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press release

The new acquisition strengthens company's position in Poland

Cellnex to acquire Polkomtel Infrastruktura

It operates both passive –telecom towers– and active infrastructure –voice and data transmission equipment and fibre to the tower.

The transaction involves an investment of c. €1.6 billion.

Once the agreement is finalised, Cellnex Group's backlog of contracted sales will increase by c. €10 billion to c. €110 billion.

Barcelona, 26 February 2021. Cellnex has reached an agreement with Cyfrowy Polsat to acquire 99.99% of its telecommunications infrastructure subsidiary Polkomtel Infrastruktura. It operates the group's passive infrastructure (c.7,000 telecommunication towers and sites) and active infrastructures (c.37,000 radio carriers covering all the bands used by 2G, 3G, 4G and 5G; c. 11,300 km of fibre backbone and fibre-to-the-tower backhaul, and a national network of microwave radiolinks).

The agreement involves an investment of €1.6 billion by Cellnex, plus an additional programme to roll out up to c. 1,500 sites, as well as investments in active equipment, mostly for 5G, for a further c. €600 million over the next 10 years. The transaction will be financed with available cash.

Cellnex CEO Tobias Martinez highlighted “that we celebrate both a long-term strategic partnership with one of the most significant players in the polish telecommunications market, as well as the relevance and strategic value of an agreement which involves two main derivatives. First, it allows Cellnex to rapidly consolidate and reinforce its position in Poland following the recent announcement to acquire towers and sites from Play. Secondly, it exemplifies our commitment to evolving the traditional tower operator model towards an integrated telecommunications infrastructure management model, combining the operation of passive elements (towers) and active elements such as transmission equipment, radio links and fibre-to-the-tower.

“This is nothing new for Cellnex,” **continues the CEO of Cellnex**, “in several markets –e.g. France--, we have already signed agreements to roll out and operate the fibre backbone and backhaul; to manage 'data centres' (voice and data traffic concentrators) that will be part of the 5G 'edge computing' ecosystem; or to operate distributed antenna systems (DAS) in sports and commercial venues, hospitals, transport networks, etc. Our expansion into active infrastructure is undoubtedly a qualitative leap and heralds a new reality for the company that broadens the development and growth options for Cellnex in Europe within telecommunications infrastructures.”

“Our intention to partner with Cellnex in the further development of our mobile network is intended to allow for even faster and more cost-efficient deployment of modern connectivity services for our customers,” says **Mirośław Błaszczuk, CEO of Cyfrowy Polsat and Polkomtel**. “In order to work, learn or entertain themselves, our customers need reliable networks which will require more and more 5G-equipped sites.

In addition, **Maciej Stec, vice-president responsible for strategy, Cyfrowy Polsat and Polkomtel**, highlighted that “we believe active and passive network sharing is crucial for the provision of mobile connectivity in the future and mobile players have to follow this direction in order to provide high end-user experience. Our partnership with Cellnex allows for densifying the network of sites used by our customers by applying a cost-efficient approach. As a leading European telecommunication infrastructure provider Cellnex will look to optimize mobile network investments in Poland with benefits for our customers and the environment we live in.”

Additional EBITDA¹ under IFRS16, and once both the acquisition and the roll-out of the new sites have been completed, will be €330 million, while Recurring Leveraged Free Cash Flow (RLFCF) will rise by €150 million. The finalisation of the operation is subject to the relevant regulatory and administrative authorisations.

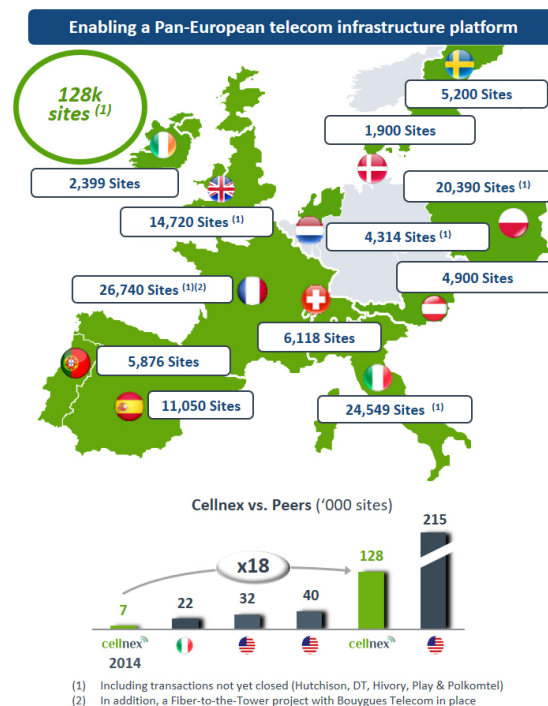
In terms of the backlog of contracted sales, the integration of Polkomtel Infrastruktura represents an estimated increase of c. €10 billion for the group, bringing the total to c. €110 billion. Cellnex and Cyfrowy Polsat have agreed a 25-year service contract with subsequent renewals for 15-year periods.

Capital increase of up to 7 billion

To continue reinforcing its own resources to finance growth, Cellnex announced on 3 February that it plans to carry out a capital increase of up to €7 billion, fully underwritten by JP. Morgan AG, Barclays Bank Ireland PLC, BNP Paribas, Goldman Sachs Bank Europe SE acting as Global Coordinators and Joint Bookrunners. This will take place following the renewal of the delegation to the Company's Board of Directors of the power to increase capital by the Ordinary General Meeting of Shareholders.

With the announced increase, Cellnex forecasts that it can finance a portfolio of projects of up to c. €18 billion in the 18 months following completion. A 50% of this portfolio is already committed through the agreement announced today to acquire Polkomtel Infrastruktura, and those announced on 3 February to acquire the assets of Hivory in France, and on 21 January to integrate the towers and Deutsche Telekom locations in the Netherlands.

¹ Annually adjusted



About Cellnex Telecom

Cellnex Telecom is Europe's leading operator of wireless telecommunications and broadcasting infrastructures with a portfolio of more than 128,000 sites, 75,000 of which are already in the portfolio, and the rest in the process of finalisation or planned roll-outs up to 2028. Cellnex operates in Spain, Italy, Netherlands, France, Switzerland, the UK, Ireland, Portugal, Austria, Denmark, Sweden and shortly in Poland. Cellnex' s business is structured in four major areas: telecommunications infrastructure services; audio-visual broadcasting networks, security and emergency service networks and solutions for smart urban infrastructure and services management (Smart cities and the "Internet of Things" (IoT)).

The company is listed on the continuous market of the Spanish stock exchange and is part of the selective IBEX 35 and EuroStoxx 600 indices. It is also part of the FTSE4GOOD and CDP (Carbon Disclosure Project) and "Standard Ethics" sustainability indexes. Cellnex's reference shareholders include Edizione, GIC, ADIA, Canada Pension Plan, CriteriaCaixa, Blackrock & Wellington Management Group.

For more information: <https://www.cellnextelecom.com>

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