, and with the objective to provide continuity to the current ILP 2015-2017, the 2017-2019 LTIP will be divided into two phases: 2017-2018 and 2018-2019, and its objectives will be as follows:

For phase 2017-2018 of the 2017-2019 LTIP:

- With a weighting of 50%, achieving the recurrent leveraged free cash flow per share (RLFCF per share) according to the market consensus and at constant scope, following a scale of achievement.
- With a weighting of 30%, the accumulated increase in our shares, compared for these purposes against the accumulated revaluation of a basket of companies comparable to us (70%) and of the IBEX (30%), following a scale of achievement.
- With a weighting of 20%, the achievement of an adjusted Ebitda according to the market consensus and at constant scope, following a scale of achievement.

For phase 2018-2019 of the 2017-2019 LTIP:

- With a weighting of 50%, achieving the recurrent leveraged free cash flow per share (RLFCF per share) according to the market consensus and at constant scope, following a scale of achievement.
- With a weighting of 50%, the accumulated increase in our shares, compared for these purposes against the accumulated revaluation of a basket of companies comparable to us (70%) and of the IBEX (30%), following a scale of achievement.

The final valuation of these objectives established in the ILP 2017-2019 will be made by the Appointments and Remuneration Committee once its term has finished and the payment, if applicable, will be made as regards the 2017-2018 phase of the 2017-2019 LTIP after the General Shareholders’ Meeting that approves the 2018 financial statements and as regards the 2018-2019 phase of the 2017-2019 LTIP after the General Shareholders’ Meeting that approves the 2019 financial statements.

The expected remuneration for the Executive Director, if our strategic objectives are achieved, will amount to one year of his fixed remuneration for phase 2017-2018 of the 2017-2019 LTIP and also to one year of his fixed remuneration for phase 2018-2019 of the 2017-2019 LTIP. At least a 30% of this remuneration will be our shares.

All other beneficiaries of the LTIP 2017-2019 may also opt to be paid in our shares without limitation.

The cost of our 2017-2019 LTIP if it were to reach the maximum level of achievement of the objectives is estimated at approximately €10.6 million.

Pension benefit obligations

We outsource our pension obligations to third parties through an insurance policy, which removes the liability from our balance sheet. However, in our 2016 Audited Consolidated Financial Statements we include a provision relating to the commitments regarding certain payment obligations that would arise depending on the employees’ length of service with Cellnex. This provision amounted to €2,168 thousand as of December 31, 2016.

Family Relationships

There are no family relationships and no “close relatives” (as this term is defined in applicable regulations for related party transactions and, in particular, in Order EHA/3050/2004, of September 15, 2004, on information to be disclosed by listed companies regarding related party transactions) among the directors, the directors and other members of the Company’s senior management or the members of the Company’s senior management.

No convictions and Other Negative Statements

To the best of our knowledge, none of its directors or members of its senior management have, in the five years preceding the date of this Registration Document: (i) been convicted in relation to fraudulent offenses; (ii) acted as directors of entities affected by bankruptcy, receivership or liquidation; (iii) been publicly incriminated and/or sanctioned by statutory or regulatory authorities (including designated professional bodies); or (iv) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer of securities or from acting in the management or conduct of the affairs of any issuer.

PRINCIPAL SHAREHOLDERS

As of the date of this Registration Document, the Company's share capital is €57,920,810.00, consisting of 231,683,240 shares of €0.25 par value each. The following table sets forth public available information with respect to the beneficial ownership of voting rights in the Company as of the date hereof. For a description of certain transactions between us and our principal shareholders see "*Related Party Transactions*".

Owner	Voting rights attached to shares	Voting rights granted by financial instruments	Total voting rights	Total voting rights (%)
Abertis Infraestructuras, S.A.	78,772,332	–	78,772,332	34.000%
Blackrock, Inc	11,454,627	2,344,479	13,799,106	5.956%
MFS Investment Management	11,838,997	–	11,838,997	5.110%
Fundacion Bancaria Caixa D' Estalvis i Pensions de Barcelona	11,584,575	–	11,584,575	5.000%
Threadneedle Asset Management Limited	11,357,440	–	11,357,440	4.902%
Cantillon Capital Management LLC	7,000,164	–	7,000,164	3.021%
Fidelity International Limited	4,582,537	–	4,582,537	1.978%
Total	**136,540,672**	**2,344,479**	**138,933,489**	**59.967%**
Treasury shares (1)	113,000	–	113,000	0.049%
Free float	92,636,751		92,636,751	39.984%
Total	**229,290,423**	**2,334,479**	**231,683,240**	**100%**

(1) Indirectly held through Criteria Caixa, S.A.U.

(2) The acquisition of treasury shares has been carried out by means of a liquidity contract signed by us on May 31, 2016 with Santander Investment Bolsa, Sociedad de Valores, S.A.U. in order to manage our portfolio of treasury shares.

The amounts and percentages of shares beneficially owned by each shareholder are reported on the basis of CNMV rules governing the determination of beneficial ownership, and the information is not necessarily indicative of beneficial ownership for other purposes. The Company's capital is represented by a single class of shares, with the same voting rights. Each share gives the right to one vote. Consequently, shareholders have no different voting rights. Further details relating to our shares are set out in "Description of Share Capital".

As of the date of this Registration Document, (a) there are no shareholders' agreements in place; (b) none of the principal shareholders, whether individually or together, controls the Company.

RELATED PARTY TRANSACTIONS

We have not entered into any agreements or contracts that we believe would merit consideration as related party transactions, except for those arm's length agreements or contracts that are executed in the ordinary course of business. We carry out all related party transactions at market value and transfer prices are adequately documented. In particular, transfer pricing is adequately supported by internal documentation.

Notwithstanding the foregoing, we have entered into certain arrangements with Abertis, Caixabank, S.A. or their affiliates and with the related parties described below.

Related party transactions with our shareholders

Related party transactions with Abertis

During 2015, as a result of the change in shareholding described in Note 12 of our 2015 consolidated financial statements, the Abertis group are considered "related parties" such the balances and transactions with these companies are described below.

The transactions carried out with Abertis group and associates during the six-month period ended on June 30, 2017 and 2016 are as follows:

	For the six-month period ended June 30, 2017		For the six-month period ended June 30, 2016	
(in thousands of €)	**Services rendered**	**Services received**	**Services rendered**	**Services received**
Abertis group	248	7,299	241	8,428

The transactions carried out with Abertis group and associates during the 2016 and 2015 are as follows:

	December 31, 2016		December 31, 2015	
(in thousands of €)	**Services rendered**	**Services received**	**Services rendered**	**Services received**
Abertis group	795	15,696	754	17,906

We have entered into several agreements with Abertis for the provision by them of several services, with the following having been signed during 2015 and 2016 and up to the date of this Registration Document:

- The sublease agreement entered into among Abertis (acting as lessor) and us, Retevisión, Tradia and On Tower (acting as lessees) dated March 30, 2015 and effective since January 1, 2015, under which Abertis subleases to our Goup of companies the corporate offices located at Paseo de Castellana 39, Madrid and the supplies associated therewith. The term of the lease for the location in Madrid is of one year, with automatic renewals. The annual rent for 2017 is €441 thousand. Each of our companies will pay its share of the rent.
- We entered into an agreement with Hispasat, S.A., whereby the later provides capacity lease services for certain satellite transponders over the entire life of the transponders, which is expected to last until December 31, 2022. The Group allocates the leased capacity essentially to the distribution service via satellite for terrestrial television and radio broadcasting.
- We also entered into an agreement with Abertis Autopistas España, S.A on November 19, 2015 being effective since August 31, 2015 whereby we re-invoice the expenses related to the lease of the offices located in Barcelona, Av. Parc Logistic, 12-20, which is shared by us and Autopistas España, S.A as tenants. The contract has an estimated term until December 31, 2021 being the term as the one of the lease agreement with the owner's offices.

The assets and liabilities held in Abertis group and associates as of the June 30, 2017 and December 31, 2016 are as follows:

(in thousands of €)	As of June 30, 2017		As of December 31, 2016	
	Other commercial assets	Payables	Other commercial assets	Payables
Abertis group	313	1,485	498	1,403

The assets and liabilities held in Abertis group and associates in 2016, 2015 and 2014 are as follows

	2016		2015	
	(in thousands of €)			
	Other commercial assets	Payables	Other commercial assets	Payables
Abertis group	498	1,403	982	39

Related party transactions with CaixaBank, S.A.

At June 30, 2017, guarantees with the related party CaixaBank, S.A. were granted with a limit of €23,327 thousand, which at six-month period ended were drawn down in the amount of €10,066 thousand.

At June 30, 2017, the main transactions with related party CaixaBank, S.A. were: (i) a loan for €1,236 thousand, (ii) a non-recourse factoring agreement with a limit of €111,600 thousand, which at June 30, 2017 were drawn down in the amount of €14,178 thousand, (iii) in addition, CaixaBank, S.A. participated in the syndicated loan by arranging a revolving credit facility of up to €41,667 thousand, which is undrawn at June 30, 2017, (iv) an additional credit facility for €150,000 thousand, undrawn at June 30, 2017, (v) a venture capital fund, managed by Caixa Capital TIC II FCR which aims to support inception and growth of innovative companies, for €252 thousand, (vi) current account balances amounting to €85,503 thousand, (vii) other payables related to trade transactions amounting to €859 thousand, and (viii) an interest rate swap for a total amount of €20 million.

At December 31, 2016, the main transactions with related party CaixaBank, S.A. were: (i) a loan for €2,052 thousand, (ii) a non-recourse factoring agreement with a limit of €97,000 thousand, which at year-end were drawn down in the amount of €13,567 thousand, (iii) in addition, CaixaBank, S.A. participated in the syndicated loan by arranging a revolving credit facility of up to €41,667 thousand, which was undrawn at December 31, 2016, (iv) a credit facility for €500 thousand, undrawn at December 31, 2016, (v) an additional credit facility for €150,000 thousand, not available at December 31, 2016, (vi) a venture capital fund, managed by Caixa Capital TIC II FCR which aims to support inception and growth of innovative companies, for €210 thousand, and (vii) current account balances amounting to €41,378 thousand.

At December 31, 2015, CaixaBank, S.A.'s stake in our shareholding remained below 5% of our total share capital. As such, we did not have any balances in relation to the transactions carried out with CaixaBank, S.A. during such period.

At December 31, 2014, the main transactions with related party CaixaBank, S.A. were: (i) a loan for €5,264 thousand, (ii) a fixed-term deposit of €70,011 thousand, (iii) and a liability from the measurement of derivative financial instruments of €36 thousand, (iv) a non-recourse factoring agreement for €45 million. In addition, CaixaBank, S.A. participated in the syndicated loan granted to the Abertis Telecom Terrestre Group by arranging two loans of up to €31,818 thousand and €34,091 thousand, of which €38,280 thousand has been drawn down as at December 31, 2014, and a revolving credit facility of up to €6,818 thousand, which was undrawn as at December 31, 2014, (v) a credit facility for €500 thousand, undrawn, and (vi) a venture capital fund, managed by Caixa Capital TIC II FCR which aims to support inception and growth of innovative companies, for €90 thousand.

Related party transactions with other related parties

The main transactions carried out with related parties at June 30, 2017, in 2016 and in 2014 relate to payments to VidaCaixa, S.A Seguros y Reaseguros and SegurCaixa Adeslas, S.A. de Seguros Generales y Reaseguros in the amount of €806 thousand and €42 thousand, €1,528 thousand and €249 thousand, and €13,807 thousand and €27 thousand, respectively for termination benefits and contributions to pension plans and life insurance policies.

In addition, during 2016, we recognised a structuring fee of €975 thousand with the related party Criteria Caixa, S.A.U. as an outstanding payment at December 31, 2016.

At December 31, 2015, Cellnex did not have any balances and did not carried out any transactions with any related party in addition to those carried out with Abertis and its subsidiaries.

Finally, in 2014, we also carried out the acquisition of an 8.98% interest in Adesal Telecom, S.L. for €1,167 thousand and a commitment fee of €58 thousand.

Related party transactions with managers and directors

During the period from 2014 to 2016 and up to the date of this Registration Document, we have not entered into any arrangements with our managers or directors other than in relation to any compensation or benefits paid to them, including pursuant to any of our compensation plans. See "*Management and Board of Directors–Compensation*".

DESCRIPTION OF CAPITAL STOCK

The following summary provides information concerning our share capital and briefly describes certain significant provisions of our bylaws (*estatutos sociales*) and Spanish corporate law, including the restated text of the Spanish Companies Act, Spanish Act 3/2009 on Structural Amendments of Private Companies (*Ley 3/2009, de 3 de abril, sobre modificaciones estructurales de las sociedades mercantiles*), the restated text of the Securities Market Act and Royal Decree 878/2015, dated October 2, 2015, on clearing, settlement and registry of negotiable securities in book-entry form, and transparency requirements for issuers of securities admitted to trading on an official secondary market.

This summary does not purport to be complete and is qualified in its entirety by reference to our bylaws, the Spanish Companies Act and other applicable laws and regulations. Copies of our bylaws are available (in Spanish with an English translation for information purposes) at our principal headquarters and on our website (www.cellnextelecom.com > Shareholders&Investors > Corporate Documents > Corporate Bylaws) and at CNMV's offices.

General

The Company was incorporated as a corporation for an indefinite term under the public deed executed before the Notary Public of Cataluña, Ms. María Isabel Gabarró Miquel, on June 25, 2008, number 1,655 of her records.

The Company´s corporate purpose includes the establishment and operation of any type of communications infrastructures and/or networks, as well as the provision, management, marketing and distribution, for itself and for third parties, of all manner of services based on or through said infrastructures and networks; and the planning, technical support, processing, organization, coordination, management, maintenance and upkeep of the aforementioned installations and services, under any of the contractual forms permitted by law, particularly through administrative contracting. The aforementioned activities may be conducted by the Company either directly or indirectly, through shareholdings or equity interests in companies of a similar nature, or by means of any other forms admitted by law. Those activities for whose exercise the applicable regulations demand special requirements which are not met by this company shall be excluded from the corporate purpose. Should the legal regulations require some type of professional qualification or administrative authorization, or inscription in Public Registries for the exercising of any of the activities included in the corporate purpose, said activities must be conducted by a person who holds said professional qualification and, where applicable, shall not be commenced until the administrative requirements have been met.

At the date of this Registration Document, our issued share capital amounts to €57,920,810, divided into a single series of 231,683,240 shares, with a par value of €0.25 each. Our shares have been allocated by the Spanish National Agency for the Codification of Securities (*Agencia Nacional de Codificación de Valores Mobiliarios*), an entity dependent upon the CNMV, the ISIN code ES0105066007. All of our shares are fully subscribed and paid-up. Non-residents of Spain may hold shares and vote, subject to the restrictions described under "—Restrictions on Foreign Investment".

Our shares are represented by book-entries, the entity responsible for maintaining the corresponding accounting records being Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. ("**Iberclear**"), with registered office at Plaza de la Lealtad, 1, 28014 Madrid, Spain.

The summary table below outlines the main changes in the Company's share capital since 2014:

Date	**Corporate action**	**Nominal value (€)**	**Share premium**	**Number of initial shares**	**Number of issued shares**	**Total shares**	**Resulting nominal value (€)**	**Resulting share capital (€)**
November 17, 2014	Transformation into S.A.	10.00	—		—	5,792,081	0.25	57,920,810
November 17, 2014	Split	0.25	—		225,891,159	231,683,240	0.25	€57,920,810

Our treasury shares as at the date hereof amount to 113,000 shares, which represent 0.049% of our share capital.

Pre-emptive Rights and Increases of Share Capital

Pursuant to the Spanish Companies Act and our bylaws, shareholders have pre-emptive rights to subscribe for any new shares issued against monetary contributions and for any new bonds convertible into shares. Such pre-emptive rights may be excluded when so required by the corporate interest under special circumstances by a resolution passed at a general shareholders' meeting or by the board of directors (when the company is listed and the general shareholders' meeting delegates to the board of directors the right to increase the capital stock or issue convertible bonds and exclude pre-emptive rights), in accordance with Articles 308, 417, 504, 505, 506 and 511 of the Spanish Companies Act. As of the date hereof, we have neither convertible or exchangeable bonds outstanding and there is a delegation on the Board of Directors to resolve on the issue of convertible bonds or any other security which could entitle either directly or indirectly to subscribe shares of the Company for a maximum issuance amount of €750 million. On the other hand, the former sole shareholder, on April 10, 2015, passed a resolution authorizing the Board of Directors, in accordance with article 297.1.b) of the Spanish Companies Act, to increase its share capital without previously convening the general shareholders' meeting by up to half of the Company's share capital as of the date of the resolution. This authorization included the power to exclude pre-emptive rights, subject to the limit of 20% of share capital at the time of the delegation. The Board of Directors may exercise this authorization within five years, on one or more occasions and at any time, for any amount, and subject to any conditions that may be deemed appropriate.

Also, holders of shares have the right of free allotment recognized in the Spanish Companies Act in the event of capital increase against reserves.

Furthermore, the pre-emptive rights, in any event, will not be available in an increase in share capital against non-cash contribution, by means of capitalization of credit rights, or to honor the conversion into shares of convertible bonds or in a merger in which shares are issued as consideration. Pre-emptive rights are transferable, may be traded on the AQS and may be of value to existing shareholders because new shares may be offered for subscription at prices lower than prevailing market prices.

Shareholders Meetings and Voting Rights

Pursuant to the Company's Bylaws, rules of the General Shareholders Meeting and Spanish corporate law, the annual ordinary general meeting of the Company's shareholders is held during the first six months of each financial year on a date fixed by the Board of Directors. Extraordinary shareholders meetings may be called by the Board of Directors whenever the Board of Directors deems it appropriate or at the request of shareholders representing at least 3% of the Company's share capital. Notices of all shareholders meetings are published in the Commercial Registry's Official Gazette (*Boletín Oficial del Registro Mercantil*) or in a local newspaper of wide circulation in the province where the Company is domiciled (currently Madrid, Spain) and on the Company's website and the CNMV website. Meetings must generally be called at least one month before the date on which the meeting is to be held. Exceptionally under the Spanish Companies Act, when the Company provides all shareholders with electronic vote, an extraordinary shareholders' meeting may be called 15 days before the date on which the meeting is to be held.

Action is taken at Ordinary Shareholders Meetings on the following matters (i) the approval of the management of the Company by the directors during the previous financial year, (ii) the approval of the financial statements from the previous financial year, and (iii) the application of the previous financial year's income or loss. All other matters can be considered at either an Extraordinary Shareholders Meeting or at an Ordinary Shareholders Meeting if the matter is within the authority of the meeting and is included on the agenda (with certain exceptional items which do not need to be included on the agenda to be validly passed, like dismissal of directors and the decision to bring the liability action against directors of the Company). The liability action against directors shall be brought by the Company pursuant to a general shareholders' meeting decision, which may be adopted at the request of any shareholder even where not included on the agenda. The bylaws cannot require qualified majority for the adoption of such resolution. The decision to bring an action or reach a settlement shall entail the removal of the relevant directors. The approval of the financial statements shall not preclude action for liability nor constitute a waiver of the action agreed or brought.

According the Spanish Companies Act —and in addition to the matters referred to in the previous paragraph and any other matters as provided by law, the Company's bylaws or the General Shareholders' Meeting Regulations—, the following matters fall within the authority of the general shareholders' meetings: (a) the appointment and removal of the members of the Board of Directors, the Company's liquidators and the Company's auditors, as well as the exercising of the corporate action for liability against any of them; (b) the amendment of the Company's bylaws; (c) the increase or reduction of the share capital —or granting to the Board of Directors authority to increase the share capital—; (d) the exclusion or limitation of shareholders' preferential subscription rights —or granting to the Board of Directors authority to exclude or limit it —; (e) the transformation, merger, spin-off or globally assign the Company's assets and liabilities, moving the Company's registered offices abroad; (f) the dissolution of the Company and the approval of transactions that have the effect of winding up the Company; (g) the approval of the final winding up balance sheet; (h) the acquisition, disposal or transfer of core assets to another company; (i) the transfer of core activities previously carried out by the parent company to subsidiaries, even if the Company retains full control of the activities; and (j) the approval of the directors' remuneration policy in the terms provided by the law. An activity or asset will be deemed to be core if the transaction volume exceeds 25% of the total assets recorded in the most recently approved company's balance sheet.

Also, the general shareholders' meetings shall vote separately on substantially independent matters. Even if included in the same item on the agenda, the following shall be voted separately: (i) the appointment, re-election, ratification or separation of directors; (ii) the advisory vote on the Annual report on directors' remuneration; and (iii) in resolutions to amend the bylaws, each substantially independent article or group of articles.

Each Share entitles the holder to one vote and there is no limit as to the maximum number of voting rights that may be held by each shareholder or by companies of the same group. Any shareholder having the right to attend a general shareholders meeting may also be represented by a proxy. Proxies must be granted in writing or in electronic form acceptable under the internal regulations of the Company and are valid for a single shareholders meeting. Proxies may be given to any person and may be revoked, either expressly or by attendance by the shareholder at the meeting. Proxy holders will be required to disclose any conflict of interest prior to their appointment. In the event a conflict of interest arises after the proxy holder's appointment, such conflict of interest must be immediately disclosed to the relevant shareholder. In both cases, the proxy holder shall not exercise the shareholder's rights unless the latter has given specific voting instructions for each resolution in respect of which the proxy holder is to vote on behalf of the shareholder. A person acting as a proxy holder may hold a proxy from more than one shareholder without limitation as to the number of shareholders so represented. Where a proxy holder holds proxies from several shareholders, he/she will be able to cast votes for a shareholder differently from votes cast for another shareholder.

Shareholders holding 100 or more shares who are duly registered in the book-entry records maintained by Iberclear and its member entities at least five days prior to the day on which a shareholders meeting is scheduled may, in the manner provided in the notice for such meeting, attend and vote at such meeting.

The Company's Bylaws provide that, on the first call of an ordinary or extraordinary General Shareholders Meeting, the presence in person or by proxy of shareholders representing at least 25% of the Company's voting capital will constitute a quorum. If on the first call a quorum is not present, the meeting can be reconvened by a second call, which according to Spanish corporate law requires no quorum. Resolutions are passed by simple majority of the votes cast, which implies having more votes in favour than against.

However, a resolution in a shareholders meeting to increase or decrease the Company's share capital, issue bonds, suppress or limit the pre-emptive subscription right over newly issued ordinary shares, transform, merge, spin-off, globally assign the Company's assets and liabilities, transfer the Company's registered address abroad or otherwise modify the Company's Bylaws, requires on first call the presence in person or by proxy of shareholders representing at least 50% of the Company's voting capital and on second call the presence in person or by proxy of shareholders representing at least 25% of the Company's voting capital. On first call, resolutions shall be adopted by absolute majority. On second call, and in the event that less than 50% of the Company's voting capital is represented in person or by proxy, such resolutions may only be passed upon the vote of shareholders representing 2/3 of the Company's capital present or represented at such meeting.

The interval between the first and the second call for a shareholders meeting must be at least 24 hours.

Voting on the resolutions included in the agenda of a shareholders meeting may be exercised by shareholders by post or electronic means received by the Company prior to the shareholders meeting, and provided that the identity of the shareholder who exercises his right to vote is duly verified and the formalities determined by the Board of Directors through resolution and subsequent notification in the call announcement of the shareholders meeting are complied with. In such resolution, the Board of Directors will define the applicable conditions to the voting via electronic means in order to ensure the proper identification of the shareholder or its representative.

Under Spanish corporate law, shareholders who voluntarily aggregate their shares so that the capital stock aggregated is equal to or greater than the result of dividing the total capital stock by the number of directors have the right, provided there are vacancies on the Board of Directors, to appoint a corresponding proportion of the members of the Board of Directors (disregarding fractions). Shareholders who exercise this right (in person or by proxy) may not vote on the appointment of other directors.

A resolution passed at a general shareholders' meeting is binding on all shareholders, although a resolution which is (i) contrary to law or the bylaws or the shareholders meeting internal regulations of the Company, or (ii) prejudicial to the interest of the company and beneficial to one or more shareholders or third parties, may be contested. Damage to company's interest is also caused when the resolution, without causing damage to corporate assets, is imposed in an abusive manner by the majority. An agreement is understood to have been imposed in an abusive manner when, rather than responding reasonably to a corporate need, the majority adopts the resolution in their own interests and to the unjustifiable detriment of the other shareholders. In the case of listed companies, the required fraction of the Company's share capital needed to be able to contest is 0.1%. The right to contest would apply to those who were shareholders at the time when the resolution was taken, directors and interested third parties. In the event of resolutions contrary to public order, the right to contest would apply to any shareholders (even if they acquired such condition after the resolution was taken), and any director or third party.

In certain circumstances (such as change or significant amendment of the corporate purpose, transformation or transfer of registered address abroad), the Spanish Companies Act gives dissenting or absent shareholders (including non-voting shareholders) the right to withdraw from the Company. If this right were exercised, the Company would be obliged to purchase the relevant shares at the average market price of the shares in the last quarter in accordance with the procedures established under the Spanish Companies Act.

Dividend and Liquidation Rights

Holders of our shares have the right to participate in distributions of our profits and proceeds from liquidation, proportionally to their paid-up share capital. However, there is no right to receive a minimum dividend.

Payment of dividends is proposed by the Board of Directors and must be authorized by our shareholders at a general shareholders' meeting. Holders of shares participate in such dividends from the date agreed by a general shareholders' meeting. Additionally, interim dividends (*dividendo a cuenta*) may also be distributed among shareholders directly upon approval by the Board of Directors provided that: (i) there is sufficient liquidity to pay the interim dividend; and (ii) the amount distributed does not exceed the amount resulting from deducting from the earnings booked since the end of the previous year, the sum of previous years' losses, the amounts earmarked for the legal or bylaws' reserves, and the estimated tax due on the aforesaid earnings. The Spanish Companies Act requires each company to allocate at least 10% of its net income each year to a legal reserve until the balance of such reserve is equivalent to at least 20% of such company's issued share capital. A company's legal reserve is not available for distribution to its shareholders except upon such company's liquidation. As of December 31, 2016, our legal reserve amounted to €11,584 thousand equivalent to 20.00% of our share capital as of that date.

According to the Spanish Companies Act, dividends may only be paid out of profits or distributable reserves (after the compulsory allocation to mandatory reserves, including the legal reserve, and only if the value of our net worth is not, and as a result of distribution would not be, less than our share capital).

In addition, no profits may be distributed unless the amount of distributable reserves is at least equal to the amount of the research and development expenses recorded as an asset on our balance sheet.

In accordance with Article 947 of the Spanish Commercial Code, the right to a dividend lapses and reverts to us if it is not claimed within five years after it becomes payable.

We are not aware of any restriction on the collection of dividends by non-resident shareholders. All holders will receive dividends through Iberclear and its member entities, without prejudice to potential withholdings on account of the Non-resident Income Tax, approved by Royal Legislative Decree 5/2004 of March 5, 2004, as amended (*Impuesto sobre la Renta de No Residents*) that may apply.

In the event of our liquidation, our shareholders would be entitled to receive proportionately any assets remaining after payment of our debts and all applicable taxes and expenses.

Our ability to pay dividends or repurchase our shares will depend on the availability of distributable reserves which, in turn, will depend on our results and other factors such as our profitability and cash flow generation. As of June 30, 2017, Cellnex Telecom, S.A. had distributable reserves (voluntary reserves) amounting to € 45,650 thousand. Accordingly, our ability to make a distribution to shareholders will depend on our ability to generate net profits in future periods in order to achieve sufficient distributable reserves.

Our ability to distribute dividends in the near future will depend on a number of factors, including (but not limited to) the amount of our distributable profits and reserves and our investment plans, earnings, level of profitability, cash flow generation, restrictions on payment of dividends under applicable laws, compliance with covenants in our debt instruments (see details set out in "Dividends and Dividend Policy"), the level of dividends paid or shares repurchased by other comparable listed companies doing business in Spain and such other factors as the Board of Directors or the shareholders may deem relevant from time to time.

Shareholder Actions

Under the Spanish Companies Act, directors are liable to the company, shareholders and creditors for their acts or omissions that are illegal or violate the bylaws and for failure to carry out their legal duties with diligence.

Under Spanish law, shareholders must generally bring actions against the directors as well as any other actions against us or challenging corporate resolutions before the courts of the judicial district of our registered address (currently Madrid, Spain).

Registration and Transfers

Our shares are in registered book-entry form and are indivisible. Joint holders of one share must designate a single person to exercise their shareholders' rights, but they are jointly and severally (*solidariamente*) liable to us for all the obligations arising from their status as shareholders. Iberclear, which manages the Spanish clearance and settlement system of the Spanish Stock Exchanges, maintains the central registry reflecting the number of shares held by each of its member entities (*entidades participantes*). Each member entity, in turn, maintains a registry of the owners of such shares.

Our shares are freely transferable in accordance with the Spanish Companies Act, the Securities Market Act and any implementing regulation.

As a general rule, transfers of shares quoted on the Spanish Stock Exchanges must be made through or with the participation of a member of a Stock Exchange. Brokerage firms, or dealer firms, Spanish credit entities, investment services entities authorized in other EU member states and investment services entities authorized by their relevant authorities and in compliance with the Spanish regulations are eligible to be members of the Spanish Stock Exchanges. Transfer of shares quoted on the Spanish Stock Exchanges may be subject to certain fees and expenses.

Restrictions on Foreign Investment

Exchange controls and foreign investments were, with certain exceptions, completely liberalized by Royal Decree 664/1999, of April 23 (*Real Decreto 664/1999, de 23 de abril*), which was approved in conjunction with Law 18/1992, of July 1 (the "Spanish Foreign Investment Law"), bringing the existing legal framework on foreign investments in line with the provisions of the Treaty of the EU.

According to regulations adopted under the Spanish Foreign Investment Law, and subject to the restrictions described below, foreign investors may freely invest in shares of Spanish companies as well as transfer invested capital, capital gains and dividends out of Spain without limitation (subject to applicable taxes and exchange controls). Foreign investors who are not resident in a tax haven are only required to file a notification with the Spanish Registry of Foreign Investments maintained by the General Bureau of Commerce and Investments (*Dirección General de Comercio e Inversiones*) within the Ministry of Economy, Industry and Competitiveness (*Ministerio de Economía, Industria y Competitividad*) following an investment or divestiture, if any, solely for statistical, economic and administrative purposes. Where the investment or divestiture is made in shares of Spanish companies listed on any of the Spanish Stock Exchanges, the duty to provide notice of a foreign investment or divestiture lies with the relevant entity with whom the shares (in book-entry form) have been deposited or which has acted as an intermediary in connection with the investment or divestiture.

If the foreign investor is a resident of a tax haven, as defined under Spanish law (Royal Decree 1080/1991, of July 5), notice must be provided to the Registry of Foreign Investments prior to making the investment, as well as after consummating the transaction. However, prior notification is not necessary in the following cases:

- investments in listed securities, whether or not trading on an official secondary market;
- investments in participations in investment funds registered with the CNMV; and
- foreign shareholdings that do not exceed 50.0% of the capital of the Spanish company in which the investment is made.

Additional regulations to those described above apply to investments in some specific industries, including air transportation, mining, manufacturing and sales of weapons and explosives for civil use and national defense, radio, television, telecommunications and gambling. These restrictions do not apply to investments made by EU residents, other than investments by EU residents in activities relating to the Spanish defense sector or the manufacturing and sale of weapons and explosives for non-military use.

The Spanish Council of Ministers (*Consejo de Ministros*), acting on the recommendation of the Ministry of Economy, Industry and Competitiveness, may suspend the aforementioned provisions relating to foreign investments for reasons of public policy, health or safety, either generally or in respect of investments in specified industries, in which case any proposed foreign investments falling within the scope of such a suspension would be subject to prior authorization from the Spanish government, acting on the recommendation of the Ministry of Economy, Industry and Competitiveness.

Law 19/2003, of July 4, on the establishment of a regulatory regime relating to capital flows to and from legal or natural persons abroad and the prevention of money laundering ("**Law 19/2003**"), generally provides for the liberalization of the regulatory environment with respect to acts, businesses, transactions and other operations between Spanish residents and non-residents in respect of which charges or payments abroad will occur, as well as money transfers, variations in accounts or financial debit or credits abroad. These operations must be reported to the Ministry of the Economy and Competitiveness and the Bank of Spain only for informational and statistical purposes. The most important developments resulting from Law 19/2003 are the obligations on financial intermediaries to provide to the Spanish Ministry of Economy, Industry and Competitiveness and the Bank of Spain information corresponding to client transactions.

Exchange Control Regulations

Pursuant to Royal Decree 1816/1991, of December 20, relating to economic transactions with non-residents as amended by Royal Decree 1360/2011 of October 7, and EC Directive 88/361/EEC, charges, payments or transfers between non-residents and residents of Spain must be made through a registered entity, such as a bank or another financial institution registered with the Bank of Spain and/or the CNMV (*entidades registradas*), through bank accounts opened abroad with a foreign bank or a foreign branch of a registered entity, in cash or by check payable to bearer. All charges, payments or transfers which exceed €6,010 (or its equivalent in another currency), if made in cash or by check payable to bearer, must be notified to the Spanish exchange control authorities.

Reporting Requirements

Pursuant to Royal Decree 1362/2007, of October 19, any individual or legal entity which, by whatever means, purchases or transfers shares which grant voting rights in our Company, must notify us and the CNMV, if, as a result of such transaction, the proportion of voting rights held by that individual or legal entity reaches, exceeds or falls below a threshold of 3.0%, 5.0%, 10.0%, 15.0%, 20.0%, 25.0%, 30.0%, 35.0%, 40.0%, 45.0%, 50.0%, 60.0%, 70.0%, 75.0%, 80.0% and 90.0% of our total voting rights.

The individual or legal entity obliged to carry out the notification must serve the notification by means of the form approved by the CNMV from time to time for such purpose, as soon as possible and, in any event, within four trading days from the date on which individual or legal entity acknowledged or should have acknowledged the circumstances that generate the obligation to notify (Royal Decree 1362/2007 deems a transaction to be acknowledged within two trading days from the date on which such transaction is entered into).

The reporting requirements apply not only to the purchase or transfer of shares, but also to those transactions in which, without a purchase or transfer, the proportion of voting rights of an individual or legal entity reaches, exceeds or falls below the threshold that triggers the obligation to report as a consequence of a change in the total number of voting rights of a company on the basis of the information reported to the CNMV and disclosed by it. In such a case, the transaction is deemed to be acknowledged within two trading days from the date of publication of the relevant fact disclosure ("*hecho relevante*") regarding such transaction.

Should the individual or legal entity effecting the transaction be a non-resident of Spain, notice must also be given to the Spanish Registry of Foreign Investments maintained by the General Bureau of Commerce and Investments.

Regardless of the actual ownership of the shares, any individual or legal entity with a right to acquire, transfer or exercise voting rights granted by the shares, and any individual or legal entity which acquires, transfers or holds, whether directly or indirectly, other securities or financial instruments, which grant a right to acquire shares with voting rights, will also have an obligation to notify us and the CNMV of the holding of a significant stake in accordance with applicable regulations.

From November 27, 2015, the foregoing also applies to holders of financial instruments giving rise to a similar economic exposure than the securities or financial instruments mentioned above regardless of whether or not the instrument is to be settled at the option of the holder physically or in cash. Moreover, from November 27, 2015, holdings of voting rights attributable to shares and those attributable to financial instruments are aggregated for the purposes of determining whether a reporting threshold has been met.

Moreover, the obligation to will also applies to any person which, directly or indirectly, hold, acquire, transfer or has the possibility to exercise the voting rights associated to or attributed to the shares or other financial instruments where the aggregated proportion of the voting rights reaches, exceeds or falls below the thresholds referred to above.

Should the person or group effecting the transaction be resident in a tax haven (as defined in Royal Decree 1080/1991, of July 5), the threshold that triggers the obligation to disclose the acquisition or transfer of our shares is reduced to 1.0% (and successive multiples thereof).

All members of the Board of Directors must report to both us and the CNMV any percentage or number of voting rights in the Company held by them at the time of becoming or ceasing to be a member of the Board of Directors within five AQS trading days. Furthermore, all members of the Board of Directors must report any change in the percentage of voting rights they hold, regardless of the amount, as a result of any acquisition or disposition of our shares or voting rights, or financial instruments which carry a right to acquire or dispose of shares which have voting rights attached, including any stock-based compensation that they may receive pursuant to any of our compensation plans. Members of our senior management must also report any stock-based compensation that they may receive pursuant to any of our compensation plans or any subsequent amendment to such plans.

Moreover, pursuant to Article 19 of Regulation 596/2014 of April 16, on market abuse, persons discharging managerial responsibilities and any persons having a close link (*vínculo estrecho*) with any of them must similarly report to the Company and the CNMV any acquisition or disposal of the Company's shares, derivative or financial instruments linked to the Company's shares within three business days after the date of the transaction is made, provided that transactions carried out by the relevant person within the calendar year reach €5,000 in aggregate. The notification of the transaction must include particulars of, among others, the type of transaction, the date of the transaction and the market in which the transactions were carried out, the number of shares traded and the price paid.

In certain circumstances established by Royal Decree 1362/2007, the notification requirements on the acquisition or transfer of shares also apply to any person or legal entity that, independently of the ownership of the shares, may acquire, transmit or exercise the voting rights granted by those shares, provided that the proportion of voting rights reaches, increases above or decreases below, the percentages set forth by Spanish law.

Moreover, pursuant to Article 30.6 of Royal Decree 1362/2007, in the context of a takeover bid, the following transactions should be notified to the CNMV: (i) any acquisition reaching or exceeding 1.0% of the voting rights of the Company, and (ii) any increase or decrease in the percentage of voting rights held by holders of 3.0% or more of the voting rights in the Company. The CNMV will immediately make public this information.

Shareholders' Agreements

The Securities Market Act and Articles 531, 533 and 535 of the Spanish Companies Act require parties to disclose certain types of shareholders' agreements that affect the exercise of voting rights at a general shareholders' meeting or contain restrictions or conditions on the transferability of shares or bonds that are convertible or exchangeable into shares of listed companies.

If our shareholders enter into such agreements with respect to our shares, they must disclose the execution, amendment or extension of such agreements to us and to the CNMV, file such agreements with the appropriate commercial registry and publish them through a relevant fact disclosure (*hecho relevante*). Failure to comply with these disclosure obligations renders any such shareholders' agreement unenforceable and constitutes a violation of the Securities Market Act.

Such a shareholders' agreement will have no effect with respect to the regulation of the right to vote in general shareholders' meetings and restrictions or conditions on the free transferability of shares and bonds convertible into shares until such time as the aforementioned notifications, deposits and publications are made.

Upon request by the interested parties, the CNMV may waive the requirement to report, deposit and publish the agreement when publishing the shareholders' agreement could cause harm to the affected company.

Net Short Positions

In accordance with Regulation (EU) No 236/2012 of the European Parliament and of the Council of March 14, 2012 on short selling and certain aspects of credit default swaps (as further supplemented by several delegated regulations regulating technical aspects necessary for its effective enforceability and to ensure compliance with its provisions), net short positions on shares listed on the Spanish Stock Exchanges equal to, or in excess of, 0.2% of the relevant issuer's share capital and any increases or reductions thereof by 0.1% are required to be disclosed to the CNMV. If the net short position reaches 0.5%, and also at every 0.1% above that, the CNMV will disclose the net short position to the public. Such Regulation also restricts uncovered short sales in shares, providing that a natural or legal person may enter into a short sale of a share admitted to trading on a trading venue only where one of the conditions established in Article 12 of the referred Regulation has been fulfilled.

The notification or disclosure mentioned above shall be made not later than at 15.30 (CET) on the following trading day.

Notification is mandatory even if the same position has been already notified to the CNMV in compliance with transparency obligations previously in force in that jurisdiction.

The information to be disclosed is set out in Table 1 of Annex I of Delegated Regulation 826/2012, according to the format approved as Annex II of this Regulation. The information will be published, where appropriate, on a web page operated or supervised by the CNMV.

Moreover, pursuant to Regulation 236/2012, where the CNMV considers that (i) there are adverse events or developments that constitute a serious threat to financial stability or to market confidence (serious financial, monetary or budgetary problems, which may lead to financial instability, unusual volatility causing significant downward spirals in any financial instrument, etc.); and (ii) the measure is necessary and will not be disproportionately detrimental to the efficiency of financial markets in view of the advantages sought, it may, following consultation with the European Securities and Markets Authority ("**ESMA**"), take any one or more of the following measures:

- impose additional notification obligations by either (a) reducing the thresholds for the notification of net short positions in relation to one or several specific financial instruments; and/or (b) requesting the parties involved in the lending of a specific financial instrument to notify any change in the fees requested for such lending; and
- restrict short selling activity by either prohibiting or imposing conditions on short selling.

In addition, according to Regulation 236/2012, where the price of a financial instrument has fallen significantly during a single day in relation to the closing price on the previous trading day (10.0% or more in the case of a liquid share), the CNMV may prohibit or restrict short selling of financial instruments for a period not exceeding the end of the trading day following the trading day on which the fall in price occurs.

Finally, Regulation 236/2012 also vests powers to ESMA in order to take measures similar to the ones described above in exceptional circumstances, when the purpose of these measures is to deal with a threat affecting several EU member states and the competent authorities of these member states have not taken adequate measures to address it.

Share Repurchases

Pursuant to the Spanish Companies Act, we may only repurchase our own shares within certain limits and in compliance with the following requirements:

- the repurchase must be authorized by the general shareholders' meeting in a resolution establishing the maximum number of shares to be acquired, the titles for the acquisition, the minimum and maximum acquisition price and the duration of the authorization, which may not exceed five years from the date of the resolution;
- the repurchase, including the shares already acquired and currently held by us, or any person or company acting in its own name but on our behalf, must not bring our net worth below the aggregate amount of our share capital and legal or non-distributable bylaws' reserves. For these purposes, net worth means the amount resulting from the application of the criteria used to draw up the financial statements, subtracting the amount of profits directly allocated to such net worth, and adding the amount of share capital subscribed but not called and the share capital par value and issue premium recorded in our accounts as liabilities;

- the aggregate value of the Shares directly or indirectly repurchased, together with the aggregate par value of the Shares already held by us, must not exceed 10.0% of our share capital; and
- Shares repurchased for valuable consideration must be fully paid-up. A repurchase shall be considered null and void if (i) the shares are partially paid-up, except in the case of free repurchase, or (ii) the shares entail ancillary obligations.

Treasury shares do not have voting rights or economic rights (for example, the right to receive dividends and other distributions and liquidation rights). Such economic rights except the right to receive bonus shares, will accrue proportionately to all of our shareholders. Treasury shares are counted for purposes of establishing the quorum for general shareholders' meetings as well as majority voting requirements to pass resolutions at general shareholders' meetings.

Regulation 596/2014 of April 16, on market abuse establishes rules in order to ensure the integrity of European Community financial markets and to enhance investor confidence in those markets. This regulation maintains an exemption from the market manipulation rules regarding share buy-back programs by companies listed on a stock exchange in an EU Member State. Commission Delegated Regulation (EU) 2016/1052, of March 8, 2016, implements Regulation 596/2014 with regard to the regulatory technical standards for the conditions applicable to buy-back programs and stabilization measures. According to the provisions included in the Delegated Regulation, in order to benefit from the exemption, an issuer implementing a buy-back program must comply with the following requirements:

(a) Prior to the start of trading in a buy-back program, the issuer must ensure the adequate disclosure of the following information:

  - The purpose of the program. According to Article 5.2 of Regulation 596/2014, the buy-back program must have as its sole purpose (a) to reduce the capital of the issuer; (b) to meet obligations arising from debt financial instruments convertible into equity instruments; or (c) to meet obligations arising from share option programs, or other allocations of shares, to employees or to members of the administrative, management or supervisory bodies of the issuer or of an associate company;
  - The maximum pecuniary amount allocated to the program;
  - The maximum number of shares to be acquired; and
  - The period for which authorization for the program has been granted.

(b) The issuer must ensure that the transactions relating to the buy-back program meet the conditions included on Article 3 of the Delegated Regulation. Specifically, that the purchase price is not higher than the higher of the price of the last independent trade and the highest current independent purchase bid on the trading venue where the purchase is carried out. Furthermore, issuers must not purchase on any trading day more than 25% of the average daily volume of shares on the corresponding trading venue.

(c) Issuers shall not, for the duration of the buy-back program, engage on (a) selling of own shares; (b) trading during the closed periods referred to in Article 19.11 of Regulation 596/2014; and (c) trading where the issuer has decided to delay the public disclosure of inside information.

On April 26, 2017, the CNMV approved Circular 1/2017 on liquidity contracts entered into by issuers with financial institutions for the management of its treasury shares. This regulation entered into force on July 10, 2017. It repealed and replaced the CNMV's Circular 3/2007 and introduced new specific rules, limits and mechanisms for liquidity agreements to constitute an accepted market practice and, therefore, be able to rely on a safe harbor for the purposes of market abuse regulations.

If an acquisition or series of acquisitions of our Shares reaches or exceeds or causes our and our affiliates' holdings to reach or exceed 1.0% of the voting shares, we must notify our final holding of treasury shares to the CNMV. If such threshold is reached as a result of a series of acquisitions, such reporting obligation will only arise after the closing of the acquisition which, taken together with all acquisitions made since the last of any such notifications, causes our and our affiliates' holdings to exceed 1.0% of the voting shares. Sales and other transfers of our treasury shares will not be deducted in the calculation of such threshold. This requirement would also apply if the shares were acquired by one of our majority owned subsidiaries.

Moreover, pursuant to Spanish Companies Act, the audited financial statements of a company must include a reference to any treasury shares.

In addition, on July 18, 2013, the CNMV published certain guidelines for securities issuers and financial intermediaries acting on their behalf regarding the “discretionary transactions with treasury shares” (outside of the buy-back program regulation). These guidelines are in line with the buy-back program regulation in respect of price, limits and volumes and include certain restricted periods and a rule of separated management of the trading activity.

ADDITIONAL INFORMATION

Cellnex is a Spanish *sociedad anónima* incorporated on June 25, 2008 in Barcelona, Spain, for an indefinite term under the public deed executed before the Notary Public of Cataluña, Ms. María Isabel Gabarró Miquel, on June 25, 2008, number 1,655 of her records. It is registered with the Barcelona Commercial Registry under the Volume 40631, Folio 174, Section 8, Page No. B-370105, First Inscription. Cellnex holds Spanish tax identification number A64907306 and its legal entity identifier (LEI) code is 5493008T4YG3AQUI7P67.

Cellnex's registered office is at Calle Juan Esplandiú, 11-13, Madrid (telephone number (+34) 935 678 910).

Cellnex's corporate name is Cellnex Telecom, S.A. and its trade name is Cellnex.

Documents on display

Copies of the following documents will be available for inspection in physical form during business hours on weekdays at our offices at Calle Juan Esplandiú, 11-13, Madrid (Spain):

(a) deed of incorporation of the Company.

(b) the bylaws of the Company (which are also available on our website at www.cellnextelecom.com > Shareholders&Investors > Corporate Documents > Corporate Bylaws);

(c) Board of Directors Regulations, General Shareholders' Meeting Regulations, Internal Code of Conduct (which are also available on the CNMV's website at www.cnmv.es and on our website at www.cellnextelecom.com > Shareholders&Investors > Corporate Documents).

(d) Audited Consolidated Financial Statements (which are also available on the CNMV's website at www.cnmv.es and on our website at www.cellnextelecom.com > Shareholders&Investors > Financial Information > Annual/half-yearly reports).

(e) Interim Consolidated Financial Statements (which are also available on the CNMV's website at www.cnmv.es and on our website at www.cellnextelecom.com > Shareholders&Investors > Financial Information > Annual/half-yearly reports).

(f) this Registration Document (which is also available on the CNMV's website at www.cnmv.es and on our website at www.cellnextelecom.com > Shareholders&Investors > Financial Information > Share Issues and Takeover Bids > Base Prospectus).

The documents referred to in (b) to (f) above will also be available for inspection at the CNMV's premises at: Edison 4, 28006 Madrid (Spain) and Passeig de Gràcia, 19, 4ª 08007 Barcelona (Spain)

Neither our website nor any of its contents forms part of or is incorporated into this Registration Document, whether by reference or otherwise, except as otherwise provided in this Registration Document.

Independent Auditors

The Audited Consolidated Financial Statements included elsewhere in this Registration Document have been audited with a favourable opinion being issued by Deloitte, S.L., independent auditors, as stated in their reports appearing elsewhere in this Registration Document. In addition, the Interim Consolidated Financial Statements included elsewhere in this Registration Document have been reviewed by Deloitte, S.L., independent auditors, as stated in their reports appearing elsewhere in this Registration Document.

Deloitte, S.L. is domiciled at Madrid, Plaza de Pablo Ruiz Picasso 1, Torre Picasso, 28020, holder of tax identification number (CIF) number B-79104469 and registered in the R.O.A.C. (Registro Oficial de Auditores de Cuentas—Official Registry of Auditors) with number S0692 and in the Madrid Commercial Registry at Volume 29,897, section 8ª, page 21 and sheet M-538,045.

Professional fees for auditing services contracted by us with Deloitte, S.L. and related member firms for the years ended December 31, 2016, 2015 and 2014 were €782 thousand, €489 thousand, and €248 thousand, respectively.

GLOSSARY

"**AEB**" refers to the Spanish Bank Association.

"**Anchor customer**" refers to anchor tenants are telecom operators from which the Company has acquired assets.

"**APM**" refers to Alternative Performance Measures.

"**ASO**" refers to the analogue switch-off, the cessation of terrestrial TV broadcasting with analog technology that took place in Spain by April 2010 in accordance with the National Technical Plan for Digital Terrestrial Television approved by Royal Decree 944/2005.

"**AQS**" refers to Automated Quotation System.

"**Backhauling**" in a telecommunications network the backhaul portion comprises the intermediate links between the backbone network and the subnetworks. Cell phones communicating with a single cell tower constitute a subnetwork and the connection between the cell tower and the rest of the network begins with a backhaul link.

"**Backlog**" represents management's estimate of the amount of contracted revenues that we 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 but do not include adjustments for inflation. One of the main assumptions relates to the contract renewals, and in accordance with the 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.

"**BORME**" refers to the Spanish Commercial Registry Official Gazette, *Boletín Oficial del Registro Mercantil.*

"**BTS**" refers to base transceiver stations.

"**Build-to-suit**" refers to towers that are built to meet the needs of the customer.

"**Business Day**" refers to a day (other than a Saturday or Sunday) on which banks are open for general commercial business in Madrid, Spain.

"**Capex**" refers to capital expenditure.

"**CECA**" refers to Spanish Savings Bank Confederation.

"**CLNX**" refers to Cellnex.

"**Customer ratio**" relates to the average number of carriers in each site. It is obtained by dividing the number of carriers by the average number of Telecom Infrastructure Services sites in the year.

"**CMT**" refers to the predecessor of the CNMC (*Comisión del Mercado de las Telecomunicaciones*).

"**CNMV**" refers to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

"**CNMC**" refers to the National Commission of Markets and Competition (*Comisión Nacional de los Mercados y de la Competencia*).

"**CPI**" refers to consumer price index.

"**DAB**" refers to digital audio broadcasting.

"**DAS**" refers to distributed antenna system, which is a network of spatially separated antenna nodes connected to a common source via a transport medium that provides wireless service within a geographic area or structure.

"**Data Center**" refers to a facility composed of networked computers and storage, used to organize, process, store and disseminate large amounts of data.

"**Digital Dividend**" refers to the release by the Spanish government of 800 MHz band of frequencies currently used by DTT for mobile use to the benefit of 4G/LTE service provider as a result of the reallocation of spectrum, which was completed on March 31, 2015 and which reduced the number of MUXs from eight to seven at a national level, and on a general basis, from two to one at the regional level.

"**DTH**" refers to direct-to-home platforms.

"**DTT**" refers to digital terrestrial television.

“**DVB-T2**” refers to digital video broadcasting—second generation terrestrial.

“**EU**” refers to the European Europe.

“**EMTN Programme**” refers to the Euro Medium Term Note Programme.

“**ESMA**” refers to the European Securities and Markets Authority.

“**FM**” refers to frequency modulation, the encoding of information in a carrier wave by varying the instantaneous frequency of the wave.

“**FNO**” refers to fixed network operators.

“**FSMA**” refers to the Financial Services and Markets Act.

“**FTA**” refers to free-to-air.

“**GMDSS**” refers to the Global Maritime Distress and Safety System.

“**HBB**” refers to hybrid broadcast broadband.

“**HD**” refers to high definition.

“**HEVC**” refers to high efficiency video coding.

“**ICT**” refers to information communication technology.

“**IFRS**” refers to the International FinancialReporting Standards.

“**IPTV**” refers to internet protocol television.

“**IoT**” refers to the Internet of Things, the interconnection of uniquely identifiable embedded computing devices within the existing internet infrastructure.

“**IT**” refers to the information technology.

“**Long-Term Incentive Plan**” means the long-term incentive plan approved by us on April 10, 2015.

“**LTE**” refers to long-term evolution, a communication standard for high-speed data mobile devices.

“**MHz**” refers to megahertz.

“**MSA**” refers to Master Service Agreements.

“**MNO**” Mobile Network Operator.

“**MUX**” refers to multiplex, a system of transmitting several messages or signals simultaneously on the same circuit or channel.

“**M2M**” refers to machine to machine.

“**Node**” receives the optical signal from the BTS venue and transforms it into radio frequency signal and then transfers it to antennas after amplifying it.

“**NRA**” refers to national regulation authorities.

“**O&M**” refers to operation and maintenance.

“**PFIC**” refers to passive foreign investment company.

“**PoP**” refers to points of presence, an artificial demarcation point or interface point between communicating entities. Each tenant on a given site is considered a PoP.

“**PPDR**” refers to public protection and disaster relief.

“**Rationalization**” refers to a process consisting on decommissioning one site and moving equipment to another one, so that out of two sites only one remains.

“**SD**” refers to standard definition.

“**SESIAD**” refers to the Spanish Secretary of State for the Information Society and Digital Agenda, *Secretaría de Estado para la Sociedad de la Información y la Agenda Digital*.

“**Simulcast**” Broadcasting of programs or events across more than one medium, or more than one service on the same medium, at exactly the same time.

“**SLA**” referts to service level agreements.

“**SMP**” refers to significant market power.

“**Telecom**” refers to telecommunications.

“**Telecom operator**” refers to a communications service provider that provides telecommunications services such as telephony and data communications access.

“**TETRA**” refers to terrestrial trunked radio.

“**TV**” refers to television.

“**UHF**” refers to ultra-high frequency, a radio frequency between 300 MHz and 3 GHz.

“**VoLTE**” refers to Voice over LTE.

“**2G**” refers to the second generation of mobile telecommunications technology.

“**2007 Recommendation**” refers to the revised its Recommendation on Relevant Product and Service Markets of the EC.

“**3G**” refers to the third generation of mobile telecommunications technology.

“**4G/LTE**” refers to the long-term evolution, a communication standard for high-speed data mobile devices.

“**5G**” refers to the future evolution of the mobile communication standard, with an expected data rate between 10-100 Gbps, radio latency less than 1 ms and capability to manage more than 1 million devices per SqKm.

ANNEX 1 - EQUIVALENCE CHART

Documento de registro (Anexo I del Reglamento 809/2004)

Anexo I		**Equivalencia en el Folleto**
1.	**PERSONAS RESPONSABLES**	
1.1.	Todas las personas responsables de la información que figura en el documento de registro y, según los casos, de ciertas partes del mismo, con, en el último caso, una indicación de las partes. En caso de personas físicas, incluidos los miembros de los órganos de administración, de gestión o de supervisión del emisor, indicar el nombre y el cargo de la persona; en caso de personas jurídicas, indicar el nombre y el domicilio social.	Véase la sección denominada *Declaration of responsibility* (Declaración de responsabilidad).
1.2.	Declaración de los responsables del documento de registro que asegure que, tras comportarse con una diligencia razonable para garantizar que así es, la información contenida en el documento de registro es, según su conocimiento, conforme a los hechos y no incurre en ninguna omisión que pudiera afectar a su contenido. En su caso, declaración de los responsables de determinadas partes del documento de registro que asegure que, tras comportarse con una diligencia razonable para garantizar que así es, la información contenida en la parte del documento de registro de la que son responsables es, según su conocimiento, conforme a los hechos y no incurre en ninguna omisión que pudiera afectar a su contenido.	Véase la sección denominada *Declaration of responsibility* (Declaración de responsabilidad).
2.	**AUDITORES DE CUENTAS**	
2.1.	Nombre y dirección de los auditores del emisor para el período cubierto por la información financiera histórica (así como su afiliación a un colegio profesional).	Véase dentro de la sección denominada *Additional Information* (Información Adicional), la subsección denominada *Independent Auditors* (Auditores Independientes).
2.2.	Si los auditores han renunciado, han sido apartados de sus funciones o no han sido redesignados durante el período cubierto por la información financiera histórica, deben proporcionarse los detalles si son importantes.	Véase dentro de la sección denominada *Additional Information* (Información Adicional), la subsección denominada *Independent Auditors* (Auditores Independientes).
3.	**INFORMACIÓN FINANCIERA SELECCIONADA**	
3.1.	Información financiera histórica seleccionada relativa al emisor, que se presentará para cada ejercicio durante el período cubierto por la información financiera histórica, y cualquier período financiero intermedio subsiguiente, en la misma divisa que la información financiera. La información financiera histórica seleccionada debe proporcionar las cifras clave que resumen la situación financiera del emisor.	Véase la sección denominada *Presentation of Financial and Other Information* (Presentación de Información Financiera y Otra Información). Véase la sección denominada *Selected Financial Information* (Información Financiera Seleccionada).
3.2.	Si se proporciona información financiera seleccionada relativa a períodos intermedios, también se proporcionarán datos comparativos del mismo período del ejercicio anterior, salvo que	Véase la sección denominada *Presentation of Financial and Other Information* (Presentación de

Anexo I		Equivalencia en el Folleto
	el requisito para la información comparativa del balance se satisfaga presentando la información del balance final del ejercicio.	Información Financiera y Otra Información). Véase la sección denominada *Selected Financial Information* (Información Financiera Seleccionada).
4.	**FACTORES DE RIESGO**	
	Se revelarán de manera prominente en una sección titulada "Factores de riesgo", los factores de riesgo específicos del emisor o de su sector de actividad.	Véase la sección denominada *Risk Factors* (Factores de Riesgo).
5.	**INFORMACIÓN SOBRE EL EMISOR**	
5.1.	**Historial y evolución del emisor.**	
5.1.1.	Nombre legal y comercial del emisor.	Véanse la sección denominada *Additional Information* (Información Adicional).
5.1.2.	Lugar de registro del emisor y número de registro.	Véase la sección denominada *Additional Information* (Información Adicional).
5.1.3.	Fecha de constitución y período de actividad del emisor, si no son indefinidos.	Véase la sección denominada *Additional Information* (Información Adicional).
5.1.4.	Domicilio y personalidad jurídica del emisor, legislación conforme a la cual opera, país de constitución, y dirección y número de teléfono de su domicilio social (o lugar principal de actividad empresarial si es diferente de su domicilio social).	Véase la sección denominada *Additional Information* (Información Adicional), así como, dentro de la sección denominada *Description of Capital Stock* (Descripción del Capital Social), la subsección *General* (General). Asimismo, véase la sección denominada *Regulation* (Regulación).
5.1.5.	Acontecimientos importantes en el desarrollo de la actividad del emisor.	Véanse dentro de la sección denominada *Business* (Negocio), las subsecciones *History and Development* (Historia y evolución) y *Recent Developments* (Tendencias).
5.2.	**Inversiones**	
5.2.1.	Descripción, (incluida la cantidad) de las principales inversiones del emisor por cada ejercicio para el período cubierto por la información financiera histórica hasta la fecha del documento de registro.	Véanse dentro de la sección denominada *Business* (Negocio), la subsección *History and Development* (Historia y evolución) y la subsección *Material Contracts* (Contratos Relevantes). Véanse dentro de la sección denominada *Management's Discussion and Analysis of Financial Condition and Results of Operations* (Discusión y Análisis del Órgano de Administración de la

Anexo I		Equivalencia en el Folleto
		Situación Financiera y Resultados Operativos), las subsecciones *Factors Affecting Comparability of Our Results of Operations* (Factores que Afectan a la Comparabilidad de Nuestros Resultados de Operaciones) y *Factors Affecting Our Results of Operations* (Factores que Afectan a Nuestros Resultados de Operaciones).
5.2.2.	Descripción de las inversiones principales del emisor actualmente en curso, incluida la distribución de estas inversiones geográficamente (nacionales y en el extranjero) y el método de financiación (interno o externo).	Véase dentro de la sección denominada *Business* (Negocio), la subsección *Material Contracts* (Contratos Relevantes).
5.2.3.	Información sobre las principales inversiones futuras del emisor sobre las cuales sus órganos de gestión hayan adoptado ya compromisos firmes.	Véase dentro de la sección denominada *Business* (Negocio), la subsección *Material Contracts* (Contratos Relevantes).
6.	**DESCRIPCIÓN DE LA EMPRESA**	
6.1.	**Actividades principales**	
6.1.1.	Descripción y factores clave relativos al carácter de las operaciones del emisor y de sus principales actividades, declarando las principales categorías de productos vendidos y/o servicios prestados en cada ejercicio durante el período cubierto por la información financiera histórica.	Véanse dentro de la sección denominada *Business* (Negocio), las subsecciones *Overview* (Introducción) y *Operations* (Actividades).
6.1.2.	Indicación de todo nuevo producto y/o servicio significativos que se hayan presentado y, en la medida en que se haya divulgado públicamente su desarrollo, dar la fase en que se encuentra.	Véase dentro de la sección denominada *Business* (Negocio), la subsección *Operations* (Actividades).
6.2.	**Mercados principales**	
6.2.1.	Descripción de los mercados principales en que el emisor compite, incluido un desglose de los ingresos totales por categoría de actividad y mercado geográfico para cada ejercicio durante el periodo cubierto por la información financiera histórica.	Véase dentro de la sección denominada *Business* (Negocio), la subsección *Operations* (Actividades). Véase la sección denominada *Industry* (Industria). Véase la sección denominada *Selected Financial Information* (Información Financiera Seleccionada). Véase también la sección denominada *Management's Discussion and Analysis of Financial Condition and Results of Operations* (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos).

Anexo I		Equivalencia en el Folleto
6.3.	Cuando la información dada de conformidad con los puntos 6.1. y 6.2. se haya visto influenciada por factores excepcionales, debe mencionarse este hecho.	Véase dentro de la sección denominada *Business* (Negocio), la subsección *Operations* (Actividades). Véase la sección denominada *Industry* (Industria). Véase la sección denominada *Risk Factors* (Factores de Riesgo).
6.4.	Si es importante para la actividad empresarial o para la rentabilidad del emisor, revelar información sucinta relativa al grado de dependencia del emisor de patentes o licencias, contratos industriales, mercantiles o financieros, o de nuevos procesos de fabricación.	Véase dentro de la sección denominada *Business* (Negocio), la subsección *Investigation, Research and Development* (Investigación, Desarrollo e Innovación). Asimismo, véase dentro de la sección denominada *Business* (Negocio), la subsección *Operations* (Actividades). Véase también la sección denominada *Management's Discussion and Analysis of Financial Condition and Results of Operations* (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos).
6.5.	Se divulgará la base de cualquier declaración efectuada por el emisor relativa a su competitividad.	Véase la sección denominada *Business* (Negocio). Véase la sección denominada *Industry* (Industria).
7.	**ESTRUCTURA ORGANIZATIVA**	
7.1.	Si el emisor es parte de un grupo, breve descripción del grupo y de la posición del emisor en el mismo.	Véase dentro de la sección denominada *Business* (Negocio), la subsección *Corporate Structure* (Estructura corporativa).
7.2.	Lista de las filiales significativas del emisor, incluido el nombre, el país de constitución o residencia, la participación en el capital y, si es diferente, su proporción de derechos de voto.	Véase dentro de la sección denominada *Business* (Negocio), la subsección *Corporate Structure* (Estructura corporativa).
8.	**PROPIEDAD, INSTALACIONES Y EQUIPO**	
8.1.	Información relativa a todo inmovilizado material tangible existente o previsto, incluidas las propiedades arrendadas, y cualquier gravamen importante al respecto.	Véase dentro de la sección *Related party transactions* (Operaciones con Partes Vinculadas). la subsección *Related party transactions with our shareholders* (Operaciones con Partes Vinculadas con nuestros accionistas). Véase la sección *Business* (Negocio) y, en particular, la subsección *Properties* (Propiedades) en la sección *Business*

Anexo I		Equivalencia en el Folleto
		(Negocio). Véase asimismo la sección *Management's Discussion and Analysis of Financial Condition and Results of Operations* (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos). Véanse los *Audited Consolidated Financial Statements* y los *Interim Consolidated Financial Statements* (los Estados Financieros Auditados Consolidados del ejercicio 2016, los Estados Financieros Auditados Consolidados del ejercicio 2015 y los Estados Financieros Auditados Consolidados del ejercicio 2014 y los Estados Financieros Consolidados Intermedios cerrados el 30 de junio de 2017) incorporados por referencia al Folleto.
8.2.	Descripción de cualquier aspecto medioambiental que pueda afectar al uso por el emisor del inmovilizado material tangible.	Véase la sección denominada *Business* (Negocio), la subsección *Environmental* (Medioambiental).
9.	**ANÁLISIS OPERATIVO Y FINANCIERO**	
9.1.	Situación financiera	Véase la sección denominada *Selected Financial Information* (Información Financiera Seleccionada). Asimismo véase la sección denominada *Management's Discussion and Analysis of Financial Condition and Results of Operations* (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos). Véase también la sección denominada *Presentation of Financial and Other Information* (Presentación de Información Financiera y Otra Información).
9.2.	Resultados de explotación	
9.2.1.	Información relativa a factores significativos, incluidos los acontecimientos inusuales o infrecuentes o los nuevos avances, que afecten de manera importante a los ingresos del emisor por operaciones, indicando en qué medida han resultado afectados los ingresos.	Véase la sección denominada *Management's Discussion and Analysis of Financial Condition and Results of Operations* (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos).

Anexo I		Equivalencia en el Folleto
9.2.2.	Cuando los estados financieros revelen cambios importantes en las ventas netas o en los ingresos, proporcionar un comentario narrativo de los motivos de esos cambios.	Véase la sección denominada *Management's Discussion and Analysis of Financial Condition and Results of Operations* (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos).
9.2.3.	Información relativa a cualquier actuación o factor de orden gubernamental, económico, fiscal, monetario o político que, directa o indirectamente, hayan afectado o pudieran afectar de manera importante a las operaciones del emisor.	Véase la sección denominada *Risk Factors* (Factores de Riesgo).
10.	**RECURSOS FINANCIEROS**	
10.1.	Información relativa a los recursos financieros del emisor (a corto y a largo plazo).	Véase la sección denominada *Management's Discussion and Analysis of Financial Condition and Results of Operations* (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos). Véase la sección denominada *Selected Financial Information* (Información Financiera Seleccionada). Véanse los *Audited Consolidated Financial Statements* y los *Interim Consolidated Financial Statements* (los Estados Financieros Auditados Consolidados del ejercicio 2016, los Estados Financieros Auditados Consolidados del ejercicio 2015 y los Estados Financieros Auditados Consolidados del ejercicio 2014 y los Estados Financieros Consolidados Intermedios cerrados el 30 de junio de 2017) incorporados por referencia al Folleto.
10.2.	Explicación de las fuentes y cantidades y descripción narrativa de los flujos de tesorería del emisor.	Véase la sección denominada *Management's Discussion and Analysis of Financial Condition and Results of Operations* (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos). Asimismo, véase la sección denominada *Selected Financial Information* (Información Financiera Seleccionada).
10.3.	Información sobre las condiciones de los préstamos y la estructura de financiación del emisor.	Véase la sección denominada *Management's Discussion and Analysis of Financial Condition and Results of*

Anexo I		Equivalencia en el Folleto
		<u>*Operations*</u> (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos).
10.4.	Información relativa a cualquier restricción sobre el uso de los recursos de capital que, directa o indirectamente, haya afectado o pudiera afectar de manera importante a las operaciones del emisor.	Véase la sección denominada <u>*Management's Discussion and Analysis of Financial Condition and Results of Operations*</u> (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos).
10.5.	Información relativa a las fuentes previstas de fondos necesarias para cumplir los compromisos mencionados en 5.2.3. y 8.1.	Véase la sección denominada <u>*Management's Discussion and Analysis of Financial Condition and Results of Operations*</u> (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos).
11.	**INVESTIGACIÓN Y DESARROLLO, PATENTES Y LICENCIAS**	
11.1.	En los casos en que sea importante, proporcionar una descripción de las políticas de investigación y desarrollo del emisor para cada ejercicio durante el período cubierto por la información financiera histórica, incluida la cantidad dedicada a actividades de investigación y desarrollo emprendidas por el emisor.	Véase dentro de la sección denominada <u>*Business*</u> (Negocio), la subsección <u>*Investigation, Research and Development*</u> (Investigación, Desarrollo e Innovación).
12.	**INFORMACIÓN SOBRE TENDENCIAS**	
12.1.	Tendencias recientes más significativas de la producción, ventas e inventario, y costes y precios de venta desde el fin del ejercicio anterior hasta la fecha del documento de registro.	Véase dentro de la sección denominada <u>*Business*</u> (Negocio), la subsección <u>*Recent Developments*</u> (Tendencias).
12.2.	Información sobre cualquier tendencia conocida, incertidumbres, demandas, compromisos o hechos que pudieran razonablemente tener una incidencia importante en las perspectivas del emisor, por lo menos para el actual ejercicio.	Véase la sección denominada "<u>*Risk Factors*</u>" (Factores de Riesgo). Véase dentro de la sección denominada <u>*Business*</u> (Negocio), la subsección <u>*Recent Developments*</u> (Tendencias).
13.	**PREVISIONES O ESTIMACIONES DE BENEFICIOS** Si un emisor opta por incluir una previsión o una estimación de beneficios, en el documento de registro deberá figurar la información prevista en los puntos 13.1. y 13.2.:	
13.1.	Declaración que enumere los principales supuestos en los que el emisor ha basado su previsión o su estimación. Los supuestos empleados deben dividirse claramente entre supuestos sobre los factores en los que pueden influir los	No aplicable.

Anexo I		Equivalencia en el Folleto
	miembros de los órganos de administración, de gestión o de supervisión y los supuestos sobre factores que están exclusivamente fuera de la influencia de los miembros de los órganos de administración, de gestión o de supervisión; deben ser fácilmente comprensibles para los inversores; deben ser específicos y exactos; y no referirse a la exactitud general de las estimaciones que constituyen la base de la previsión**.**	
13.2.	Cualquier pronóstico de beneficios incluido en el documento de registro irá acompañado de una declaración que confirme que dicha previsión ha sido preparada correctamente sobre la base declarada y que la base contable es coherente con las políticas contables del emisor.	No aplicable.
13.3.	La previsión o estimación de los beneficios debe prepararse sobre una base comparable con la información financiera histórica.	No aplicable.
13.4.	Si el emisor publica en un folleto una previsión de beneficios que está aún pendiente, debería entonces proporcionar una declaración de si efectivamente ese pronóstico sigue siendo tan correcto como en la fecha del documento de registro, o una explicación de por qué el pronóstico ya no es válido, si ese es el caso.	No aplicable.
14.	**ÓRGANOS DE ADMINISTRACIÓN, DE GESTIÓN Y DE SUPERVISIÓN, Y ALTOS DIRECTIVOS**	
14.1.	Información sobre la composición del órgano de administración.	Véase dentro de la sección denominada *Management and Board of Directors* (Dirección y Consejo de Administración), la subsección *Directors* (Consejo de Administración).
	a) Miembros de los órganos administrativos, de los órganos de gestión o de supervisión;	
	i) Miembros del órgano de administración	
	• Nombre, dirección profesional y cargo en el emisor de los miembros de los órganos de administración	Véase dentro de la sección denominada *Management and Board of Directors* (Dirección y Consejo de Administración), la subsección *Directors* (Consejeros).
	• Datos sobre la preparación y experiencia pertinentes de gestión	Véase dentro de la sección denominada *Management and Board of Directors* (Dirección y Consejo de Administración), la subsección *Directors* (Consejeros).
	• Naturaleza de toda relación familiar entre cualquiera de los miembros del órgano de administración	Véase dentro de la sección denominada *Management and Board of Directors* (Dirección y Consejo de Administración), la subsección *Family Relationships* (Relaciones Familiares).

Anexo I		Equivalencia en el Folleto
	• Nombres de todas las empresas y asociaciones de las que cada uno de los miembros del órgano de administración haya sido, en cualquier momento de los cinco años anteriores, miembro de los órganos de administración, de gestión o de supervisión, o socio, indicando si esa persona sigue siendo miembro de los órganos de administración, de gestión o supervisión, o si es socio.	Véase dentro de la sección denominada *Management and Board of Directors* (Dirección y Consejo de Administración), la subsección *Directors* (Consejeros).
	• Información sobre: (a) cualquier condena en relación con delitos de fraude por lo menos en los cinco años anteriores; (b) cualquier quiebra, suspensión de pagos o liquidación con las que estuviera relacionada por lo menos durante los cinco años anteriores; (c) cualquier incriminación pública oficial y/o sanciones de esa persona por autoridades estatutarias o reguladoras (incluidos los organismos profesionales designados); (d) cualquier incriminación por un tribunal por su actuación como miembro de los órganos de administración, de gestión o de supervisión de un emisor o por su actuación en la gestión de los asuntos de un emisor durante por lo menos los cinco años anteriores.	Véase dentro de la sección denominada *Management and Board of Directors* (Dirección y Consejo de Administración), la subsección *No Convictions and Other Negative Statements* (Ausencia de Condenas y otras Declaraciones Negativas al Respecto).
	ii) Miembros de los órganos de gestión y supervisión	Véase dentro de la sección denominada *Management and Board of Directors* (Dirección y Consejo de Administración), los apartados *Audit and Control Committee* (Comisión de Auditoría y Control) y *Appointments and Remuneration Committee* (Comisión de Nombramientos y Retribuciones) dentro de la subsección *Board Committee*s (Comisiones del Consejo).
	b) Socios comanditarios, si se trata de una sociedad comanditaria por acciones.	No aplicable.
	c) Fundadores, si el emisor se constituyó hace menos de cinco años.	No aplicable.
	d) Cualquier alto directivo que sea pertinente para establecer que el emisor posee las calificaciones y la experiencia apropiadas para gestionar las actividades del emisor.	
	• Nombre, dirección profesional y cargo en el emisor de los altos directivos	Véase dentro de la sección denominada *Management and Board of Directors* (Dirección y Consejo de Administración), la subsección *Senior Management* (Alta Dirección).
	• Datos sobre la preparación y experiencia pertinentes de gestión de los altos directivos.	Véase dentro de la sección denominada *Management and Board of Directors* (Dirección y Consejo de Administración), la subsección *Senior*

Anexo I		Equivalencia en el Folleto
		Management (Alta Dirección).
	• Naturaleza de toda relación familiar entre cualquiera de los altos directivos.	Véase dentro de la sección denominada *Management and Board of Directors* (Dirección y Consejo de Administración), la subsección *Family Relationships* (Relaciones Familiares).
	• Nombres de todas las empresas y asociaciones de las que cada uno de los altos directivos haya sido, en cualquier momento de los cinco años anteriores, miembro de los órganos de administración, de gestión o de supervisión, o socio, indicando si esa persona sigue siendo miembro de los órganos de administración, de gestión o de supervisión, o si es socio.	Véase dentro de la sección denominada *Management and Board of Directors* (Dirección y Consejo de Administración), la subsección *Senior Management* (Alta Dirección).
14.3.	Conflictos de intereses de los órganos de administración, de gestión y de supervisión Deben declararse con claridad los posibles conflictos de intereses entre los deberes de cualquiera de las personas mencionadas en 9.1 con el emisor y sus intereses privados y/o otros deberes. En caso de que no haya tales conflictos, debe hacerse una declaración a ese efecto.	Véase dentro de la sección denominada *Management and Board of Directors* (Dirección y Consejo de Administración), la subsección *Conflicts of Interest* (Conflictos de Interés).
15.	**REMUNERACIÓN Y BENEFICIOS**	
15.1.	Importe de la remuneración pagada (incluidos los honorarios contingentes o atrasados) y prestaciones en especie concedidas a esas personas por el emisor y sus filiales por servicios de todo tipo prestados por cualquier persona al emisor y sus filiales.	Véase dentro de la sección denominada *Management and Board of Directors* (Dirección y Consejo de Administración), la subsección *Compensation* (Remuneración).
15.2**.**	Importes totales ahorrados o acumulados por el emisor o sus filiales para prestaciones de pensión, jubilación o similares.	Véase dentro de la sección denominada *Management and Board of Directors* (Dirección y Consejo de Administración), la subsección *Compensation* (Remuneración).
16.	**PRÁCTICAS DE GESTIÓN**	
16.1.	Fecha de expiración del actual mandato, en su caso, y período durante el cual la persona ha desempeñado servicios en ese cargo.	Véase dentro de la sección denominada *Management and Board of Directors* (Dirección y Consejo de Administración), la subsección *Directors* (Consejeros).
16.2.	Información sobre los contratos de los miembros de los órganos de administración, de gestión o de supervisión con el emisor o cualquiera de sus filiales que prevean beneficios a la terminación de sus funciones, o la correspondiente declaración negativa.	Véase dentro de la sección denominada *Management and Board of Directors* (Dirección y Consejo de Administración), la subsección *Compensation* (Remuneración).
16.3.	Información sobre el comité de auditoría y el comité de retribuciones del emisor, incluidos los nombres de los miembros	Véase dentro de la sección denominada *Management and Board of Directors*

Anexo I		Equivalencia en el Folleto
	del comité y un resumen de su reglamento interno.	(Dirección y Consejo de Administración), los apartados *Audit and Control Committee* (Comisión de Auditoría y Control) y *Appointments and Remuneration Committee* (Comisión de Nombramientos y Retribuciones) dentro de la subsección *Board Committee*s (Comisiones del Consejo).
16.4.	Declaración de si el emisor cumple el régimen o regímenes de gobierno corporativo de su país de constitución. En caso de que el emisor no cumpla ese régimen, debe incluirse una declaración a ese efecto, así como una explicación del motivo por el cual el emisor no cumple dicho régimen.	Véase dentro de la sección denominada *Management and Board of Directors* (Dirección y Consejo de Administración), la subsección *Internal Code of Conduct and Corporate Governance Recommendations* (Código de conducta y Recomendaciones de Buen Gobierno).
17.	**EMPLEADOS**	
17.1.	Número de empleados al final del período o la media para cada ejercicio durante el período cubierto por la información financiera histórica y hasta la fecha del documento de registro (y las variaciones de ese número, si son importantes) y, si es posible y reviste importancia, un desglose de las personas empleadas por categoría principal de actividad y situación geográfica. Si el emisor emplea un número significativo de empleados eventuales, incluir datos sobre el número de empleados eventuales por término medio durante el ejercicio más reciente.	Véase dentro de la sección denominada *Business* (Negocio), la subsección *Employees* (Empleados).
17.2.	Acciones y opciones de compra de acciones de los miembros de los órganos de administración, gestión y supervisión, y de los altos directivos.	Véase dentro de la sección denominada *Management and Board of Directors* (Dirección y Consejo de Administración), la subsección *Share Ownership* (Participación en el Capital Social).
17.3.	Descripción de todo acuerdo de participación de los empleados en el capital del emisor.	Véase dentro de la sección *Management and Board of Director* (Dirección y Consejo de Administración), la subsección *Compensation* (Remuneración).
18.	**ACCIONISTAS PRINCIPALES**	
18.1.	Nombre de cualquier persona que no pertenezca a los órganos de administración, de gestión o de supervisión que, directa o indirectamente, tenga un interés declarable, según el derecho nacional del emisor, en el capital o en los derechos de voto del emisor, así como la cuantía del interés de cada una de esas personas o, en caso de no haber tales personas, la correspondiente declaración negativa.	Véase la sección denominada *Principal Shareholders* (Accionistas Principales).
18.2.	Si los accionistas principales del emisor tienen distintos derechos	Véase la sección denominada *Principal*

Anexo I		Equivalencia en el Folleto
	de voto, o la correspondiente declaración negativa.	*Shareholders* (Accionistas Principales).
18.3.	Declaración de si el emisor es directa o indirectamente propiedad o está bajo control y quién lo ejerce, y describir el carácter de ese control y las medidas adoptadas para garantizar que no se abusa de ese control.	No aplicable.
18.4.	Descripción de todo acuerdo, conocido del emisor, cuya aplicación pueda en una fecha ulterior dar lugar a un cambio en el control del emisor.	No aplicable.
19.	**OPERACIONES DE PARTES VINCULADAS**	
19.1.	Operaciones con partes vinculadas (que para estos fines se definen según las normas adoptadas en virtud del Reglamento (CE) no 1606/2002 y en la Orden EHA/3050/2004, de 15 de septiembre, sobre la información de las operaciones vinculadas que deben suministrar las sociedades emisoras de valores admitidos a negociación en mercados secundarios oficiales), que el emisor haya realizado durante el período cubierto por la información financiera histórica, si son aplicables.	Véase la sección denominada *Related Party Transactions* (Operaciones con Partes Vinculadas).
20.	**INFORMACIÓN FINANCIERA RELATIVA AL ACTIVO Y EL PASIVO DEL EMISOR, POSICIÓN FINANCIERA Y PÉRDIDAS Y BENEFICIOS**	
20.1.	**Información financiera histórica** Información financiera histórica auditada que abarque los 3 últimos ejercicios (o el período más corto de actividad del emisor), y el informe de auditoría correspondiente a cada año. Esta información financiera se preparará de conformidad con el Reglamento (CE) nº 1606/2002 o, si no es aplicable, con las normas nacionales de contabilidad de un Estado miembro para emisores de la Comunidad. Para emisores de terceros países, la información financiera se preparará de conformidad con las normas internacionales de contabilidad adoptadas según el procedimiento del artículo 3 del Reglamento (CE) no 1606/2002 o con normas nacionales de contabilidad de un tercer país equivalentes a esas. Si la información financiera no es equivalente a las normas mencionadas, se presentará bajo la forma de estados financieros reevaluados. La información financiera histórica auditada de los últimos dos años debe presentarse y prepararse de forma coherente con la que se adoptará en los próximos estados financieros anuales publicados del emisor, teniendo en cuenta las normas y políticas contables, y la legislación aplicable a esos estados financieros anuales. Si la información financiera auditada se prepara con arreglo a normas nacionales de contabilidad, la información financiera requerida bajo este epígrafe debe incluir por lo menos: a) balance; b) cuenta de resultados;	Véase la sección denominada *Selected Financial Information* (Información Financiera Seleccionada). Véase la sección denominada *Management's Discussion and Analysis of Financial Condition and Results of Operations* (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos). Véanse los *Audited Consolidated Financial Statements* y los *Interim Consolidated Financial Statements* (los Estados Financieros Auditados Consolidados del ejercicio 2016, los Estados Financieros Auditados Consolidados del ejercicio 2015 y los Estados Financieros Auditados Consolidados del ejercicio 2014 y los Estados Financieros Consolidados Intermedios cerrados el 30 de junio de 2017) incorporados por referencia al Folleto.

Anexo I		Equivalencia en el Folleto
	c) declaración que muestre todos los cambios en el neto patrimonial o los cambios en el neto patrimonial que no procedan de operaciones de capital con propietarios y distribuciones a propietarios; d) estado de flujos de efectivo; e) políticas contables utilizadas y notas explicativas. La información financiera histórica anual deberá auditarse de manera independiente o informarse sobre si, a efectos del documento de registro, da una imagen fiel, de conformidad con las normas de auditoría aplicables en un Estado miembro o una norma equivalente.	
20.2.	**Información financiera pro-forma**	No aplicable.
20.3.	**Estados financieros**	Véase la sección denominada *Selected Financial Information* (Información Financiera Seleccionada). Véase la sección denominada *Management's Discussion and Analysis of Financial Condition and Results of Operations* (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos). Véanse los *Audited Consolidated Financial Statements* y los *Interim Consolidated Financial Statements* (los Estados Financieros Auditados Consolidados del ejercicio 2016, los Estados Financieros Auditados Consolidados del ejercicio 2015 y los Estados Financieros Auditados Consolidados del ejercicio 2014 y los Estados Financieros Consolidados Intermedios cerrados el 30 de junio de 2017) incorporados por referencia al Folleto.
20.4.	**Auditoría de la información financiera histórica anual**	Véase la sección denominada *Presentation of Financial and Other Information* (Presentación de Información Financiera y Otra Información). Véase dentro de la sección denominada *Additional Information* (Información Adicional), la subsección denominada *Independent Auditors* (Auditores Independientes).
20.5.	**Edad de la información financiera más reciente**	Véase la sección denominada *Presentation of Financial and Other Information* (Presentación de

Anexo I		Equivalencia en el Folleto
		Información Financiera y Otra Información).
20.6.	**<u>Información intermedia y demás información financiera</u>**	Véase la sección denominada *<u>Selected Financial Information</u>* (Información Financiera Seleccionada). Véase la sección denominada *<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>* (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos).
20.7.	**<u>Política de dividendos</u>**	Véase la sección denominada *<u>Dividends and Dividends Policy</u>* (Dividendos y Política de Dividendos).
20.8.	**<u>Procedimientos judiciales y de arbitraje</u>** Información sobre cualquier procedimiento gubernamental, judicial o de arbitraje (incluidos los procedimientos que estén pendientes o aquellos que el emisor tenga conocimiento que le afectan), durante un período que cubra por lo menos los 12 meses anteriores, que puedan tener o hayan tenido en el pasado reciente, efectos significativos en el emisor y/o la posición o rentabilidad financiera del grupo, o proporcionar la oportuna declaración negativa.	Véase dentro de la sección denominada *<u>Business</u>* (Negocio), la subsección *<u>Legal Proceedings</u>* (Procedimientos legales).
20.9	**<u>Cambios significativos en la posición financiera o comercial del emisor</u>** Descripción de todo cambio significativo en la posición financiera o comercial del grupo que se haya producido desde el fin de último período financiero del que se haya publicado información financiera auditada o información financiera intermedia, o proporcionar la oportuna declaración negativa	Véase dentro de la sección denominada *<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>* (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos), las subsecciones *<u>Factors Affecting Comparability of Our Results of Operations</u>* (Factores que Afectan a la Comparabilidad de Nuestros Resultados de Operaciones) y *<u>Factors Affecting Our Results of Operations</u>* (Factores que Afectan a Nuestros Resultados de Operaciones).
21.	**INFORMACIÓN ADICIONAL**	
21.1.	**<u>Capital Social</u>**	
21.1.1.	Importe del capital emitido	Véase dentro de la sección denominada *<u>Description of Capital Stock</u>* (Descripción del Capital Social), la subsección *<u>General</u>* (General).
21.1.2.	Si hay acciones que no representan capital, se declarará el número	No aplicable.

Anexo I		Equivalencia en el Folleto
	y las principales características de esas acciones.	
21.1.3.	Número, valor contable y valor nominal de las acciones del emisor en poder o en nombre del propio emisor o de sus filiales.	Véase la sección denominada *Principal Shareholders* (Accionistas Principales).
21.1.4.	Importe de todo valor convertible, valor canjeable o valor con warrants, indicando las condiciones y los procedimientos que rigen su conversión, canje o suscripción.	Véase dentro de la sección denominada *Description of Capital Stock* (Descripción del Capital Social), la subsección *Pre-emptive Rights and Increases of Share Capital* (Derechos de Suscripción Preferente y Aumentos de Capital).
21.1.5.	Información y condiciones de cualquier derecho de adquisición y/o obligaciones con respecto al capital autorizado pero no emitido o sobre un compromiso de aumentar el capital.	Véase dentro de la sección denominada *Description of Capital Stock* (Descripción del Capital Social), la subsección *Pre-emptive Rights and Increases of Share Capital* (Derechos de Suscripción Preferente y Aumentos de Capital).
21.1.6.	Información sobre cualquier capital de cualquier miembro del grupo que esté bajo opción o que se haya acordado condicional o incondicionalmente someter a opción y detalles de esas opciones, incluidas las personas a las que se dirigen esas opciones.	No aplicable.
21.1.7.	Evolución del capital social, resaltando la información sobre cualquier cambio durante el período cubierto por la información financiera histórica.	Véase dentro de la sección *Description of Capital Stock* (Descripción del Capital Social), la subsección *General* (General).
21.2.	**Estatutos y escritura de constitución**	
21.2.1.	Descripción del objeto social y fines del emisor y dónde pueden encontrarse en los estatutos y escritura de constitución.	Véase la sección *Additional Information* (Información Adicional). Adicionalmente véase dentro de la sección *Description of Capital Stock* (Descripción del Capital Social) la subsección *General* (General)
21.2.2.	Breve descripción de cualquier disposición de las cláusulas estatutarias o reglamento interno del emisor relativa a los miembros de los órganos de administración, de gestión y de supervisión.	Véase en la sección *Management and Board of Directors* (Dirección y Consejo de Administración) las siguientes subsecciones:
	a) Consejo de Administración	*Directors* (Consejo De Administración).
	b) Comisiones del Consejo de Administración	*Board Committee*s (Comisiones del Consejo).
	c) Código Unificado de Buen Gobierno	*Internal Code of Conduct and Corporate Governance Recommendations* (Código Interno de Conducta y Recomendaciones de Buen Gobierno).

Anexo I		Equivalencia en el Folleto
	d) Reglamento Interno de Conducta	*Internal Code of Conduct and Corporate Governance Recommendations* (Código Interno de Conducta y Recomendaciones de Buen Gobierno).
21.2.3.	Descripción de los derechos, preferencias y restricciones relativas a cada clase de las acciones existentes.	Véase la sección *Description of Capital Stock* (Descripción del Capital Social)
21.2.4.	Descripción de qué se debe hacer para cambiar los derechos de los tenedores de las acciones, indicando si las condiciones son más exigentes que las que requiere la ley.	Véase, dentro de la sección denominada *Description of Capital Stock* (Descripción del Capital Social), la subsección denominada *Shareholders' Meeting and Voting Rights* (Junta General de Accionistas y Derechos de Voto).
21.2.5.	Descripción de las condiciones que rigen la manera de convocar las juntas generales anuales y las juntas generales extraordinarias de accionistas, incluyendo las condiciones de admisión.	Véase dentro de la sección *Description of Capital Stock* (Descripción del Capital Social), la subsección *Shareholders Meetings and Voting Rights* (Juntas de Accionistas y Derechos de Voto)
21.2.6.	Breve descripción de cualquier disposición de las cláusulas estatutarias o reglamento interno del emisor que tenga por efecto retrasar, aplazar o impedir un cambio en el control del emisor.	No aplicable.
21.2.7.	Indicación de cualquier disposición de las cláusulas estatutarias o reglamentos internos, en su caso, que rija el umbral de participación por encima del cual deba revelarse la participación del accionista.	Véase dentro de la sección *Description of Capital Stock* (Descripción del Capital Social), la subsección *Reporting Requirements* (Obligaciones de Notificación).
21.2.8.	Descripción de las condiciones impuestas por las cláusulas estatutarias o reglamento interno que rigen los cambios en el capital, si estas condiciones son más rigurosas que las que requiere la ley.	No aplicable.
22.	**CONTRATOS RELEVANTES**	
22.1.	Resumen de cada contrato relevante, al margen de los contratos celebrados en el desarrollo corriente de la actividad empresarial, del cual es parte el emisor o cualquier miembro del grupo, celebrado durante los dos años inmediatamente anteriores a la publicación del documento de registro.	Véase dentro de la sección denominada *Business* (Negocio), la subsección *Material Contracts* (Contratos Relevantes).
22.2.	Resumen de cualquier otro contrato (que no sea un contrato celebrado en el desarrollo corriente de la actividad empresarial) celebrado por cualquier miembro del grupo que contenga una cláusula en virtud de la cual cualquier miembro del grupo tenga una obligación o un derecho que sean relevantes para el grupo hasta la fecha del documento de registro.	Véase dentro de la sección denominada *Business* (Negocio), la subsección *Material Contracts* (Contratos Relevantes). Véase la sección *Management's Discussion and Analysis of Financial*

Anexo I		Equivalencia en el Folleto
		Condition and Results of Operations (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos).
23.	**INFORMACIÓN DE TERCEROS, DECLARACIONES DE EXPERTOS Y DECLARACIONES DE INTERÉS**	
23.1.	Cuando se incluya en el documento de registro una declaración o un informe atribuido a una persona en calidad de experto, proporcionar el nombre de dicha persona, su dirección profesional, sus cualificaciones y, en su caso, cualquier interés importante que tenga en el emisor. Si el informe se presenta a petición del emisor, una declaración de que se incluye dicha declaración o informe, la forma y el contexto en que se incluye, y con el consentimiento de la persona que haya autorizado el contenido de esa parte del documento de registro	No aplicable.
23.2.	Información de terceros En los casos en que la información proceda de un tercero, proporcionar una confirmación de que la información se ha reproducido con exactitud y que, en la medida en que el emisor tiene conocimiento de ello y puede determinar a partir de la información publicada por ese tercero, no se ha omitido ningún hecho que haría la información reproducida inexacta o engañosa; además, el emisor debe identificar la fuente o fuentes de la información	Véase la sección denominada *Industry* (Industria).
24	**DOCUMENTOS PARA CONSULTA**	Véase dentro de la sección denominada *Additional Information* (Información adicional) la subsección denominada *Documents on Display* (Documentos para Consulta).
25.	**INFORMACIÓN SOBRE CARTERAS**	No aplicable.

CELLNEX TELECOM, S.A.

____

Mr. Javier Martí de Veses

Cellnex Telecom, S.A.

REGISTRATION DOCUMENT

October 31, 2017