Cellnex Telecom, S.A.

Financial Statements
for the year ended
31 December 2020 and Directors'
Report, together with Independent
Auditor's Report

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 16). In the event of a discrepancy, the Spanish-language version prevails.

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To the Shareholders of Cellnex Telecom, S.A.,

Report on the Financial Statements

Opinion

We have audited the financial statements of Cellnex Telecom, S.A. (the Company), which comprise the balance sheet as at 31 December 2020, and the statement of profit or loss, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended.

In our opinion, the accompanying financial statements present fairly, in all material respects, the equity and financial position of the Company as at 31 December 2020, and its results and its cash flows for the year then ended in accordance with the regulatory financial reporting framework applicable to the Company (identified in Note 2.1 to the financial statements) and, in particular, with the accounting principles and rules contained therein.

Basis for Opinion

We conducted our audit in accordance with the audit regulations in force in Spain. Our responsibilities under those regulations are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those pertaining to independence, that are relevant to our audit of the financial statements in Spain pursuant to the audit regulations in force. In this regard, we have not provided any services other than those relating to the audit of financial statements and there have not been any situations or circumstances that, in accordance with the aforementioned audit regulations, might have affected the requisite independence in such a way as to compromise our independence.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Evaluation of the impairment test on investments in Group companies and associates	
Description	**Procedures applied in the audit**
The Company has ownership interests in the share capital of Group companies and associates that are not listed on regulated markets (see Note 8). The Company tests the investees engaging in the operation of infrastructure for mobile telecommunications operators for impairment each year, irrespective of whether there are indications of impairment, given the sensitivity of the key assumptions in the business plan. Those impairment tests are performed using discounted cash flow-based valuation techniques, for which purpose the Company employs cash flow projections aligned with projected earnings and investments in non-current assets and current assets, as well as other assumptions obtained from each investee's business plan. Also, a discount rate is determined on the basis of the economic situation in general and of that of each investee in particular. The performance of these estimates requires the directors to make significant judgements and estimates.	Our audit procedures included, among others, obtaining and analysing the impairment tests conducted by the Company, verifying their clerical accuracy and analysing the consistency of the future cash flow estimates considered in those tests with the most recent business plans prepared. In addition, we evaluated the reasonableness of the key assumptions considered (such as revenue growth, cost inflation and the discount rate), and performed a sensitivity analysis of those key assumptions and a review of their consistency with the actual data relating to the performance of the investments held. We involved our internal valuation experts in order to evaluate, mainly, the methodology employed by the Company in the impairment tests conducted, the discount rates considered and the terminal value, expressed in perpetuity growth terms, of the projected future cash flows.

Evaluation of the impairment test on investments in Group companies and associates	
Description	**Procedures applied in the audit**
As a result of the foregoing, as well as of the significance of the investments held, this matter was determined to be a key matter in our audit.	Lastly, we checked that the disclosures included in Note 8 to the accompanying financial statements in connection with this matter were in conformity with those required by the applicable regulatory framework.

Other information: Directors' Report

The other information comprises only the directors' report for 2020, the preparation of which is the responsibility of the Company’s directors and which does not form part of the financial statements.

Our audit opinion on the financial statements does not cover the directors’ report. Our responsibility relating to the directors’ report, in accordance with the audit regulations in force, consists of:

a) Solely checking that the non-financial information statement and certain information included in the Annual Corporate Governance Report, to which the Spanish Audit Law refers, have been furnished as provided for in the applicable legislation and, if this is not the case, reporting this fact.

b) Evaluating and reporting on whether the other information included in the directors’ report is consistent with the financial statements, based on the knowledge of the entity obtained in the audit of those financial statements, as well as evaluating and reporting on whether the content and presentation of this section of the directors’ report are in conformity with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described above, we observed that the information described in section a) above was furnished as provided for in the applicable legislation and that the other information in the directors’ report was consistent with that contained in the financial statements for 2020 and its content and presentation were in conformity with the applicable regulations.

Responsibilities of the Directors and of the Audit and risk management committee for the Financial Statements

The directors are responsible for preparing the accompanying financial statements so that they present fairly the Company's equity, financial position and results in accordance with the regulatory financial reporting framework applicable to the Company in Spain, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The audit and risk management committee is responsible for overseeing the process involved in the preparation and presentation of the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the audit regulations in force in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditor's report. This description, which is on pages 6 and 7 of this document, forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

European Single Electronic Format

We have examined the digital file in European Single Electronic Format (ESEF) of Cellnex Telecom, S.A. for 2020, which comprise the XHTML file including the financial statements for 2020, which will form part of the annual financial report.

The directors of Cellnex Telecom, S.A. are responsible for presenting the annual financial report for 2020 in accordance with the format and markup requirements established in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 ("ESEF Regulation").

Our responsibility is to examine the digital file prepared by the Company's directors, in accordance with the audit regulations in force in Spain. Those regulations require that we plan and perform our audit procedures in order to ascertain whether the content of the financial statements included in the aforementioned file corresponds in full to that of the financial statements that we have audited, and whether those financial statements were formatted, in all material respects, in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital file examined corresponds in full to the audited financial statements, and these are presented, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Additional Report to the Audit and risk management committee

The opinion expressed in this report is consistent with the content of our additional report to the Company's audit and risk management committee dated 25 February 2021.

Engagement Period

The Annual General Meeting held on 9 May 2019 appointed us as auditors for a period of one year from the year ended 31 December 2019.

Previously, we were designated by the sole shareholder for the period of three years and have been auditing the financial statements uninterruptedly since the year ended 31 December 2013 and, therefore, since the year ended 31 December 2015, the year in which the Company became a Public Interest Entity.

DELOITTE, S.L.
Registered in ROAC under no. S0692

Iván Rubio Borrallo
Registered in ROAC under no. 21443

25 February 2021

Appendix to our auditor’s report

Further to the information contained in our auditor’s report, in this Appendix we include our responsibilities in relation to the audit of the financial statements.

Auditor’s Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with the audit regulations in force in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the use by the directors of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the entity's audit and risk management committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the entity's audit and risk management committee with a statement that we have complied with relevant ethical requirements, including those regarding independence, and we have communicated with it to report on all matters that may reasonably be thought to jeopardise our independence, and where applicable, on the related safeguards.

From the matters communicated with the entity's audit and risk management committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Cellnex Telecom, S.A.

Financial Statements
for the year ended
31 December 2020 and
Directors' Report

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 20). In the event of a discrepancy, the Spanish-language version prevails.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 20). In the event of a discrepancy, the Spanish-language version prevails.

CELLNEX TELECOM , S.A.

BALANCE SHEET AT 31 DECEMBER 2020

(Thousands of Euros)

ASSETS	Notes	31 December 2020	31 December 2019	EQUITY AND LIABILITIES	Notes	31 December 2020	31 December 2019
NON-CURRENT ASSETS:				**EQUITY:**			
Intangible assets-	Nota 6	**18.223**	**13.197**	**NET EQUITY**	Nota 11		
Computer software		18.223	13.197	**Capital**		**121.677**	**96.332**
Property, plant and equipment-	Nota 7	**5.576**	**3.478**	**Share premium**		**7.769.936**	**3.886.193**
Land and buildings		807	532	**Reserves-**		**136.157**	**127.054**
Plant and other items of property, plant and equipment		4.701	2.878	Legal and bylaw reserves		19.000	11.584
Property, plant and equipment under construction		68	68	Other reserves		117.157	115.470
Investments in Group companies and associates-		**13.444.567**	**6.747.401**	**(Treasury shares)**		**(8.078)**	**(4.222)**
Equity instruments	Nota 8.1	13.081.300	5.577.246	**Other equity instruments**		**244.165**	**139.914**
Non current loans to Group companies and associates	Nota 17.3	363.267	1.170.155	**Profit for the year**		**(69.195)**	**7.415**
Non-current investments-	Nota 9	**18.411**	**1.692**	**VALUATION ADJUSTMENTS-**			
Equity instruments		281	450	Hedging operations		**(6.997)**	**(2.695)**
Non current loans		10.607	456	**Total equity**		**8.187.665**	**4.249.991**
Derivate Financial Instruments	Nota 12.3	6.723	-				
Other financial assets		800	786	**NON-CURRENT LIABILITIES:**			
Deferred tax assets	Nota 13.6	**84.655**	**34.661**	**Non-current provisions**	Nota 16.4	**30**	**1.699**
Total non-current assets		**13.571.432**	**6.800.429**	**Non-current borrowings-**	Nota 12	**7.969.744**	**4.607.105**
				Bond issues		7.478.501	3.460.798
				Bank borrowings		-	1.142.714
				Derivate Financial Instruments	Nota 12.3	4.907	3.593
				Other financial liabilities		486.336	-
CURRENT ASSETS:				**Non current loans from Group companies and associates**	Nota 17.3	**-**	**17.050**
Trade and other receivables-		**18.967**	**56.886**	**Total non-current liabilities**		**7.969.774**	**4.625.854**
Trade receivables		155	84				
Receivables from Group companies and associates	Nota 17.3	16.092	7.555				
Sundry receivables		352	3.028	**CURRENT LIABILITIES:**			
Staff		397	1	**Current borrowings-**	Nota 12	**64.863**	**49.072**
Current tax assets	Nota 13.2	1.828	1.674	Bond issues		56.453	40.326
Other tax receivables from Public Authorities	Nota 13.2	143	44.544	Bank borrowings		1.987	4.944
Current investments in Group companies and associates-		**58.839**	**35.758**	Derivate Financial Instruments		165	201
Current loans to Group companies and associates	Nota 17.3	58.839	35.758	Other financial liabilities		6.258	3.601
Current investments	Nota 9	**2.420**	**2**	**Current loans from Group companies and associates**		**611.012**	**175.627**
Short-term loans to third parties		2.418	-	Current loans from Group companies and associates	Nota 17.3	611.012	175.627
Other financial assets		2	2	**Trade and other payables-**		**58.713**	**36.344**
Current acrruals		**2.060**	**1.154**	Payables to Group companies and associates	Nota 17.3	14.240	622
Cash and cash equivalents-	Nota 10	**3.238.309**	**2.242.659**	Other payables		33.886	27.213
Cash		109.204	2.162.659	Staff	Nota 16.4	6.561	7.334
Cash equivalents		3.129.105	80.000	Other payables to Public Authorities	Nota 13.2	4.026	1.175
Total current assets		**3.320.595**	**2.336.459**	**Total current liabilities**		**734.588**	**261.043**
TOTAL ASSETS		**16.892.027**	**9.136.888**	**TOTAL EQUITY AND LIABILITIES**		**16.892.027**	**9.136.888**

The accompanying Notes 1 to 20 and Appendix I are an integral part of the balance sheet at 31 December 2020

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 20). In the event of a discrepancy, the Spanish-language version prevails.

CELLNEX TELECOM, S.A.

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

(Thousands of Euros)

	Notes	2020	2019
ONGOING OPERATIONS:			
Revenue-	Notes 15.1 and 17.3	**130.167**	**133.030**
Dividends		92.212	126.435
Interest income		37.955	6.595
Other operating income-	Note 15.2	**31.150**	**28.464**
Non-core and other current operating income		31.150	28.464
Staff costs-	Note 15.3	**(24.670)**	**(27.305)**
Wages, salaries and similar expenses		(21.341)	(24.935)
Employee benefit costs		(3.329)	(2.370)
Other operating expenses-		**(58.626)**	**(50.133)**
Outside services	Note 15.4	(58.210)	(48.965)
Taxes other than income tax		(416)	(1.138)
Losses, impairment and changes in trade provisions		-	(30)
Depreciation and amortisation	Notes 6 and 7	**(6.261)**	**(4.971)**
Profit from operations		**71.760**	**79.085**
Finance income-		**591**	**50**
Borrowings from third parties		591	50
Finance costs-		**(183.602)**	**(108.602)**
Borrowings from Group companies and associates	Note 17.3	(1.367)	(482)
Borrowings from third parties		(182.235)	(108.120)
Change in fair value of financial instruments		**(2.644)**	**(3.451)**
Exchange differences		**(8.312)**	**672**
Net financial profit/loss	Note 15.5	**(193.967)**	**(111.331)**
Profit before tax		**(122.207)**	**(32.246)**
Income tax	Note 13.5	53.012	39.661
Profit for the year		**(69.195)**	**7.415**

The accompanying Notes 1 to 20 and Appendix I are an integral part of the income statement for 2020

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 19). In the event of a discrepancy, the Spanish-language version prevails.

CELLNEX TELECOM, S.A.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020
A) STATEMENT OF RECOGNISED INCOME AND EXPENSE

(Thousands of Euros)

	Ejercicio 2020	Ejercicio 2019
PROFIT FOR THE YEAR PER INCOME STATEMENT	**(69.195)**	**7.415**
Income and expense recognised directly in equity	**(4.139)**	**(1.604)**
Valuation of Financial Instruments	(1.097)	(2.139)
Net investment coverage in currency other than euro	(4.422)	-
Tax effect	1.380	535
Transfers to the income statement	**(163)**	**(150)**
Cash Flow Hedges	(217)	(200)
Tax effect	54	50
Total recognised income and expense	**(73.497)**	**5.661**

The accompanying Notes 1 to 20 and Appendix I are an integral part of the statement of recognised income and expense for 2020.

CELLNEX TELECOM, S.A.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020
B) STATEMENT OF TOTAL CHANGES IN EQUITY
(Thousands of Euros)

	Notes	Capital	Share Premium	Reserves	(Treasury shares)	Profit for the year	Other equity instruments	Valuation adjustments	Total
Total balance 2018		**57.921**	**314.522**	**152.869**	**(5.572)**	**(26.146)**	**64.081**	**(941)**	**556.734**
Total recognised income and expense		-	-	-	-	7.415	-	(1.754)	5.661
Transactions with shareholders or owners									
Capital Increases and other equity contributions	Notes 11.1 and 11.3	38.411	3.598.291	-	-	-	67.467	-	3.704.169
Distribution of dividends	Note 11.4	-	(26.620)	-	-	-	-	-	(26.620)
Transactions with treasury shares	Notes 11.1 and 16.4	-	-	331	1.350	-	8.366	-	10.047
Distribution of the result for the year 2018		-	-	(26.146)	-	26.146	-	-	-
Total balance 2019		**96.332**	**3.886.193**	**127.054**	**(4.222)**	**7.415**	**139.914**	**(2.695)**	**4.249.991**
Total recognised income and expense		-	-	-	-	(69.195)	-	(4.302)	(73.497)
Transactions with shareholders or owners									
Capital Increases and other equity contributions	Notes 11.1 and 11.3	25.345	3.913.024	-	-	-	100.745	-	4.039.114
Distribution of dividends	Note 11.4	-	(29.281)	-	-	-	-	-	(29.281)
Transactions with treasury shares	Notes 11.1 and 16.4	-	-	3.236	(3.856)	-	3.506	-	2.886
Distribution of the result for the year 2019		-	-	7.415	-	(7.415)	-	-	-
Otras variaciones del patrimonio neto		-	-	(1.548)	-	-	-	-	(1.548)
Total balance 2020		**121.677**	**7.769.936**	**136.157**	**(8.078)**	**(69.195)**	**244.165**	**(6.997)**	**8.187.665**

The accompanying Notes 1 to 20 and Appendix I are an integral part of the statement of total changes in equity for 2020.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 19). In the event of a discrepancy, the Spanish-language version prevails.

CELLNEX TELECOM, S.A.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

(Thousands of Euros)

	Notes	2020	2019
CASH FLOWS - OPERATING ACTIVITIES (I)		**47.724**	**26.121**
Profit for the year before tax		**(122.207)**	**(32.246)**
Adjustments to profit-		**200.228**	**116.332**
Depreciation and amortisation charge	Notes 6 and 7	6.261	4.971
Gains/(losses) on derecognition and disposal of financial instruments	Note 15.5	2.644	3.451
Losses, impairment and changes in trade provisions		-	30
Finance income	Note 15.5	(591)	(50)
Finance costs	Note 15.5	183.602	108.602
Exchange differences		8.312	(672)
Changes in working capital-		**55.066**	**5.768**
Trade and other receivables		38.074	7.376
Other current assets and liabilities		(444)	-
Trade and other payables		17.436	(1.608)
Other cash flows from operating activities-		**(85.363)**	**(63.733)**
Interest paid		(91.978)	(74.713)
Interest received		591	50
Income tax recovered (paid)		(154)	(625)
Other receivables and payables		6.178	11.555
CASH FLOWS - INVESTING ACTIVITIES (II)		**(7.072.011)**	**(3.426.361)**
Payments due to investments-		**(7.072.011)**	**(3.426.361)**
Group companies and associates	Note 17.3	(7.047.225)	(3.420.199)
Property, plant and equipment and intangible assets	Notes 6 and 7	(10.728)	(5.219)
Other financial assets		(14.058)	(943)
CASH FLOWS - FINANCING ACTIVITIES (III)		**8.019.937**	**5.352.639**
Proceeds and payments relating to equity instruments		**4.011.927**	**3.683.375**
Acquisition of own equity instruments (net)	Note 11.1	(6.509)	-
Issue of equity instruments	Note 11.1	4.018.436	3.683.375
Proceeds and payments relating to financial liabilities		**4.037.291**	**1.695.884**
Proceeds from issue of bank borrowings	Note 12.2	269.848	1.142.796
Bond issues	Note 12.1	3.982.682	1.026.032
Debt issues with Group companies and associates	Note 17.3	1.623.272	68.948
Repayment and redemption of bond issues		-	(62.835)
Repayment and redemption of bank borrowings	Note 12.2	(809.081)	(479.057)
Repayment and redemption of Group companies and associates	Note 12.2	(1.029.430)	-
Dividends paid and returns on other equity instruments-		**(29.281)**	**(26.620)**
Dividends	Note 11.4	(29.281)	(26.620)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III)		**995.650**	**1.952.399**
Cash and cash equivalents at beginning of period		2.242.659	290.260
Cash and cash equivalents at end of period		3.238.309	2.242.659

The accompanying Notes 1 to 20 and Appendix I are an integral part of the statement of cash flows for 2020.

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Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 20). In the event of a discrepancy, the Spanish-language version prevails.

Cellnex Telecom, S.A.

Notes to financial statements for the year ended 31 December 2020

1. General information

Cellnex Telecom, S.A. ("the Company") was incorporated in Barcelona on 25 June 2008. Its registered office is at Calle Juan Esplandiú nº 11 (Madrid). On 1 April 2015 it changed its name to Cellnex Telecom, S.A.

The Company's corporate purpose, as set out in its bylaws, includes:

- The establishment and operation of all kinds of telecommunication infrastructures and/or networks, as well as the provision, management, marketing and distribution, on its own account or for third parties, of all types of services based on or through such infrastructures and/or networks.

- The planning, technical assistance, management, organisation, coordination, supervision, maintenance and conservation of these facilities and services under any type of contractual arrangement permitted by law, especially administrative concessions.

The Company may undertake these activities directly or indirectly through the ownership of shares or investments in companies with a similar corporate purpose or in any other formats permitted by law.

Since May 7, 2015, the shares of the Company have been listed on the Stock Exchanges of Barcelona, Bilbao, Madrid and Valencia.

The Company is the Parent of a group of subsidiaries, and under current legislation it is required to draw up separate consolidated financial statements. The consolidated financial statements of the Cellnex Group for 2019 were drawn up by the Directors at a Board meeting on 25 February 2020.

The main figures of the consolidated financial statements for 2020, which were drawn up in accordance with Final Provision Eleven of Law 62/2003 of 30 December, under International Financial Reporting Standards approved for use in the European Union, are as follows:

	Thousands of Euros
Total assets	24,069,627
Equity (of the Parent)	8,018,237
Equity (of non-controlling interests)	914.504
Income from consolidated operations	1.604.772
Loss for the year attributable to the parent	(133,100)
Loss for the year attributable to non-controlling interests	(17,636)

Figures in all the accounting statements (balance sheet, income statement, statement of changes in equity and statement of cash flows) and the notes to the financial statements are expressed in thousands of euros, which is the Company's presentation and functional currency, unless otherwise stipulated.

2. Basis of presentation

2.1. Regulatory financial reporting framework applicable to the Company

The accompanying financial statements were prepared by the Directors in accordance with the regulatory financial reporting framework applicable to the Company, which consists of:

- The Spanish Commercial Code and other business legislation.

- Spain's General Accounting Plan approved by Royal Decree 1514/2007, which has been modified by Royal Decree 1159/2010 of 17 September and Royal Decree 602/2016 of 2 December, and its sector adaptations, and the provisions approved by the National Securities Market Commission.

- The mandatory rules approved by the Spanish Accounting and Audit Institute to implement the National Charter of Accounts and supplementary regulations.

- Any other applicable Spanish accounting regulations.

2.2. True and fair image

These financial statements were drawn up on the basis of the Company's accounting records and are presented in accordance with the applicable regulatory financial reporting framework, especially the accounting principles and criteria laid down therein. They were drawn up by the Directors of the Company in order to express a true and fair image of its assets, financial position, results from its operations, changes in equity and changes in cash flows, in accordance with the aforementioned current legislation in force. The financial statements of Cellnex Telecom, S.A. for the year ended on 31 December 2020, were authorised for issue by the Directors of the Company at the meeting of the Board of Directors held on 25 February 2021. They will be submitted for approval by the General Meeting of Shareholders, and it is expected that they will be approved without any changes. The 2019 financial statements were approved by the General Shareholders' Meeting of Cellnex Telecom, S.A. on 21 July 2020.

In the present annual accounts, that information or breakdowns have been omitted that, not requiring any detail due to their qualitative importance, have been considered non-material or have no relative importance according to the concept of materiality or relative importance defined in the conceptual framework of the Spanish General Accounting Plan in force.

2.3. Non-mandatory accounting principles applied

No non-mandatory accounting principles were applied. However, the directors drew up these financial statements in due consideration of all mandatory accounting principles and standards with a significant impact on the statements. All mandatory accounting principles were applied.

2.4. Key issues in relation to the measurement and estimation of uncertainty

Preparation of the financial statements requires the Company to make a number of accounting estimates and judgments. These estimates and judgments are reviewed constantly and are based on historical experience and other factors, including expectations of future events, which are considered reasonable under the circumstances.

The main estimates and judgments considered in drawing up the financial statements are the following:

- Recoverable amount of investments in Group companies and associates and loans to Group companies (see Notes 4.3, 8 and 17.3).

- The criterion of recognition of deferred taxes and it recoverability plan (see Notes 4.4 and 13).

- Assessment of litigations, commitments and contingent assets and liabilities at year-end (see Notes 4.6 and 16).

- Valuation of derivative financial instruments and other financial instruments (see Notes 4.3.3 and 12.3).

Although these estimates have been made on the basis of the best information available at the end of the 2020 financial year, future events may force them to be changed (upwards or down) in the coming financial years, which would, where appropriate, be done prospectively.

Coronavirus Pandemic

Global economic conditions have rapidly deteriorated in 2020 as a result of the Coronavirus Pandemic which began in China in late 2019 and has subsequently spread globally, significantly affecting the European markets where the Group operates as of the date of these financial statements and where the Group will operate following completion of the Iliad Poland Acquisition (see Note 19). While the Coronavirus Pandemic has not had a significant effect on the Group's business, financial condition or results of operations as of 31 December 2020 and, therefore, has not had a significant effect on the Financial Statements for the year ended 31 December 2020, its future evolution is uncertain.

2.5. Comparative information

The application of the accounting criteria in 2020 and 2019 has been uniform, therefore there are no transactions or operations that have been recorded following different accounting principles that could lead to discrepancies in the interpretation of the comparative figures for both periods.

The information in the accompanying notes to the 2019 financial statements is presented for the purposes of comparison with information relating to 2020.

2.6. Correction of errors

No significant errors in the preparation of the accompanying financial statements were detected that required the figures disclosed in the 2019 financial statements to be restated.

2.7. Grouping of items

Certain items on the balance sheet, income statement, statement of changes in equity and statement of cash flows are grouped together to make them easier to understand; however, whenever the amounts involved are material, the information is broken down in the notes concerned.

2.8 Changes in accounting criteria

During fiscal year 2020, there were no changes in significant accounting criteria with respect to the criteria applied in the year 2019.

3. Proposed distribution of profit

The distribution of 2020 profit proposed by the Company's Directors for approval by the General Shareholders' Meeting is as follows:

	Thousands of Euros
Basis of distribution:	
Profit for the year	(69,195)
	(69,195)
Distribution:	
Voluntary reserves	(69,195)
	(69,195)

4. Accounting policies and measurement bases

As indicated in Note 2, the main accounting policies and measurement bases used by the Company in drawing up its financial statements for 2020 and 2019, in accordance with Spain's General Accounting Plan, were as follows. In this sense, it is detailed only those policies that are specific to the activity of the Society and those considered significant according to the nature of its activities.

4.1. Intangible assets

The intangible assets indicated below are recognised at acquisition cost less accumulated amortisation and any loss due to impairment, with their useful life being evaluated on the basis of prudent estimates. When the useful life of these assets cannot be estimated reliably, they are amortized over a period of ten years.

Computer software

The Company records in this account the costs incurred in the acquisition and development of computer programs, including the costs of developing the web pages. The maintenance costs of computer applications are recorded in the profit and loss account for the year in which they are incurred. The amortization of computer applications is done by applying the straight-line method over a useful life of 4 years.

Impairment of intangible assets and materials

The Company evaluates, at each balance sheet date, whether there is any indication of impairment in the value of any asset. If any such indication exists, or when an annual impairment test is required (in the case of assets with an indefinite useful life), the Company estimates the asset's recoverable amount, which is the greater of the fair value of an asset less costs to sell and its value in use.

The procedure implemented by the management of the Company to carry out the test is the following:

To determine the value in use of an asset, the future cash inflow that the asset is expected to generate is discounted from its present value using an interest rate that reflects the current value of money at long-term rates and the specific risks of the assets.

In the event that the asset analysed does not generate cash flows that are independent of those from other assets (as is the case for goodwill), the fair value or value in use of the cash-generating unit that includes the asset (smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets) is estimated. In the event of an impairment loss for a cash-generating unit, the loss is first allocated to reduce the carrying amount of any goodwill allocated and then to the other assets pro rata on the basis of the carrying amount of each asset.

Impairment losses (excess of an asset's carrying amount over the recoverable amount) are recognised in the income statement for the year.

With the exception of goodwill, where impairment losses are irreversible, the Company assesses at the end of each reporting period whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated.

An impairment loss recognised in prior periods is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. In such a case, the carrying amount of the asset is increased to its recoverable amount. The increased carrying amount shall not exceed the carrying amount that would have been determined, net of amortisation or depreciation, had no impairment loss been recognised for the asset in prior years. This reversal would be recognised in the income statement for the year.

4.2. Property, plant and equipment

Property, plant and equipment are stated at acquisition or production cost less accumulated depreciation and any loss due to impairment, in accordance with the principle set forth in Note 4.1.

Staff costs and other costs directly related to property, plant and equipment are capitalised as part of the investment until brought into use.

Costs incurred to renovate, enlarge or improve items of property, plant and equipment which increase the capacity or productivity or extend the useful life of the asset are capitalised as part of the cost of the asset, provided that the carrying amount of the assets replaced and derecognised from inventories is known or can be estimated.

The costs of major overhauls are capitalised and depreciated over their estimated useful lives, while recurring upkeep and maintenance costs are charged to the income statement in the year in which they are incurred.

The depreciation of property, plant and equipment, except for land, which is not depreciated, is calculated systematically on a straight-line basis, using the estimated useful life of the assets, based on the actual decline in value caused by their use and by wear and tear.

The depreciation rates used to calculate the depreciation of the various items of property, plant and equipment are as follows:

Item	Useful life in years
Plant and other items of property, plant and equipment	10 - 25

When an asset's carrying amount exceeds its estimated recoverable amount, the carrying amount is immediately reduced to its recoverable amount, and the effect is taken to the income statement for the year (see Note 4.1).

4.3. *Financial instruments*

4.3.1 Financial assets

Allocation

The Company's financial assets are classified as:

a) Loans and receivables: loans and receivables are financial assets originating from the sale of goods or the rendering of services in the initial course of the Company's business, or those that are not of commercial origin, are not equity instruments or derivative, have fixed or determinable payments and are not traded on an active market.

b) Equity investments in Group companies and associates: group companies are deemed to be those related to the Company as a result of control relationship and associates are companies over which the Company exercises significant influence.

Initial recognition

Financial assets are initially recognised at the fair value of the consideration given plus directly attributable transaction costs.

Fees paid to tax advisors or other professionals in relation to the acquisition of investments in Group companies which exercise control over the subsidiary are recognised directly in the income statement.

Subsequent valuation

Loans and receivables are valued at their amortized cost. The effective interest rate is the rate of update that exactly matches the value of a financial instrument to all of its cash flows estimated by all concepts throughout its remaining life. For fixed-rate financial instruments, the effective interest rate coincides with the contractual interest rate established at the time of purchase plus, where appropriate, commissions which, by their nature, are similar to an interest rate. In variable interest rate financial instruments, the effective interest rate coincides with the current rate of return for all concepts until the first revision of the benchmark interest rate to take place

Investments in Group, associated and multi-group companies are valued at cost, reduced, when appropriate, by the accumulated amount of impairment corrections. These corrections are calculated as the difference between their book value and the recoverable amount, understood as the highest amount between their fair value less sell costs and the current value of future cash flows derived from the investment. Except for better evidence of the recoverable amount, the equity of the investee is taken into account, corrected for the tacit capital gains existing on the valuation date (including goodwill, if any).

At least at year-end, the Company performs an impairment test for financial assets that are not recorded at fair value. It is considered that there is objective evidence of impairment if the recoverable value of the financial asset is lower than its book value. When it occurs, the recording of this impairment is recorded in the profit and loss account.

In particular, and with respect to the valuation adjustments relating to commercial debtors and other accounts receivable, the criteria used by the Company to calculate the corresponding value adjustments, if any, is to estimate the fair value of said balances based on the collections estimated futures.

The Company derecognizes financial assets when the rights on the cash flows of the corresponding financial asset expire or have been transferred and the risks and benefits inherent to its property have been substantially transferred, such as in firm sales of assets, assignments of commercial loans in "factoring" operations in which the company does not retain any credit or interest risk, sales of financial assets with a repurchase agreement at their fair value or securitizations of financial assets in which the assignor does not retain subordinated financing neither grants any type of guarantee or assumes any other type of risk.

On the contrary, the Company does not derecognize financial assets, and recognizes a financial liability for an amount equal to the consideration received, in assignments of financial assets in which the risks and benefits inherent to its property are substantially retained, such as the discount of effects, the "factoring with recourse", the sales of financial assets with repurchase agreements at a fixed price or the sale price plus an interest and the securitizations of financial assets in which the transferor retains subordinated financing or other types of guarantees that absorb substantially all the expected losses.

4.3.2 Financial liabilities

This category includes trade and non-trade payables. These borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement for at least twelve months after the balance sheet date.

Trade payables falling due within one year and which do not have a contractual interest rate are stated, both initially and afterwards, at nominal value when the effect of not discounting the cash flows is not material.

Debits and payables are initially valued at the fair value of the consideration received, adjusted for transaction costs directly attributable. Subsequently, these liabilities are valued according to their amortized cost..

The Company derecognises financial liabilities when the obligations that have generated them are extinguished.

Borrowings are initially recognised at fair value, including the costs incurred in raising the debt. In subsequent periods, the difference between the funds obtained (net of the costs required to obtain them) and the repayment value, if any and if it is significant, is recognised on the income statement over the term of the debt at the effective interest rate.

If existing debts are renegotiated, it is considered that there are no substantial modifications to the financial liabilities when the lender for the new loan is the same party that extended the initial loan and the present value of the cash flows, including net commissions, does not differ by more than 10% from the present value of the cash flows payable from the original liability calculated using the same method.

4.3.3 Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments to manage its financial risk, arising mainly from changes in interest rates and exchange rates (see Note 5). These derivative financial instruments were classified as cash flow hedges and recognised at fair value (both initially and subsequently), using valuations based on the analysis of discounted cash flows using assumptions that are mainly based on the market conditions at the reporting date and adjusting for the bilateral credit risk in order to reflect both the Company's risk and the counterparty's risk.

At the inception of the hedge, the Company documents the relationship between the hedging instruments and the hedged items, in addition to its risk management objective and the strategy for undertaking the hedge. The Company also documents how it will assess, both initially and on an ongoing basis, whether the derivatives used in the hedges are highly effective for offsetting changes in the fair value or cash flows attributable to the hedged risk.

The fair value of the derivative financial instruments used for hedging purposes is set out in Note 12.3.

Hedge accounting, when considered to be such, is discontinued when the hedging instrument expires or is sold, terminated or exercised or when it no longer qualifies for hedge accounting. Any accumulated gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net accumulated gain or loss recognised in equity is transferred to net profit or loss for the year.

Classification on the balance sheet as current or non-current will depend on whether the maturity of the hedge at year-end is less or more than one year.

The criteria used to account for these instruments are as follows:

a) Cash flow hedge

The positive or negative variations in the valuation of the derivatives qualifying as cash flow hedges are charged, in their effective portion, net of the tax effect, to equity under “Reserves – Hedging reserves”, until the hedged item affects the income (or when the underlying part is sold or if it is no longer probable that the transaction will take place), which is when the accumulated gains or losses in net equity are released to the income statement for the year.

Any positive or negative differences in the valuation of the derivatives corresponding to the ineffective portion are recognised directly in profit or loss for the year under “Change in fair value of financial instruments”.

This type of hedge corresponds primarily to those derivatives entered into by the Company to convert floating rate debt to fixed rate debt.

b) Hedges of a net investment in currencies other than the euro

The Company finances its major foreign investments in the same functional currency in which they are held so as to reduce the foreign currency risk. This is carried out by obtaining financing in the corresponding currency or by entering into cross-currency and interest-rate swaps.

The exchange-rate component of hedges of net investments in foreign operations in subsidiaries, jointly controlled entities and associates are accounted for as a fair value hedge.

The changes in fair value of the designated derivatives, which meet the conditions for qualifying as hedges of net investments in foreign operations, are recognised in the income statement under “Change in fair value of financial instruments”, together with any changes in the fair value of the hedged investment in subsidiaries, jointly controlled entities or associates that is attributable to foreign-exchange risk.

c) Derivatives not recognised as hedges

In the case of derivatives that do not qualify as hedging instruments, the positive or negative difference resulting from the fair value adjustments are taken directly to the income statement for the year.

The Company does not use any derivative instruments which do not qualify as hedging instruments.

d) Fair value and valuation techniques

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, irrespective of whether that price is directly observable or estimated using another valuation technique.

For financial reporting purposes, fair value measurements are classified as level 1, 2 or 3 depending on the extent to which inputs used are observable and the importance of the inputs for measuring fair value in its entirety, as described below:

- Level 1 - Inputs are based on quoted prices (unadjusted) for identical instruments in active markets.

- Level 2 – Inputs are based on quoted prices for similar instruments in active markets (not included in level 1), prices quoted for identical or similar instruments in markets that are not active and techniques based on valuation models for which all relevant inputs are observable in the market or can be corroborated by observable market data.

- Level 3 – In general, inputs are unobservable and reflect estimates based on market assumptions to determine the price of the asset or liability. Unobservable data used in the valuation models are significant in the fair values of the assets and liabilities.

To determine the fair value of its derivatives, the Company uses valuation techniques based on expected total exposure (which includes both current exposure as well as potential exposure) adjusted for the probability of default and loss given default of each counterparty.

The expected total exposure of the derivatives is obtained using observable market inputs such as interest rate, exchange rate and volatility curves in accordance with the market conditions at the measurement date. The inputs used for the probability of default by the Company and by the counterparties are estimated on the basis of the credit default swap (CDS) prices observed in the market.

In addition, in order to reflect the credit risk in the fair value the market standard of 40% is applied as a recovery rate, which relates to the CDS in relation to senior corporate debt.

4.4. Income tax

The income tax expense or income includes the portion relating to the expense or income for current tax and the portion corresponding to the deferred tax expense or income.

Cellnex Telecom, S.A. is subject to corporation tax under the tax regime of Fiscal Consolidation according to Chapter VI of Title VII of Law 27/2014, of November 27, on Corporation Tax, being the tax identification number of the group on 520/15. Consequently, corporation tax expenditure includes those advantages arising from the use of negative tax bases and uninvolved deductions that had not been recorded in the event of individual taxation of the companies that make up that tax group

Current income tax expense is the amount the Company pays as a result of income tax settlements for a given year. Tax credits and other tax benefits applied to taxable profit, excluding tax withholdings, prepayments and tax loss carryforwards from previous years, reduce current income tax expense.

Deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences, measured as the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, as well as unused tax losses and tax credits. These amounts are measured by applying to the corresponding temporary difference or tax asset, the tax rate at which the asset is expected to be realised or the liability is expected to be settled.

Deferred tax liabilities are recognised in respect of all taxable temporary differences, with the exception of those arising from initial recognition of goodwill or other assets and liabilities in an operation that does not affect either taxable profit or accounting profit and is not a business combination.

Deferred tax assets are recognised only to the extent that it is considered likely the Company will have sufficient taxable profit in the future against which the deferred tax assets can be offset.

Deferred tax assets and liabilities arising from operations that are charged or credited directly to equity accounts are also recognised with a balancing entry under equity.

The deferred tax assets recognised are reconsidered at each closing date, and any necessary corrections are made if there are any doubts concerning future recovery. Deferred tax assets not recognised on the balance sheet are also assessed at each closing date and are recognised if it is likely they will be recovered with future tax gains.

In the determination of deferred tax assets, the tax group of which the Company is the parent, establishes a finite time horizon for the recovery of them on the basis of the best estimates made. Thus, on the basis of the estimation of the individual tax bases of the companies that make up the group, the expected period for the application of deferred tax assets has been determined, also taking into account the timetable for the use of the outstanding deductions, as well as the tax losses subject to compensation in subsequent years within the legal time limits for the use of them (Note 13).

The expense accrued by corporation tax is determined by taking into account in addition to the parameters to be considered in case of individual taxation set out above, and in accordance with the Resolution of 9 February 2016, of the Institute of Accounting and Audit of Accounts, which develops the rules for the registration, valuation and preparation of the annual accounts for the accounting of the Income Tax , the following:

- The permanent and temporary differences produced as a result of the elimination of results arising from the process of determining the consolidated tax base.

- The deductions and bonuses that correspond to each company code of the tax group under the company group regime; for this purpose, deductions and bonuses are attributed to the company carrying out the activity or obtaining the necessary return to obtain the right to deduction or tax bonus.

- For the part of the negative tax results from some of the companies in the tax group that have been compensated by the rest of the companies belonging to that group, as indicated above, an receivables with the tax group arises. On the part of the negative tax result not offset by the companies in the tax group, the company code to which it corresponds posts an asset by deferred tax according to the criterion discussed above.

4.5. Employee benefits

Under the respective collective bargaining agreements, the Company has the following obligations with its employees:

(i) Post-employment obligations:

Defined-contribution obligations

In relation to defined-contribution employee welfare instruments (which basically include employee pension plans and group insurance policies), the Company makes fixed contributions to a separate entity and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. Consequently, the obligations under this type of plan are limited to the payment of contributions, the annual expense of which is recognised on the income statement for the year as the obligations arise.

Defined-benefit obligations

Defined-benefit obligations relate mainly to bonuses or payments for retirement from the company and temporary and/or life-time annuities.

With regard to these obligations, where the company undertakes certain actuarial and investment risks, the liability recognised on the balance sheet is the present value of the obligations at the balance sheet date less the fair value of any plan assets at that date not arranged with related parties.

The actuarial valuation of the defined benefits is made annually by independent actuaries using the projected credit unit method to determine both the present value of the obligations and the related current and past service costs. The actuarial gains and losses arising from changes in the actuarial assumptions are recognised in the year in which they occur. They are not included on the income statement but are presented on the statement of recognised income and expense.

(ii) Termination benefits

Termination benefits are paid to employees as a result of the decision to terminate their employment contract before the normal retirement date, or when the employee voluntarily accepts to resign in exchange for such compensation. The Company recognises these benefits when it is demonstrably committed to terminate the employment of the employees in accordance with a formal detailed plan without the possibility of withdrawal or to provide termination benefits. If a mutual agreement is required, a provision is only recorded in situations in which the Company has decided that it will consent to termination of the employees when this has been requested by them.

(iii) Obligations arising from plans for termination of employment

Provisions for obligations relating to plans for termination of employment of certain employees (such as early retirement or other forms of employment termination) are calculated individually based on the terms agreed with the employees. In some cases, this may require actuarial valuations based on both demographic and financial assumptions.

(iv) Long-term Incentive Plan

The amounts considered by the Company in relation to the Long Term Incentive Plans which were formalised in 2017, 2018, 2019 and 2020 with the objective to retain key personnel and incentivise the sustainable creation of value for the shareholders, is based on the variables described below:

LTIP (2017-2019)

On 27 April 2017 Cellnex's Board of Directors approved the LTIP (2017-2019) and decided to make the LTIP a rolling plan going forward to further incentivise the retention of the beneficiaries, which includes the CEO, the Senior Management and certain key employees (up to 50 employees).

The LTIP (2017 - 2019) is divided into two phases:

Phase I (2017-2018) was accrued from 1 January 2017 until 31 December 2018 and was paid once the Group's annual accounts corresponding to the 2018 financial year were approved.

The amount received by the beneficiaries of this Phase I (2017-2018) has been determined by the degree of fulfilment of three objectives, each with the following weight:

- 50%; the attainment of certain RLFCF (Recurring Leverage Free Cash Flow, as defined in section 3 of the Consolidated Management Report) per share figures according to the market consensus and at a constant scope of consolidation. The scale of attainment is: 50% if the figure is 5% below the target, 100% if figure matches the target, and 125% if the target is beaten by 5% or more;
- 30%; the share price appreciation calculated between the initial starting price of the period and the average price in the last quarter of 2018, weighted by the volume ("vwap"). The scale of attainment is from 75% to 125% depending on the share price performance compared to IBEX 35 and certain European and American peers; and
- 20%; the attainment of certain Adjusted EBITDA (as defined in section 3 of the Consolidated Management Report) figure according to the market consensus and the constant scope of consolidation. The scale of attainment is: 50% if the figure is 5% below the target, 100% if figure matches the target, and 125% if the target is beaten by 5% or more;

With regards to this Phase I (2017-2018) the weighted average degree of fulfilment of the three objectives was 125%. For the first objective, which was related to the RLFCF per share, the percentage of attainment was 125%, for the second objective, which was related the share price appreciation, the percentage of attainment was 125%, and for the third objective, which was related to the Adjusted EBITDA, the percentage of attainment was 125%.

In accordance with the attainment above, the cost of Phase I (2017-2018) of the LTIP (2017-2019) for Cellnex was EUR 2.5 million, which was paid during 2019.

Phase II (2018-2019) accrues from 1 January 2018 until 31 December 2019 and has been payable once the Group's annual accounts corresponding to the 2019 financial year have been approved.

The amount to be received by the beneficiaries of this Phase II (2018-2019) will be determined by the degree of fulfilment of two objectives, each with a weight of 50%:

- 50%; the attainment of a certain RLFCF per share figure according to the market consensus and a constant scope of consolidation. The scale of attainment is: 50% if the figure is 5% below the target, 100% if figure matches the target, and 125% if the target is beaten by 5% or more; and
- 50%; the share price appreciation calculated between the initial starting price of the period and the average price in the last quarter of 2019, weighted by the volume ("vwap"). The scale of attainment is from 75% to 125% depending on the share price performance compared to IBEX 35 and certain European and American peers.

With regards to this Phase II (2018-2019) the weighted average degree of fulfilment of the three objectives was 125%. For the first objective, which was related to the RLFCF per share, the percentage of attainment was 125% and for the second objective, which was related the share price appreciation, the percentage of attainment was 125%.

As at 31 December 2019, the cost of the Phase II (2018-2019) is EUR 6.3 million and was paid during 2020.

For the LTIP (2017 – 2019) all Senior Management and certain employees must receive a minimum of 30% of their LTIP remuneration in Cellnex shares and for the CEO and Deputy CEO the minimum amount is 40% of their LTIP remuneration. For the rest of the beneficiaries, this minimum percentages varies depending on the position of the employee. The share based compensation of this LTIP will be grossed up to partially offset the tax impact on the beneficiaries.

LTIP (2018-2020)

On 27 September 2018 Cellnex's Board of Directors approved the LTIP (2018-2020). The beneficiaries of this Plan are the CEO, the Deputy CEO, the Senior Management and key employees (approximately 55 employees). This plan has the same characteristics as the LTIP 2017-2019. This plan accrues from 1 January 2018 until 31 December 2020 and is payable once the Group's annual accounts corresponding to the 2020 financial year have been approved.

The amount to be received by the beneficiaries will be determined by the degree of fulfilment of two objectives, each with a weight of 50%:

- 50%; the attainment of a certain RLFCF per share figure according to the market consensus and a constant scope of consolidation. The scale of attainment is: 50% if the figure is 5% below the target, 100% if figure matches the target, and 150% if the target is beaten by 5% or more; and
- 50%; the share price increase calculated using the initial starting price of the period and the average price in the last quarter of 2020, weighted by the volume ("vwap"). The scale of attainment is from 75% to 125% depending on the share price performance compared to IBEX 35 and certain European and American peers.

According to the above achievement, the estimated cost of the ILP (2018-2020) for the Company is 5.2 million, and will be payable once the Group's annual accounts corresponding to the 2020 financial year have been approved.

For the LTIP (2018 – 2020) all Senior Management and certain employees must receive a minimum of 40% of their LTIP remuneration in Cellnex shares and for the CEO and Deputy CEO the minimum amount is 50% of their LTIP remuneration. For the rest of the beneficiaries, this minimum percentages varies depending on the position of the employee. The share based compensation of this LTIP will be grossed up to partially offset the tax impact on the beneficiaries.

LTIP (2019-2021)

In November 2018 the Board of Directors approved the 2019-2021 LTIP. The beneficiaries include the CEO, the Deputy CEO, the Senior Management and other key employees (approximately 57 employees).

The amount to be received by the beneficiaries will be determined by the degree of fulfilment of the share price increase, calculated using the initial starting price of the period and the average price in the three months prior to november 2021, weighted by the volume ("vwap").

The achievement of the objectives established in the 2019-2021 LTIP will be assessed by the Appointments and Remuneration Committee and payment of any accrued amounts, if applicable, will be following approval of the annual consolidated financial statements of the Group as of and for the year ended 31 December 2021 by the General Shareholders' Meeting.

For the LTIP 2019 – 2021 all Senior Management and Deputy CEO must receive a minimum of 50% of their LTIP remuneration in Cellnex shares and for the CEO the minimum amount is 30% of their LTIP remuneration in Shares. The outstanding 50% or 70% may be paid in options. The rest of the beneficiaries must receive 100% of their LTIP remuneration in Shares. The Share based compensation of this LTIP will be grossed up to partially offset the tax impact on the beneficiaries.

As at 31 December 2020, the estimated cost of the 2019-2021 LTIP is approximately EUR 6.4 million. The cost of the LTIP assuming full achievement of the Company's objectives is estimated at approximately EUR 8 million.

ILP (2020-2022)

In December 2019, the Board of Directors approved the Long-Term Incentive Plan - ILP 2020-2022. The CEO, Senior Management and certain key employees of the Cellnex Group (approximately 105 employees) are beneficiaries.

The amount to be received by the beneficiaries shall be determined by the degree of fulfilment of the share price increase, calculated using the average price in the three months prior to 31 December 2019 (initial starting price of the period) and the average price in the three months prior to 31 December 2022 (final target price of the period), both weighted by the volume ("vwap").

The fulfilment of the objectives set out in the ILP 2020-2022 will be assessed by the Appointments and Remuneration Committee and the payment of the amounts accrued, if will be made once the Group's Consolidated Annual Accounts for the 2022 financial year have been approved by the General Shareholders' Meeting.

For ILP 2020 - 2022, the CEO must receive a minimum of 30% of his ILP remuneration on Cellnex shares. The remaining 70% can be paid in stock options. Senior Management must receive a minimum of 40% of its ILP remuneration on Cellnex shares and the remaining 60% can be paid in stock options. Other beneficiaries must receive 70% of their ILP remuneration in shares and the remaining 30% can be paid in stock options. Other beneficiaries must receive 100% of their ILP remuneration in shares. Share-based compensation for this ILP will increase to partially offset the tax impact on beneficiaries. As of 31 December, 31 2020, the estimated cost of ILP (2020-2022) is approximately EUR 6 million.

4.6. Provisions and contingent liabilities

The Directors of the Company in the formulation of the annual accounts differentiate between:

a) Provisions: credit balances that cover current obligations derived from past events, whose cancellation is likely to result in an outflow of resources, but which are indeterminate in terms of their amount and / or time of cancellation.

b) Contingent liabilities: possible obligations arising as a result of past events, whose future materialization is conditioned on the occurrence, or not, of one or more future events independent of the Company's will.

The annual accounts include all provisions with respect to which it is estimated that the probability of having to meet the obligation is greater than otherwise. Unless they are considered remote, contingent liabilities are not recognized in the annual accounts, but they are reported in the notes to the report.

Provisions are valued at the present value of the best possible estimate of the amount necessary to cancel or transfer the obligation, taking into account the information available on the event and its consequences, and recording the adjustments arising from the updating of such provisions as a financial expense as it accrues.

The compensation to be received from a third party at the time of settlement of the obligation, provided that there is no doubt that said reimbursement will be received, is recorded as assets, except in the case that there is a legal link through which part of the risk, and by virtue of which the Company is not obliged to respond; in this situation, the compensation will be taken into account to estimate the amount for which, in its case, the corresponding provision will appear.

4.7. Current and non-current items

Current assets are those related to the normal operating cycle that is generally considered to be one year, as well as those assets whose maturity, disposal or realization is expected to occur in the short term from the closing date of the year. Financial assets held for trading, with the exception of financial derivatives whose settlement period is greater than one year and cash and other equivalent liquid assets. Assets that do not meet these requirements are classified as non-current.

Similarly, current liabilities are liabilities linked to the normal operating cycle, financial liabilities held for trading, with the exception of financial derivatives whose settlement period is greater than one year and, in general, all the obligations whose maturity or extinction will occur in the short term. Otherwise, they are classified as non-current.

4.8. Recognition of revenue and expenses

On the basis of the consultation to Spain's Accounting and Audit Institute (ICAC) resolved on 23 July 2009, concerning accounting classification of the revenue and expenses of a holding company in individual accounts, income from dividends and interest accruing from the financing of investees were classified under "Revenue".

Income and expenses are recognised on an accrual basis, i.e., when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the reporting date, provided that the outcome of the transaction can be estimated reliably.

Interest income from financial assets is recognised using the effective interest method.

4.9. Leases

Leases are classified as finance leases, provided that the conditions of the leases show that the risks and benefits inherent to the ownership of the asset that is the object of the contract are substantially transferred to the lessee. The other leases are classified as operating leases.

Operating lease

i. The Company acts as a lessee

Expenses derived from operating lease agreements are charged to the profit and loss account in the year in which they are accrued.

Any collection or payment that may be made when contracting an operating lease, will be treated as a prepayment or payment that will be charged to income over the period of the lease, as the benefits of the leased asset are ceded or received.

4.10. Cash and cash equivalents

For the purposes of the statement of cash flows, “Cash and cash equivalents” includes the Company's cash and current deposit accounts with an initial maturity of three months or less, or current investments that the Company can withdraw cash without giving any notice and without suffering any significant penalty. The carrying amount of these assets is similar to their fair value.

4.11. Treasury shares

If the Company acquires treasury shares, these are recognised in the balance sheet under “Treasury shares” and deducted from equity and measured at their acquisition cost without recognising any valuation adjustment.

When these shares are sold, any amount received, net of any additional directly attributable transaction costs and the corresponding effect of the tax on the gain generated, is included in equity of the Company.

4.12. Payments based on shares

The Company recognizes, on the one hand, the goods and services received as an asset or as an expense, according to its nature, at the time of its acquisition and, on the other hand, the corresponding increase in net assets, if the transaction is settled with equity instruments, or the corresponding liability if the transaction is settled with an amount that is based on the value of the equity instruments.

In the case of transactions that are settled with equity instruments, both the services rendered and the increase in net equity are valued at the fair value of the equity instruments transferred, referring to the date of the concession agreement. If, on the contrary, they are settled in cash, the goods and services received and the corresponding liability are recognized at the fair value of the latter, referring to the date on which the requirements for recognition are met.

4.13. Related party transactions

The Company carries out all its transactions with related parties on an arm's length basis. Also, as transfer prices are adequately documented, the Company’s Directors feel there are no significant risks that could give rise to material liabilities in the future.

For balance sheet presentation purposes, Group companies are considered as those that are direct or indirect subsidiaries of Cellnex Telecom, S.A., and associates are considered as companies that have this status with respect to companies controlled by Cellnex Telecom, S.A.; and other related companies are deemed to be those with significant influence over Cellnex Telecom, S.A., with the right to nominate a director or with a shareholding above 5% (see Note 11).

4.14. Transactions in currencies other than the euro

Transactions in currencies other than the euro are translated into the functional currency of the Company (the euro) using the exchange rates in effect on the transaction date. Gains and losses on currencies other than the euro arising from the settlement of these transactions and from the translation of monetary assets and liabilities held in currencies other than the euro at the year-end exchange rates are recognised in the income statement.

4.15. Activities affecting the environment

The Company's activities and business purpose are such that it has no environmental impact, and therefore it is not necessary to incur any expenses or invest to meet the environmental requirements laid down in law.

5. Financial risk management

5.1. Factors of financial risk

The activities of the Company and the Group, of which it is the Parent, are exposed to various financial risks: exchange-rate risk, interest-rate risk, credit risk, liquidity risk and inflation risk.

Financial risk management of the companies in the Cellnex Group is controlled by the General Finance Department following authorisation by the most senior executive officer of Cellnex, as part of the respective policy adopted by the Board of Directors.

a) Foreign-exchange risk

The Company presents its accounts in euros, therefore, fluctuations in the exchange rate of the currencies in which loans are implemented and transactions are carried out, can have an impact on: future commercial transactions, the recognition of assets and liabilities, as well as in investments in currency other than the euro.

In addition, since 2016 the Company operates outside the Euro zone and has assets mainly in the United Kingdom, Switzerland and Denmark, which entails exposure to foreign currency risk and in particular to the risk of fluctuations in the exchange rates of the euro, the pound sterling, the Swiss franc and the Danish krone. The strategy for hedging the exchange rate risk in investments in non-euro currencies should aim at partial risk hedge and should be implemented within a reasonable period of time, depending on market conditions and the previous assessment of the effect of the hedge.

Despite the fact that most of the Company's transactions are carried out in euros, the volatility in the conversion into euros of the agreements entered into in pounds sterling and Swiss francs may have negative consequences for the Company, affecting its business prospects, projections, financial statements and results of operations, as well as the generation of cash flows.

The Company uses derivative financial instruments to manage its financial risk mainly from exchange rate changes. These derivative financial instruments have been classified as cash flow hedging and recognized at fair value (both initial and subsequent valuations). These valuations have been calculated by analysing the cash flows discounted by assumptions based mainly on market conditions existing at the balance sheet date, in the case of unlisted derivative financial instruments (see Notes 4.3.3 and 12.3).

As of 31 December 2020, there is contracted financing to third parties that provides exchange rate hedging mechanisms (see Note 12.3).

b) Interest rate risk

The Company is exposed to interest rate risk through its non-current and current borrowings.

Foreign resources issued at variable rates expose the Company to interest rate risks of cash flows, while non-fixed interest rate exposures expose the Company to interest rate risks on fair value. In addition, any increase in interest rates may increase the financial expense of the Company associated with variable rate loans, as well as the costs of refinancing existing debt and issuing new debt.

The objective of interest rate risk management is to achieve a balance in the debt structure that minimizes volatility in the income statement over a multi-year horizon.

The Company could use derivative financial instruments to manage its financial risk derived mainly from interest rate variations. These derivative financial instruments have been classified as cash flow hedges and have been recognized at fair value (both initial and subsequent valuations). These valuations have been calculated by analyzing the discounted cash flows using assumptions based mainly on the market conditions existing at the balance sheet date, in the case of unlisted derivative instruments (see Notes 4.3.3 and 12.3).

On 31 December 2020 there is financing contracted to third parties that presents interest rate hedging mechanisms (see Note 12.3).

c) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as other debts, including outstanding receivables and committed transactions.

To mitigate this credit risk, the Company carries out derivative transactions and spot transactions mainly with banks with strong credit ratings as qualified by international rating agencies. The solvency of these institutions, as indicated in each institution's credit ratings, is reviewed periodically in order to perform active counterparty risk management.

During the years for which information is reported, no credit limits were exceeded and management does not expect to incur losses as a result of default by any of the counterparties indicated above.

d) Liquidity risk

The Company carries out prudent management of liquidity risk, which involves maintaining cash and having access to a sufficient amount of finance through established credit facilities as well as the ability to liquidate market positions.

Given the dynamic nature of the Company's business and its joint-hand companies, the Management aims to maintain flexibility in financing through the availability of compromised lines of credit. Due to this policy, the Company, together with its holding companies, has an available liquidity of approximately 17,600 million euros, consisting of "cash and cash equivalents" and credit policies available at the date of formulation of these annual accounts, and has no immediate debt maturities (the maturities of the group's financial obligations are detailed in Note 12).

As a result of the above, the Company considers that it has liquidity and access to medium and long-term financing, allowing it to ensure the necessary resources to meet the possible commitments of future investments.

However, the Company may not be able to withdraw or access liquid funds in a sufficient amount and at a reasonable cost to meet its payment obligations at all times. Failure to maintain adequate levels of liquidity may materially and adversely affect the business, projections, results of operations, financial conditions and/or cash flows of the Company or its Participating companies, and in extreme cases, threaten the future as a working company and lead to insolvency

e) Inflation risk

Most of the Company's services contracts are indexed to inflation through part of its operating expenses and infrastructure lease agreements. The same is true of its other contracts.

f) Debt-related risk

The Company's indebtedness could increase as a result of potential new acquisitions, changes in corporate structure and issues of bonds or other sources of financing made in connection with the above. The Company's present or future leverage could have negative consequences, including:

- To put the company at a possible competitive disadvantage with respect to less leveraged competitors or competitors who may have greater access to capital resources, including in acquisition operations, which would force the Company to give up certain business opportunities.
- Require the dedication of a significant portion of the cash flows of operations to debt service, thus reducing the amount of cash flows available for other purposes, such as investment in capital goods and dividends.
- To compel the Company to issue debt or shares or shares, or to sell assets, possibly in unfavourable terms, to comply with payment obligations.
- Accept certain financial commitments in existing financing contracts such as debt limitation, cash restriction or asset pledge.
- Affect the Company's current corporate rating with a potential rebate from a credit rating agency, which can make it difficult and more costly to get new funding.
- Require the Company to reimburse the outstanding debt in advance in the event that the relevant change of control clause is activated

5.2. Fair value measurements

The fair value of financial instruments not quoted on active markets is determined using valuation techniques. The Company uses a variety of methods and makes assumptions based on the existing market conditions at each balance sheet date.

6. Intangible assets

The changes in this caption on the balance sheets in 2020 and 2019 are as follows:

2020

	Thousands of Euros
	Computer software
At 31 December 2019	
Cost	23,161
Accumulated amortisation	(9,964)
Carrying amount	**13,197**
Carrying amount at beginning of period	13,197
Additions	10,668
Amortisation charge	(5,642)
Carrying amount at end of period	**18,223**
At 31 December 2020	
Cost	33,829
Accumulated amortisation	(15,606)
Carrying amount	**18,223**

2019

	Thousands of Euros
	Computer software
At 31 December 2018	
Cost	15,786
Accumulated amortisation	(5,590)
Carrying amount	**10,196**
Carrying amount at beginning of period	10,196
Additions	7,293
Transfers	82
Amortisation charge	(4,374)
Carrying amount at end of period	**13,197**
At 31 December 2019	
Cost	23,161
Accumulated amortisation	(9,964)
Carrying amount	**13,197**

The additions of the 2020 and 2019 exercises correspond to the improvement and adaptation of software developments.

All the intangible assets described in the table above have definite useful lives.

As of 31 December 2020, there are intangible assets in operation that are fully amortized for an amount of EUR 5,748 thousand (EUR 2,110 thousand as of 31 December 2019).

7. Property, plant and equipment

The changes in this caption on the balance sheets in 2020 and 2019 are as follows:

2020

	Thousands of Euros			
	Land and buildings	Plant and other items of property, plant and equipment	Property, plant and equipment under construction	Total
At 31 December 2019				
Cost	571	4,392	68	5,031
Accumulated amortisation	(39)	(1,514)	-	(1,553)
Carrying amount	**532**	**2,878**	**68**	**3,478**
Carrying amount at beginning of period	532	2,878	68	3.478
Additions	303	2,414	-	2,717
Amortisation charge	(28)	(591)	-	(619)
Carrying amount at end of period	**807**	**4,701**	**68**	**5,576**
At 31 December 2020				
Cost	874	6,806	68	7,748
Accumulated amortisation	(67)	(2,105)	-	(2,172)
Carrying amount	**807**	**4,701**	**68**	**5,576**

2019

	Thousands of Euros			
	Land and buildings	Plant and other items of property, plant and equipment	Property, plant and equipment under construction	Total
At 31 December 2018				
Cost	570	3,664	463	4,697
Accumulated amortisation	(22)	(934)	-	(956)
Carrying amount	**548**	**2,730**	**463**	**3,741**
Carrying amount at beginning of period	548	2,730	463	3,741
Additions	-	378	38	416
Amortisation charge	(17)	(580)	-	(597)
Transfers	1	350	(433)	(82)
Carrying amount at end of period	**532**	**2,878**	**68**	**3,478**
At 31 December 2019				
Cost	571	4,392	68	5,031
Accumulated amortisation	(39)	(1,514)	-	(1,553)
Carrying amount	**532**	**2,878**	**68**	**3,478**

The additions of the 2020 financial year correspond mainly to the acquisition and improvement of data process equipment and technical teams of the Company. The additions to the 2019 financial year mainly corresponded to the adequacy and improvement of the offices where the Company carries out its activity and the improvement of the Company's data process teams.

All the property, plant and equipment described in the table above (excluding “lands”) have definite useful lives.

The Company occupies several rented facilities (Note 16.3) which lease contracts finalise in a period between 1 and 15 years, not expecting renewals difficulties. In the opinion of the Board of Directors, those leases shall be renewed upon expiry under market conditions, so as to allow the allocation of the amortization of gross costs of the fixed assets acquired within the useful life period described in Note 4.2., and in the case where transfer occurs, no significant effects are expected.

As of 31 December 2020, there are property, plant and equipment assets in operation that are fully amortized for an amount of EUR 754 thousand (EUR 224 thousand as of 31 December 2019).

It is Company policy to take out all the insurance policies considered necessary to safeguard against any risks that might affect its property, plant and equipment.

8. Investments in Group companies and associates

8.1. Equity instruments

The breakdown of direct and indirect shareholdings in Group companies and associates, together with their carrying amount, the breakdown of equity and the dividends received from them, is shown in Appendix I.

At 31 December 2020 and 2019 there were no investees which, with a stake of less than 20%, it may be concluded there was significant influence or, in the case of investees with a stake of more than 20%, it may be concluded there was no significant influence.

The breakdown of the direct shareholdings in Group companies as well as the movement of the years 2020 and 2019 is as follows:

2020

Shareholding in Group companies	Thousands of Euros
At 31 December 2019	**5,577,246**
Additions[1]-	
Cellnex Austria, GmbH (formerly EA Einhundertsechsundsdechizigste WT Holding GmbH)	953,035
Cellnex Denmark ApS	350,005
Cellnex Finance Company, S.A.U.	1,000,060
Cellnex Ireland Limited (formerly Aramaka Limited)	499,000
Cellnex Sweden, AB (formerly Goldcup 26513 AB)	2
Cellnex Switzerland, AG	1,926
Cellnex Telecom España, S.L.U.	2,000,000
Cellnex UK Limited	1,575,496
Cignal Infrastructure Services, Ltd	66,708
CLNX Portugal, S.A. (formerly Belmont Infra Holding S.A.)	1,037,384
Cellnex Poland sp. z.o.o (formerly Sevilia, sp. z o.o)	3
Ukkoverkot Oy	25.517
Disposals[1]-	
Cellnex Netherlands, B.V.	(5,082)
	7,504,054
At 31 December 2020	**13,081,300**

1 The “additions" and "Disposals" for the financial year also include the entries corresponding to the application of hedge accounting as described below

Shareholding in Group companies	Thousands of Euros		
	Cost	Impairment	Net Value
Cellnex Austria, GmbH	953,035	-	953,035
Cellnex Denmark ApS	350,005	-	350,005
Cellnex Finance Company, S.A.U.	1,000,060	-	1,000,060
Cellnex France Groupe, S.A.S.	2,324,391	-	2,324,391
Cellnex Ireland Limited	499,000	-	499,000
Cellnex Italia, S.p.A (formerly Galata S.p.A)	952,310	-	952,310
Cellnex Netherlands, B.V.	511,355	-	511,355
Cellnex Sweden, AB	2	-	2
Cellnex Switzerland, AG	581,117	-	581,117
Cellnex Telecom España, S.L.U.	2,807,500	-	2,807,500
Cellnex UK Limited	1,856,985	-	1,856,985
Cignal Infrastructure Services, Ltd	178,636	-	178,636
CLNX Portugal, S.A.	1,037,384	-	1,037,384
Cellnex Poland sp. z.o.o	3	-	3
Towerlink Portugal, ULDA	4,000	-	4,000
Ukkoverkot Oy	25,517	-	25,517
Total 31.12.2020	**13,081,300**	-	**13,081,300**

2019

Shareholding in Group companies	Thousands of Euros
At 31 December 2018	**3,313,122**
Additions[1]-	
Cellnex Italia, S.r.L.	107,000
Cellnex Netherlands, B.V.	1,286
Cellnex UK Limited	151,263
Cellnex France Groupe, S.A.S.	2,323,341
Cellnex Switzerland AG	413,647
Cellnex Telecom España, S.L.U.	60,000
Towerlink Portugal, ULDA	4,000
Cignal Infrastructure, Ltd	111,928
Disposals[1]-	
Cellnex France, S.A.S.	(908,341)
	2,264,124
At 31 December 2019	**5,577,246**

[1]The “additions" and "Disposals" for the financial year also include the entries corresponding to the application of hedge accounting as described below.

Shareholding in Group companies	Thousands of Euros		
	Cost	Impairment	Net Value
Cellnex Italia, S.r.L.	952,310	-	952,310
Cellnex Netherlands, B.V.	516,437	-	516,437
Cellnex UK Limited	281,489	-	281,489
Cellnex France Groupe, S.A.S.	2.324,391	-	2.324,391
Cellnex Switzerland AG	579,191	-	579,191
Cellnex Telecom España, S.L.U.	807,500	-	807,500
Towerlink Portugal, ULDA	4,000	-	4,000
Cignal Infrastructure, Ltd	111,928	-	111,928
Total 31.12.2019	**5,577,246**	-	**5,577,246**

The main additions in 2020 relate to the following transactions:

i) Hutchison Deal

During the second half of 2020, the Company reached an agreement with CK Hutchison Networks Europe Investments S.A.R.L. ("Hutchison") for the acquisition of Hutchison's European tower business and assets in Austria, Denmark, Ireland, Italy, the United Kingdom and Sweden through six separate transactions (one per country) (the "CK Hutchison Holdings Transactions").

Under that agreement, as of 3 November 2020, the Company has acquired Cellnex Austria, GmbH (formerly Ea Einhundertsechsundsechzigste WT Holding GmbH) whose share capital amounted to EUR 35 thousand at the date of acquisition. On 17 December 2020, the Company made an equity contribution to Cellnex Austria, GmbH for an amount of EUR 953 million.

In addition, as of 2 November 2020, the Company has acquired Cellnex Ireland Limited (formerly Aramaka Limited), for a purchase price of EUR 1. As of 17 December 2020, the Company made an equity contribution to Cellnex Ireland amounting EUR 499 million.

Finally, on 3 November 2020, Cellnex Denmark ApS company was established with a share capital of DKK 40 thousand (EUR 5 thousand). On 17 December 2020, the Company made a monetary contribution to the equity of Cellnex Denmark, ApS amounting EUR 350 million.

ii) Cellnex Telecom España, S.L.U.

On 17 December 2020, the Company made a monetary contribution to the equity of Cellnex Telecom España, S.L. (a sole shareholder company owned 100% by Cellnex Telecom, S.A.), amounting 2,000 million euros.

iii) Cellnex UK Limited

During the second half of 2019, the Company and its subsidiary Cellnex UK Limited arranged a contract with Arqiva Holdings Limited, a company of the Arqiva Group, to sale the 100% of the subscribed and disbursed share capital of Arqiva Services Limited (Currenly On Tower UK, Ltd), a company to which the Arqiva Group transferred through a partial split its division of telecommunication towers in the United Kingdom, following a reorganization of assets, liabilities and activities. On 8 July 2020, the acquisition was completed after all suspensive conditions were met.

In this context, on 7 July 2020, Cellnex UK Limited (a 100% owned company owned by Cellnex Telecom, S.A.), formalised share capital an increase of GBP 1,200 million (EUR 1,331 million) in order to allocate that amount to the acquisition of On Tower UK, Ltd.

In addition, on 16 December 2020, Cellnex UK Limited (a 100% owned company owned by Cellnex Telecom, S.A.) formalized a share capital increase of EUR 235,200 thousand (EUR 259,045 thousand) disbursed in full by the Company.

iv) Cellnex Finance Company, S.A.U.

On 3 November 2020, the Company's Board of Directors approved the reorganization of its financial function in order to improve efficiency. As a result of the aforementioned reorganization, the Company has established Cellnex Finance Company, S.A.U. (a sole proprietorship 100% owned by Cellnex Telecom, S.A.) with a share capital of EUR 60 thousand. Subsequently, on 9 December 2020, the Company made a monetary contribution to the equity of Cellnex Finance Company, S.A.U. for an amount of 1,000 million euros.

In the context of the aforementioned financial reorganization of the Company, the following operations have been carried out before 31 December 2020:

(i) the transfer to Cellnex Finance Company, S.A.U., as a new debtor, of the Company's indebtedness: (a) Debts to the Company's credit institutions amounting to EUR 603,563 thousand arising from financing contracts and (b) Debts to The Group's companies and associates in the amount of EUR 210,604 thousand arising from contracts *cash pooling,* and

(ii) the termination of certain debt instruments granted by the Company, as a creditor, in favour of certain group companies and associates in the amount of EUR 1,623,272 thousand and the granting of new debt instruments by Cellnex Finance Company, S.A.U. in favour of the same Group companies and associates for the same amount.

In relation to the aforementioned transactions, the Company continues to act as guarantor of the debt subrogated to Cellnex Finance Company, S.A.U.

In addition, in November 2020, Cellnex Finance Company, S.A.U. established a Guaranteed Euro Medium Term Note Programme (EMTN Program), guaranteed by the Company, Cellnex Telecom, S.A.U. This programme has been registered on the Irish Stock Exchange, which is listed on Euronext Dublin and allows the issuance of bonds of up to 10,000 million euros.

Finally, debt reorganization transactions between Group companies and associates were completed and effective at the end of 2020.

v) CLNX Portugal, S.A.

In the first quarter of 2020, Cellnex Telecom, S.A. acquired 100% of the share capital of Belmont Infra Holding, S.A. Belmont Infra Holding, S.A. held all the shares of BIH-Belmont Infrastructure Holding, S.A. ("BIH") which in turn held all Omtel, Estruturas de Comunicaçoes, S.A. shares ("Omtel").

The purchase price was approximately 800 million euros (Equivalent Enterprise Value[1]), estimated on the date of the transaction and subject to certain price adjustments. On 2 January 2020 Cellnex paid EUR 300 million in cash. The remaining acquisition price (corresponding to a deferred payment of EUR 570 million, with a current value at the acquisition date of EUR 462,384 thousand) will be paid on 31 December 2027 or at an earlier date in the event of certain cases of non-compliance.

[1] Equivalent Enterprise Value considering the initial payment and debt assumption plus deferred payment discounted at investment's internal return rate.

In addition, on 30 June 2020 the reverse merger between the holding companies Belmont., Belmont Infrastructure Holding, S.A. (BIH) as an absorbing company and Belmont Infra Holding, S.A. as an absorbed company has been approved. In addition, Cellnex Telecom, S.A. has approved the change of social name from Belmont Infrastructure Holding, S.A (BIH) to CLNX Portugal, S.A.

Finally, on 28 September 2020, CLNX Portugal, S.A. (a 100% owned company owned by Cellnex Telecom, S.A.), formalized a share capital increase amounting to EUR 275,000 thousand with the objective of acquiring NOS Towering (currently On Tower Portugal, S.A.)

vi) Cignal Infrastructure Services, Ltd.

In January 2020, Cignal Infrastructure Services, Ltd (a 100% owned company owned by Cellnex Telecom, S.A.) formalized a capital increase for compensation of credits with Group companies amounting to EUR 66,708 thousand.

vii) Ukkoverkot Oy

In the second half of 2020, Cellnex Telecom, S.A. acquired 100% of the share capital of Ukkoverkot Oy, which holds the entire capital of Edzcom Oy ("Edzcom"), amounting to EUR 25,517 thousand (Enterprise Value). Edzcom offers end-to-end private LTE networks for critical markets based on Edge Connectivity solutions.

viii) Cellnex Italia, S.p.A.

During 2020, the merger by absortion of Cellnex Italia, S.p.A., (formerly Galata, S.p.A.) has been approved (absorbing company) with IGS, S.r.L, FP Infrastructture, S.r.L. and CommsCon Italia S.r.L (absorbed companies). Subsequently, the reverse merger between Cellnex Italia, S.p.A. (absorbing company) and Cellnex Italia, S.r.L. (absorbed company) has been approved. There has been no impact of such transaction on the Company's annual accounts.

ix) Cellnex Netherlands B.V.

During December 2020, Cellnex Telecom, S.A. approved the distribution of dividends in the amount of EUR 5,082 thousand that has been recognised as a reduction of the cost of the investment in Cellnex Netherlands, B.V. (a sole shareholder company owned 100% by Cellnex Telecom, S.A.).

Portfolio changes as a result of the exchange rate:

During 2020, net investment coverage of certain abroad companies such as Cellnex UK Limited and Cellnex Switzerland, AG resulted in a decrease and an increase in the cost of investment respectively, in those companies for an amount of EUR 14,664 thousand and EUR 1,926 thousand, respectively (increase of 14,037 thousand euros and EUR 12,319 thousands during the 2019 financial year). This variation was made with a balancing entry in the income statement for the year (under the caption "Variation in the fair value of financial instruments") due to the effect of the exchange rate on the part of the coverage considered as effective coverage, said impact being offset due to the effect of the contracted coverage (see Note 12.3), also recorded in the same section of the income statement (see Note 15.5).

The main additions in 2019 relate to the following transactions:

i) Cellnex Italia, S.r.L.

On November 14, Cellnex Italia, S.p.A. (Sole proprietorship 100% owned by Cellnex Telecom, S.A.), formalized an increase in share capital in the amount of EUR 107,000 thousand.

ii) Cellnex Netherlands, B.V.

In August 2019, the Company paid EUR 1,286 thousand relating the Shere Group acquisition in 2016, and according to the purchase agreement, which has registered as major investment on Cellnex Netherlands BV.

iii) Cellnex UK Limited

On July 26, Cellnex UK Limited (Sole proprietorship 100% owned by Cellnex Telecom, S.A.), formalized an increase in share capital in the amount of GBP 123,000 thousand (EUR 137,226 thousand).

iv) Cellnex France Groupe, S.A.S.

On June 28, Cellnex France Groupe, S.A.S. (Sole proprietorship 100% owned by Cellnex Telecom, S.A.), formalized an increase in share capital in the amount of EUR 1,415,000 thousand).

In addition, the following restructuring process was carried out in 2019 among companies belonging to the Cellnex Group in which the Company holds a 100% stake:

- Acquisition by Cellnex France Groupe, S.A.S. of all the shares of Cellnex France, S.A.S, to date owned by Cellnex Telecom, S.A., for its carrying amount of EUR 908,341 thousand.

- To fund the purchase, Cellnex Telecom, S.A. carried out a shareholders' contribution to Cellnex France Groupe, S.A.S. in the same amount.

v) Cellnex Switzerland AG

On 30 July 2019, Cellnex Switzerland AG, formalized an increase in share capital in the amount of CHF 332,227 thousand (EUR 301,012 thousand).

In addition, during December 2019, Deutsche Telekom Capital Partners ("DTCP") exercised its rights to transfer the total amount of its shareholding in Cellnex Switzerland to Cellnex Telecom. As a result, Cellnex Telecom acquired an additional 9% (DTCP stake in Cellnex Switzerland at the date of execution) of the share capital of Cellnex Switzerland for CHF 109,876 thousand (with a Euro value of EUR 100,316 thousand as of 31 December 2019), which has been registered as more value of the investment in Cellnex Switzerland.

vi) Cellnex Telecom España, S.L.U.

On 10 September 2019, Cellnex Telecom España, S.L.U. (Sole proprietorship 100% owned by Cellnex Telecom, S.A.), formalized an increase in share capital in the amount of EUR 60,000 thousand).

vii) Towerlink Portugal, ULDA

On 14 June 2019, the sole shareholder of the company Towerlink Portugal decided on performing voluntary ancillary capital contributions, in the total amount of EUR 4,000 thousand, totally disbursed at 31 December 2019.

viii) Cignal Infrastructure Services, Ltd.

During the second half of 2019, the Company acquired 100% of the share capital of Cignal from InfraVia Capital Partners, owner of 546 sites in Ireland for a total purchase price of EUR 111,928 thousand.

Changes in the portfolio as a result of the exchange rate:

During the current financial year 2019, the net investment coverage in foreign businesses of certain companies as Cellnex UK Limited and Cellnex Switzerland resulted in an increase in the cost of the investment in these investees amounting to of EUR 14,037 thousand and an EUR 12,319 thousands, respectively (decrease of EUR 1,071 thousand and increase of EUR 5,993 thousand respectively in 2018). This variation was made with a balancing entry in the income statement for the year (under the caption "Variation in the fair value of financial instruments") due to the effect of the exchange rate on the part of the coverage considered as effective coverage, said impact being offset due to the effect of the contracted coverage (see Note 12), also recorded in the same section of the income statement (see Note 15.5).

8.2. Impairment

As indicated in Note 4.3, at the end of the year, the Company evaluates whether any of the investments recorded in books show signs of impairment and, if applicable, their recoverable value.

For this purpose, the method for estimating the recoverable value from the net equity value was used first.

In those cases in which when applying said method it has been shown that the book value was higher, the recoverable amount of the investment has been determined based on the present value of the future cash flows derived from the investment, calculated by estimating their share in the cash flows expected to be generated by the investee, or the market value (price of recent similar transactions in the market) minus the costs associated with the sale.

In those cases in which the main activity of the investee is holding company shares, the recoverable amount has been calculated based on the aggregation of the present value of the future cash flows derived from the investment of its subsidiaries.

In order to determine this current value of the future cash flows derived from the investment, the following has been mainly carried out:

- The projections of income and expenses of the impairment tests of the previous year have been reviewed to evaluate possible deviations. In this sense, no significant deviations have been observed in the review of the impairment tests for 2020 with respect to the results for the year 2019.

- The corresponding projections of income and expenses have been made, according to the following general criteria:

    - In terms of business activity, the growth of the consumer price index (CPI) in each country in which the company operates, provided by the corresponding official bodies of each country (affected), has been taken as a reference for its estimation. by the correctors that are applicable in each case), and and a 2% fix escalator in France. In the activity of the Infrastructure business for mobile telecommunications operators has been estimated taking as reference the expected growth based on the agreements they have with different customers and the possibilities of co-location in based on the configuration and distribution of the acquired network, and other specific aspects that could affect future activity. In addition, for those countries in which exist an asset purchase agreement, the Company has considered the commitments to acquire “Built to Suite” assets in the projections.

    - For expenses, the trends were considered in light of the expected changes in the respective CPI and the projected performance of the business.

    - Additionally, the Company considered the impact of the maintenance of the infrastructure that will be carried out, using the best estimates available based on the Group's experience and taking into account the projected return of the activity.

- The cash projections obtained from the projection of income and expenses carried out according to the above-mentioned criteria, have been updated to the discount rate resulting from adding to the cost of money without risk in the long term, the risk premium assigned by the market to the country where the activity of the company is carried out, the risk premium assigned by the market to each business (both considering a long-term vision).

- Projections for the first years are generally based on the closing 2019 and on the most recent medium-term projection and, after approximately year ten, on the activity growth rate evident from the service contracts. Projections covers a period higher than five years of cash flows after closing, due to the duration of the existing service contracts with customers.

As a result of the foregoing, during the 2020 and 2019 periods the need to record impairment losses in any of the investments recorded under this caption has not been revealed.

As of 31 December 2020, and 2019, there is no provision for impairment of the value of the shares held in Group companies and associates.

The most significant assumptions used in determining the fair value of the investments in Group companies were as follows:

2020

The discount rate considered for CGU Spain (Tradia Telecom, S.A.U.), CGU Italy (TowerCo, S.p.A. and Cellnex Italia, S.p.A.), CGU Netherlands (Towerlink Netherlands, B.V., Shere Masten, B.V., Alticom, B.V., On Tower Netherlands, B.V.), CGU France (Cellnex France, S.A.S., On Tower France, S.A.S.), UGE UK (Cellnex UK Limited), CGU Switzerland (Swiss Towers, AG and Swis Infra Services, A.G.) and CGU Ireland (Cignal) was 5.9%, 6.2%, 4.9%, 5.0%, 5.5%, 4.5% and 5.3% respectively.

The rate of growth of the activity considered for all cash-generating units was 3% per annum, except for Tradia Telecom which was 1.5% per annum.

The rate of growth of the terminal value "g" considered for all CGU's has been 2.5%, with the exception of Tradia which has been 1.0%, by incorporating the effect of the business segment "dissemination infrastructures", and which is in line with an overall rate of inflation.

For all CGU, with the exception of TowerCo, flows have been projected until 2040, in line with the years of service delivery contracts for the "Telecommunication Infrastructure Services" segment. In the case of TowerCo, since the business is based on the concession contract with Autostrade Per l'Italia, S.p.A., the flows have been projected until the end of that concession, in 2038.

2019

The discount rate before tax considered for CGU Broadcast business (Tradia Telecom), CGU TIS business (On Tower Telecom Infraestructuras), CGU Italy (Towerco, Galata, Commscon), CGU Netherlands (Towerlink NL, Shere Masten, Alticom BV), CGU France (Cellnex France, S.A.S), CGU UK (Cellnex UK Ltd. (formerly Shere Group Ltd.)) and CGU Switzerland (Cellnex Switzerland)) is 6.6%, 6.2%, 7.5%, 5.4%, 6.0%, 6.0% and 5.2% respectively.

The activity growth rate considered for CGU Broadcast business (Tradia Telecom) was 1.5% per annum, and for CGU TIS business (On Tower Telecom Infraestructuras), CGU Italy (Towerco, Galata), CGU Netherlands (Towerlink NL, Shere Masten, Alticom BV), CGU France, CGU UK (Cellnex UK Ltd. (antes Shere Group Ltd.)), and CGU Switzerland is 3% per annum. The activity growth rate considered in the Commscon's (CGU Italy) growth rate was determined at 11.9% per annum due to the highly dynamic market and growth opportunities.

The 'terminal g', considered for all CGUs was 2.5% apart from CGU Broadcast business (Tradia Telecom), which represented 1% due to the broadcasting component, which was in line with a general inflation rate.

All CGUs apart from TowerCo and Commscon (CGU Italy) have been projected until 2040 in line with the duration of the service contracts in the Telecom Infrastructure Services business segment. As the TowerCo business is based on a concession agreement with Autostrade Per l'Italia, S.p.A., this CGU has been projected until the end of the concession in 2038. Commscon's business has different market dynamics, as a result, this CGU has been projected until 2028.

Sensitivity to changes in key assumptions

With regard to evidence of impairment of investments in the Group's companies, the recoverable value (determined on the basis of fair value as noted above) obtained from them exceeds the book value of the registered shares, so that applying significant changes in the assumptions used in those calculations would not result in a significant risk of impairment.

According to the sensitivity analysis carried out, in view of variations in the discount rates of +50 basic points, in terminal value growth rates "g" of -50 basic points and, in growth rates of activity -500 basic points, there would still be no deterioration in investments in Group companies registered by the Company as of 31 December 2020.

In this way, the recoverable amount obtained exceeds the book value of the Group's holdings in companies, although the sensitivity analysis carried out in the projections clearly demonstrates a high tolerance (above 20%) changes in key assumptions used

8.3. Other information

The Company has no commitments in relation to its investees other than the financial investments made, with the exception of the balances held with those companies, which are included in Note 17.3.

9. Non-current financial investments

The breakdown of financial investments by categories is as follows:

	Thousands of Euros			
	31/12/2020		31/12/2019	
	Non-current	Current	Non-current	Current
Investment Fund	281	-	450	-
Non-current Loans	10,607	2,418	456	-
Derivate financial instruments (Note 12.3)	6,723	-	-	-
Deposits and guarantees	800	2	786	2
Total	**18,411**	**2,420**	**1,692**	**2**

The Company join a venture capital fund in the ICT sector, with an undertaking to subscribe six hundred thousand shares with a nominal value of one euro each. The initial disbursement amounted to EUR 90 thousand, accounting for 15% of the equity undertaken by the Company.

As of 31 December 2020, additional contributions and partial reimbursements have been made for 0 and 169 thousand euros, respectively (107 and 0 thousand euros, respectively, as of 31 December 2019).

The caption "Credits to third parties" contains an amount of 10,819 thousand euros, corresponding to the combined book value of the net receivables that arises as a result of the company's 2020 procurement of two derivative financial instruments that are contractually linked and whose terms of exchanges make them jointly classified as a receivables.

Deposits and guarantees also included the amount of the deposit of the office rental contract, as well as the deposit amount the new offices rental (see Note 16.3).

10. Cash and cash equivalents

The breakdown of cash and cash equivalents is as follows:

	Thousands of Euros	
	31/12/2020	31/12/2019
Cash	109,204	2,162,659
Cash equivalents	3,129,105	80,000
Total	**3,238,309**	**2,242,659**

As of 31 December 2020, the Company has contracted fixed-term deposits with credit institutions, for a total amount of EUR 3,129,105 thousand (EUR 80,000 thousand as of 31 December 2019).

11. Net equity

11.1. Capital and treasury shares

Share capital

At 31 December 2019, the share capital of Cellnex amounted to EUR 96,332 thousand and was represented by 385,326,529 cumulative and indivisible ordinary registered shares of EUR 0.25 par value each, fully subscribed and paid.

At 31 December 2020, in accordance with the capital increases detailed below, the share capital of Cellnex Telecom increased by EUR 25,345 thousand to EUR 121,677, represented by 486,708,669 cumulative and indivisible ordinary registered shares of EUR 0.25 par value each, fully subscribed and paid.

Changes in 2020

July 2020 capital Increase

On 21 July 2020, the Company's Board of Directors, in accordance with the authorization granted by the Annual General Shareholders' Meeting of Cellnex, held on 21 July 2020, approved a capital increase (hereinafter, the "Capital Increase") through cash contributions and recognising the preferential subscription right of the Cellnex's shareholders, as detailed below:

The Capital Increase was carried out through the issuance and sale of 101,382,140 ordinary registered shares (hereinafter, "New Shares") at a subscription price (nominal plus share premium) of EUR 39.45 per each new share. Thus, the Capital Increase amounted to approximately EUR 4,000 million, which has been fully subscribed.

Preferential subscription rights were assigned to all Cellnex shareholders who acquired shares up to 24 July 2020 and whose transactions were registered in Iberclear up to 28 July 2020 (both inclusive). Each share in circulation at that time granted the right to receive a preferential subscription right (19 rights were required to subscribe 5 new shares). The pre-emptive subscription period ended on 6 August 2020.

The New Shares offer the same political and economic rights as the ordinary shares of the Company. The funds from the capital increase will be used to support the acquisition of Cellnex's active projects pipeline.

On 14 August 2020, the public deed for the Capital Increase, was duly registered.

On 19 August 2020, the 101,382,140 New Shares were admitted to trading on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia.

Changes in 2019

March 2019 Capital Increase

On 27 February 2019, the Company's Board of Directors, in accordance with the authorization granted by the Annual General Shareholders' Meeting of Cellnex, held on 31 May 2018, approved a capital increase (hereinafter, the "Capital Increase") through monetary contributions and recognising the preferential subscription right of the Cellnex's shareholders, as detailed below:

The Capital Increase was carried out through the issuance and sale of 66,989,813 ordinary registered shares (hereinafter, "New Shares") at a subscription price (nominal plus share premium) of EUR 17.89 per each new share. Thus, the Capital Increase amounted to EUR 1,198 million, which has been fully subscribed.

Preferential subscription rights were assigned to all Cellnex shareholders who acquired shares up to 1 March 2019 and whose transactions were registered in Iberclear as at 5 March 2019. Each share in circulation at that time granted the right to receive a preferential subscription right (38 rights were required to subscribe 11 new shares). The pre-emptive subscription period ended on 16 March 2019.

The New Shares offer the same political and economic rights as the ordinary shares of the Company.

On 25 March 2019, the public deed for the Capital Increase, granted on 22 March 2019, was duly registered.

On 26 March 2019, the 66,989,813 New Shares were admitted to trading on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia.

October 2019 Capital Increase

On 7 October 2019, the Company's Board of Directors, in accordance with the authorization granted by the Annual General Shareholders' Meeting of Cellnex, held on 9 May 2019, approved a capital increase (hereinafter, the "Capital Increase") through cash contributions and recognising the preferential subscription right of the Cellnex's shareholders, as detailed below:

The Capital Increase was carried out through the issuance and sale of 86,653,476 ordinary registered shares (hereinafter, "New Shares") at a subscription price (nominal plus share premium) of EUR 28.85 per each new share. Thus, the Capital Increase amounted to approximately EUR 2,500 million, which has been fully subscribed.

Preferential subscription rights were assigned to all Cellnex shareholders who acquired shares up to 10 October 2019 and whose transactions were registered in Iberclear up to 14 October 2019 (both inclusive). Each share in circulation at that time granted the right to receive a preferential subscription right (31 rights were required to subscribe 9 new shares). The pre-emptive subscription period ended on 25 October 2019.

The New Shares offer the same political and economic rights as the ordinary shares of the Company.

The funds from the capital increase will be used to support Cellnex's active projects pipeline.

On 5 November 2019, the public deed for the Capital Increase, granted on 4 November 2019, was duly registered.

On 7 November 2019, the 86,653,476 New Shares were admitted to trading on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia.

Significant Shareholders

In accordance with the notifications concerning the number of shares held made to the National Securities Market Commission, the shareholders who hold significant shareholdings in the share capital of the Company, both directly and indirectly, greater than 3% of the share capital at 31 December 2020 and 2019, are as follows:

	% Stake	
	2020	2019
ConnecT, S.p.A. [1]	-	29,90%
Edizione, S.r.l [2]	13,03%	-
GIC Private Limited [3]	7,03%	-
Abu Dhabi Investment Authority [4]	6,97%	-
Criteria Caixa, S.A.U.	4,77%	5,00%
Wellington Management Group LLP [5]	4,28%	4,28%
Blackrock, Inc [6]	3,80%	4,98%
GQG Partners, LLC.	3,22%	-
Canada Pension Plan Investment Board	3,16%	3,16%
FMR, LLC. [7]	3,05%	-
Norges Bank	3,03%	-
Capital Research and Management Company [8]	3,02%	-
Total	**55,36%**	**47,32%**

Source: National Securities Market Commission ("CNMV").

(1) Complete "Spin-off" and dissolution of ConnecT S.p.A. ("Connect") and incorporation of ConnecT Due S.r.l.
(2) Edizione S.r.l. ("Edizione") controls Sintonia S.p.A. ("Sintonia") which in turn controls ConnecT Due S.r.l.
(3) GIC Private Limited directly holds 100% of the share capital of GIC Special Investments Private Limited ("GICSI"). GICSI provides management and management to GIC Infra Holdings Private Limited, which in turn holds 100% of Lisson Grove Investment Private Limited's share capital.
(4) Azure Vista C 2020, S.r.l. ("Azure") is a wholly owned subsidiary of Infinity Investments S.A. ("Infinity") which is, in turn, a wholly owned subsidiary of Silver Holdings S.A., which is a wholly owned subsidiary of Abu Dhabi Investment Authority.
(5) Wellington Management Company LLP is a directly controlled company of Wellington Investment Advisors Holdings LLP, which, in turn, is a directly controlled company of Wellington Group Holdings LLP, which in turn is a directly controlled company of Wellington Management Group LLP.
(6) It corresponds to collective institutions administered with a percentage of less than 5%. In addition, there is a total share of 0.398% through financial instruments related to shares of the Company.
(7) At the end of 2020, FMR, LLC. controlled 3.05% of voting rights in various investment funds and other accounts. None of the funds and/or accounts mentioned above had a share of more than 3%.
(8) Capital Research and Management Company controlled 3,005% of total voting rights and other collective institutions had a stake of less than 3%.

In addition to the shareholdings detailed above, Atlantia, S.p.A. holds a stake through financial instruments amounting to 4.73% (5.98% at the end of 2019)

As of 31 December 2020, Edizione positioned itself as a reference shareholder of Cellnex Telecom, S.A. with a 13.03% stake in its capital. At 31 December 2019, ConnecT, S.p.A. was positioned as a reference shareholder in Cellnex Telecom, S.A., holding a 29.9% stake in its share capital.

Changes in 2020

<u>Shareholders’ agreement entered into between Sintonia, Infinity and Raffles.</u>

On 22 May 2020, Edizione announced that Sintonia, Infinity and Raffles Infra Holdings Limited (“Raffles”) had entered into a framework agreement (the “Shareholders’ Agreement”) in relation to the full non-proportional spin-off of ConnecT resulting in the allocation of the shares of Cellnex formerly held by ConnecT to ConnecT Due, Azure and Prisma Holdings, S.r.L. (“Prisma”). As provided in the Shareholders’ Agreement, the term “Raffles” includes any affiliates of Raffles holding the shares of Cellnex assigned through the spin-off of ConnecT. Following the execution of the Shareholders’ Agreement, Prisma sold its 6.730% stake in the share capital of Cellnex to Lisson, who is the current holder of the stake as of the date of these financial statements. Each of Raffles, Prisma and Lisson are 100% owned by GIC Infra Holdings Private Limited.

The Shareholders Agreement regulates, among other matters, certain obligations in relation to the initial appointment of their respective proprietary directors in Cellnex following completion of ConnecT spin-off in order to allow a proportional representation in the Board of Directors.

On 10 June 2020, Edizione published certain clauses of the Shareholders’ Agreement which qualify as a disclosable shareholder agreement (pacto parasocial) under Spanish law. In accordance with the information made public by Edizione, the Shareholders’ Agreement foresees, among other matters:

- Once Raffles informs Infinity and Sintonia of its request to have a person nominated by it appointed as a proprietary director of Cellnex, the obligation of Infinity and Sintonia to formally request, and do their best efforts to cause, any proprietary director of Cellnex nominated by them to, subject to their fiduciary duties as members of the Board of Directors, support the appointment of the person nominated by Raffles as a new director of Cellnex.

- Sintonia’s obligation to have ConnecT Due to attend, either by being present or by proxy, the shareholders’ meeting of Cellnex where the person nominated by Raffles will be appointed or (if appointed by the Board of Directors as director by co-optation) re-elected as a director of Cellnex and cast its votes for the appointment or re-election, as appropriate, of the person nominated by Raffles as a director of Cellnex, subject to certain conditions.

- Infinity’s obligation, at the request of Raffles and provided that a proprietary director of Raffles has been appointed in accordance with the above, upon the appointment as a proprietary director of Cellnex of the person nominated by Raffles, to formally request, and do its best efforts to cause, its proprietary director to resign from his current position as member of Cellnex’s Nominations and Remuneration Committee on 9 May 2022 and each of Sintonia, ConnecT Due, Infinity and Azure to formally request, and do its best efforts to cause, any proprietary director of Cellnex nominated by them to, subject to their fiduciary duties, support the appointment of the proprietary director nominated by Raffles as a new member of Cellnex’s Nominations and Remuneration Committee.

The above commitments shall cease to have value and effect as soon as the provisions relating to the appointment of the person appointed by Raffles as Sunday director of Cellnex (or, as appropriate, its ratification or re-election) have been complied with by Cellnex's shareholders' meeting or on the date on which Cellnex's regular general meeting of shareholders is to be held , whichever comes first. By way of exception, the provisions contained in the last point shall remain in force until 30 June 2022.

Shareholders' agreement entered into between Edizione, Atlantia, Sintonia and Connect T Due

On 17 July 2020, Edizione announced the amendment of the Co-investment Agreement entered into on 24 July 2018 in relation to Cellnex between Edizione, Atlantia, Sintonia and ConnecT (the "Co-investment Agreement"). The amendments made to the Co-investment Agreement are: (i) the replacement of Connect by Connect Due as a consequence of the spin-off of the former; (ii) the extension of the term for exercising the co-investment option (extended for a further 12 months and, therefore, until 12 July 2021) on a stake of 5.98% in Cellnex; (iii) the option of exercising the ROFO and the Right to Match provided in the original Co-investment Agreement for no more than 10% of Cellnex's issued capital until 12 July 2025, rather than the entire stake in Cellnex indirectly held by Edizione; and (iv) the grant to Atlantia of a right of first refusal on all or part of the (unexercised) options attributed to Connect Due resulting from any future rights issues approved by Cellnex until 12 July 2025 (the "ROFR").

According to the public announcement, the combined result of Atlantia's exercise of its ROFO and Right to Match, on the one hand, and of the co-investment option, on the other, may not lead to Atlantia acquiring a stake in Cellnex in excess of 10% of its issued share capital.

Changes in 2019

On 11 July 2019, Edizione sold a 5% stake in ConnecT (which held 29.9% of Cellnex) to Abu Dhabi Investment Authority ("ADIA") and Singapore Sovereign Fund ("GIC").

As a result, Edizione remained ConnecT's largest shareholder with a 55% stake, while ADIA and GIC had a 22.5% stake in ConnecT.

Pre-emptive subscription rights in offers for subscription of securities of the same class

On 9 May 2019, the ordinary general shareholder's meeting of Cellnex, pursuant to article 297.1.(b) of the Law of Corporations, resolved to delegate in favour of the Company's Board of Directors the faculty to increase the share capital, whether through one or more issuances, up to an amount equivalent to 50% of the Company's share capital on 9 May 2019 (the date of such resolution), until May 2024 (i.e. the authorization has a term of 5 years). This authorization includes the power to exclude the pre-emptive subscription rights of shareholders, in accordance with the provisions of article 506 of the Spanish Companies Act; however, under these circumstances the Board of Directors has the authority to issue up to 10% of the Company's share capital (this limit being included within the maximum limit of 50% referred above).

Furthermore, the ordinary general shareholder's meeting of Cellnex resolved to delegate in favour of the Company's Board of Directors (also with a term of 5 years, i.e., until May 2024) the faculty to issue debentures, bonds and other similar fixed-income securities, convertible (including contingently) into shares of the Company, preference shares (if legally permissible) and warrants (options to subscribe to new shares of the Company) up to a limit of 10% of the Company's share capital on 9 May 2019 (this limit being also included within the maximum limit of 50% referred above).

Treasury shares

Pursuant to the authorisation granted by the Board of Directors in its meeting of 26 May 2016, Cellnex has made various purchases and sales of treasury shares.

On 31 May 2018 the ordinary general shareholder's meeting of Cellnex resolved to delegate in favour of the Company's Board of Directors the faculty to purchase treasury shares up to a limit of 10% of the share capital of the Company.

During 2020, the Company carried out discretional purchases of treasury shares for an amount of EUR 6,509 thousand (EUR 0 thousand in 2019). In addition, at 31 December 2020 and 2019, 125,623 and 63,912 treasury shares have been transferred to employees in relation to employee remuneration payable in shares, respectively, corresponding in part to the liquidation of the Long Term Incentive Plans described in Note 16.4 of these annual accounts.

At 31 December 2020, the Company has recognised a profit of EUR 3,236 thousand (a profit of EUR 316 thousand at the end of 2019), net of fees and commissions, as a result of these operations and this has been taken as a reserve movement in the balance sheet. The number of treasury shares as at 31 December 2020 and 2019 amounts to 200,320 and 199,943 shares, respectively and represents 0.041% of the share capital of the Company (0.052% as at 31 December 2019).

The use of the treasury shares held at 31 December 2020 will depend on the agreements reached by the Corporate Governance bodies.

The movement recorded in the own share portfolio during the 2020 and 2019 financial years has been as follows:

2020

	Number (Thousands of Shares)	Average price	Purchases /Sales (Thousands of Euros)
At 1 January 2020	**200**	**21,117**	**4,222**
Purchases	126	51,658	6,509
Sales/Others	(126)	21,120	(2,653)
At 31 December 2020	**200**	**40,326**	**8,078**

2019

	Number (Thousands of Shares)	Average price	Purchases /Sales (Thousands of Euros)
At 1 January 2019	**264**	**21,117**	**5,572**
Purchases	-	-	-
Sales/Others	(64)	21,117	(1,350)
At 31 December 2019	**200**	**21,117**	**4,222**

11.2. Share premium

As of 31 December 2020, the share premium increased by EUR 3,883,743 thousand to EUR 7,769,936 thousand (EUR 3,886,193 thousand as of 31 December 2019), mainly due to the capital increase described in Note 11.1.

As of 31 December 2019, the share premium increased by EUR 3,571,671 thousand to EUR 3,886,193 thousand (EUR 314,522 thousand as of 31 December 2018) mainly due to the two capital extensions described in Note 11.1.

During 2020, a cash pay out to shareholders of EUR 29,281 thousand (EUR 26,620 thousand at 31 December 2019) was declared from the share premium account (See Note 11.4).

11.3. *Reserves*

The breakdown of this account is as follows:

	Thousands of Euros	
	31/12/2020	31/12/2019
Legal reserve	19,000	11,584
Voluntary reserves	114,474	114,465
Other reserves	2,683	1,005
	136,157	**127,054**

Legal reserve

In accordance with the consolidated text of the Spanish Limited Liability Companies Act, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve may not be distributed to shareholders unless the Company is liquidated.

The legal reserve may be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount.

Apart from the purpose mentioned above, the legal reserve may be used to offset losses unless it exceeds 20% of the capital and no other sufficient reserves are available for such purpose.

At 31 December 2020 and 2019, because of the capital increases explained in Note 11.1 the legal reserve had not reached the legally established minimum.

Voluntary reserves

On 14 February 2018, Cellnex Telecom España, S.L. acquired 100% of the shares of Retevisión-I, S.A.U., Tradia Telecom, S.A.U. and On Tower Telecom Infraestructuras, S.A.U. owned by Cellnex Telecom, S.A., for a book value of 977 million euros. The capital gain generated by this operation amounted to 86 million euros, and was recorded with a credit to reserves.

Voluntary reserves are freely available.

Other equity instruments

This caption mainly includes the equity impact of convertible bond issues, amounting to EUR 230,692 thousand as of 31 December 2020 (EUR 129,947 thousand as of 31 December 2019).

During the 2020 financial year the caption balance increased by EUR 100,745 thousand as a result of the issuance of a convertible bond in November 2020 (see Note 12). During the 2019 financial year, the caption balance increased by EUR 67,467 thousand as a result of the issuance of two convertible bonds in January and July 2019 (see Note 12).

The convertible bonds are compound instruments that have been split into its two components: a debt component corresponding to the present value of the coupons and principal discounted at the interest rate of a bond, with same nominal amount and maturity, without the convertibility option; and an equity component, for the remaining amount, due to the bondholder option to convert into shares.

Hedge Reserve

This line item includes the reserve generated by the effective portion of the changes in the fair value of the derivative financial instruments designated and classified as cash flow hedges and/or hedges of net investments in foreign operations.

11.4. Dividends

The determination of the distribution of dividends is carried out based on the individual statutory accounts of Cellnex Telecom, S.A., and within the framework of the legislation in force in Spain.

The dividends to distribute to the shareholders are recorded as liabilities in the financial statements as soon as the dividends are approved by the Annual General Meeting (or by the Board of Directors in the case of interim dividends) and until their payment.

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

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

According to the aforementioned Shareholders' Remuneration Policy, (i) the shareholder remuneration corresponding to the fiscal year 2020 will be equivalent to that of 2019 (EUR 26.6 million) increased by 10% (to EUR 29.3 million); (ii) the shareholder remuneration corresponding to the fiscal year 2021 will be equivalent to that of 2020, increased by 10% (to EUR 32. 2 million); and (iii) the shareholder remuneration corresponding to the fiscal year 2022 will be equivalent to that of 2021, increased by 10% (to EUR 35.4 million).

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

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

The payment of dividends will be made on the specified dates, which will be determined in each case and duly announced.

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

12. Current and non-current debt

The breakdown, by category, of short and long-term debts payable is as follows:

	Thousands of Euros					
	Debits and payables					
	31/12/2020			31/12/2019		
	Current	Non-current	Total	Current	Non-current	Total
Bond Issues	56,453	7,478,501	7,534,954	40,326	3,460,798	3,501,124
Loans and credit facilities	1,987	-	1,987	4,944	1,142,714	1,147,658
Derivatives	165	4,907	5,072	201	3,593	3,794
Other financial liabilities	6,258	486,336	492,594	3,601	-	3,601
Total	**64,863**	**7,969,744**	**8,034,607**	**49,072**	**4,607,105**	**4,656,177**

During the year ended at 31 December 2020, the Company increased its borrowings from bond issues and loans and credit facilities (which do not include "Derivative Financial Instruments" or "Other financial liabilities") by EUR 2,888,159 thousand to EUR 7,536,941 thousand.

The increase in the Company's bond issues and other loans is mainly due to the six issuances of bonds that have been carried out during 2020, as detailed in the section "Issuance of simple obligations of the Company – Program "EMTN" of this note), as well as the issuance of the convertible bond that was carried out in November 2020, (as detailed in the section "Issuance of Convertible Bonds" of this note).

In addition, the decrease in "Debts to credit institutions" corresponds to the subrogation of the financial debt in favour of the group's new company, Cellnex Finance Company, S.A.U. (see Note 8).

As of 31 December 2020, and 2019, the average annual interest rate on the financing granted, if fully disposed of, would be 1.6% and 1.5% respectively. Meanly, the weighted average interest rate of 31 December 2020 on issues of bonds and debts to willing credit institutions was 1.6% (1.8% as of 31 December 2019).

Debts to credit institutions held by the Company have been contracted under market conditions, so their fair value does not differ significantly from their book value.

The purpose of the financial policy, approved by the Board of Directors of the Company, is to obtain financing, at the lowest cost and longest possible period, diversifying the sources of financing. In addition, it is intended to promote access to the capital market and to have greater flexibility in financing contracts that facilitate continuing the growth strategy of the Group of which the Company is head.

As at 31 December 2020 and 31 December 2019, the breakdown of the Company's borrowings (i) by maturity, (ii) by type of debt and (iii) by currency is as follows:

(i) Borrowings by maturity

2020

	Thousands of Euros							
	Limit	Current	Non-current					Total
			2022	2023	2024	2025	2026 and subsequent years	
Bond Issues	7,729,340	69,531	602,358	2,394	752,431	593,189	5,603,452	7,623,355
Accruals of bond arrangements expenses	-	(13,078)	(12,856)	(12,392)	(11,134)	(10,242)	(28,699)	(88,401)
Loans and credit facilities	-	1,987	-	-	-	-	-	1,987
Derivative financial instruments	-	165	-	-	-	-	4,907	5,072
Other financial liabilities	-	6,258	-	4,500	-	6,000	475,836	492,594
Total	**7,729,340**	**64,863**	**589,502**	**(5,498)**	**741,297**	**588,947**	**6,055,496**	**8,034,607**

2019

	Thousands of Euros							
	Limit	Current	Non-current					Total
			2021	2022	2023	2024	2025 and subsequent years	
Bond issues	3,600,500	47,039	-	600,000	-	750,000	2,142,687	3,539,726
Accrual of bond arrangement expenses		(6,713)	(6,962)	(6,629)	(6,051)	(4,677)	(7,570)	(38,602)
Loans and credit facilities	4,600,867	7,229	32,500	223,374	116,169	585,695	192,125	1,157,092
Accrual of loans and credit facilities arrangement expenses		(2,285)	(2,310)	(1,902)	(1,778)	(938)	(221)	(9,434)
Derivative financial instruments		201	-	-	-	-	3,593	3,794
Other financial liabilities		3,601	-	-	-	-		3,601
Total	**8,201,367**	**49,072**	**23,228**	**814,843**	**108,340**	**1,330,080**	**2,330,614**	**4,656,177**

(ii) Borrowings by type of debt

	Thousand of Euros					
	Notional as of 31/12/2020 (*)			Notional as of 31/12/2019 (*)		
	Limit	Drawn	Undrawn	Limit	Drawn	Undrawn
Bond issues	7,729,340	7,729,340	-	3,600,500	3,600,500	-
Loans and credit facilities	-	-	-	4,600,867	1,152,909	3,447,958
Total	**7,729,340**	**7,729,340**	**-**	**8,201,367**	**4,753,409**	**3,447,958**

(*) These concepts include the notional value of each caption and are not the gross or net value of the caption. See "*Borrowings by maturity*".

As of 31 December 2020, the Company has transferred all debts to credit institutions to the company of the Group Cellnex Finance Company, S.A.U. (see Note 8).

As of 31 December 2019, the total limit of loans and credit facilities available was EUR 4,600,867 thousand, of which EUR 2,513,330 thousand in loans and EUR 2,087,537 thousand in credit facilities.

Furthermore, of the EUR 4,600,867 thousands of loans and credit facilities available, EUR 4,196,242 thousand can be drawn down either in Euros (EUR) or in other currencies, such as Pound Sterling (GBP), Swiss franc (CHF) and U.S. dollar (USD). As at 31 December 2019 the amount drawn down of the loans and credit facilities was EUR 1,152,908 thousand.

(iii) Borrowings by currency

	Thousand of Euros	
	31/12/2020(*)	31/12/2019(*)
Euro	7,857,502	3,783,375
GBP	-	331,631
CHF	265,506	589,207
Total	**8,123,008**	**4,704,213**

(*) 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 avoiding the incorporation of accrual expenses

As described in Note 5.1 of these annual accounts, the exchange rate risk on net investment in shares of Group companies operating in currencies other than the euro is managed both through loans and obligations denominated in the relevant foreign currency and through derivative financial instruments (see Note 12.3). In this context, the Company maintains investments in Group companies (Cellnex UK Limited and Cellnex Switzerland, AG) in foreign currency (Pound Sterling and Swiss francs) and maintains loans and other obligations in Pound Sterling and Swiss francs acting as natural investment coverage in those companies.

As of 31 December 2019, the Company maintained, on the one hand, loans in Swiss francs, which acted as natural coverage of net investment in Cellnex Switzerland, AG for CHF 639,525 thousand (with a default value of EUR 589,207 thousand) and, on the other hand, loans in sterling, acting as a natural hedge of net investment in Cellnex UK Limited amounting to GBP 282,152 thousand (with a default value of EUR 331,631 thousand).

As a result of the reorganization of the financial function explained in Note 8, some of these debts that the Company maintained as of 31 December 2019 have been subrogated by Cellnex Finance Company, S.A.U. In this sense, the Company and Cellnex Finance Company, S.A.U. with the aim of maintaining the coverage of foreign currency investments in the Company, which they previously maintained through natural coverage through the aforementioned foreign currency debts, have formalized a swap of foreign exchange (see Note 12.3) for a nominal of CHF 183,000 thousand and a value of EUR 170,011 thousand. In addition, the Company has contracted with third currency swaps that, together with debt issued in euros, act as natural coverage of foreign currency investments.

Finally, as of 31 December 2020, once the abovementioned restructuring has been considered, the Company maintains, on the one hand, euro obligations which, together with a swap in contracted currencies with a value of EUR 450,000 thousand and a value of GBP 382,455 thousand, act as a natural coverage of net investment in Cellnex UK Limited and, on the other hand, Swiss franc bonds amounting to CHF 285,000 thousand and a value of EUR 263,840 thousand acting as natural coverage of net investment in Cellnex Switzerland, AG. The interests accrued as of 31 December 2020 amount to CHF 1,799 thousand and a value of EUR 1,666 thousand.

12.1. Bond issues

The detail of the bonds and other financing instruments at 31 December 2020 and 2019 is as follows:

	Thousands of Euros	
	31/12/2020	31/12/2019
Bond issues	7,534,954	3,501,090
Promissory notes and commercial paper	-	34
Bond issues and other loans	**7,534,954**	**3,501,124**

i) Euro Medium Term Note Programme – (EMTN) Programme

In May 2015, the Group formalized, through the Company, a Euro Medium Term Note Programme (EMTN Programme). This EMTN Programme was registered on the Irish Stock Exchange listed as Euronext Dublin and is renewed annually. As of 31 December 2020, this Program allows bonds totaling 10,000 million euros to be issued and the last renewal date was in May 2020.

In March 2016 Cellnex was added to the list of companies whose corporate bonds are eligible for the European Central Bank (ECB) Corporate Sector Purchase Programme (CSPP). Since May 2015 under the aforementioned EMTN programme, Cellnex has issued bonds aimed at qualified investments, according to the following details

2020

Issue Date	Duration	Maturity Date	Fitch / S&P rating	ISIN	Fixed Coupon payable per annum	Thousands of Euros	
						Amount of issue	Amount of issue at 31 December 2020
27/07/2015	7 años	27/07/2022	BBB-/BB+	XS1265778933	3.13%	600,000	600,000
10/08/2016	8 años	16/01/2024	BBB-/BB+	XS1468525057	2.38%	750,000	750,000
16/12/2016	16 años	20/12/2032	BBB-/NA	XS1538787497	3.88%	65,000	65,000
18/01/2017	8 años	18/04/2025	BBB-/BB+	XS1551726810	2.88%	335,000	335,000
07/04/2017	9 años	07/04/2026	BBB-/NA	XS1592492125	Eur 6M+2.27%(1)	80,000	80,000
03/08/2017	10 años	03/08/2027	BBB-/NA	XS1657934714	Eur 6M+2.20%	60,000	60,000
31/07/2019	10 años	31/07/2029	BBB-/NA	XS2034980479	1.90%	60,500	60,500
20/01/2020	7 años	20/04/2027	BBB-/BB+	XS2102934697	1.0%	450,000	450,000
29/01/2020	7 años	18/02/2027	BBB-/NA	CH0506071148	0.775%	171,265	171,265
26/06/2020	5 años	18/04/2025	BBB-/BB+	XS2193654386	2.88%	165,000	165,000
26/06/2020	9 años	26/06/2029	BBB-/BB+	XS2193658619	1.88%	750,000	750,000
17/07/2020	5 años	17/07/2025	BBB-/BB+	CH0555837753	1.1%	92,575	92,575
23/10/2020	10 años	14/10/2030	BBB-/BB+	XS2247549731	1.75%	1,000,000	1,000,000
						4,579,340	**4,579,340**

(1) Coupon hedged by Interest Rate Swaps. See section of derivative financial instruments.

Bond issuance during 2020

On 9 January 2020, the Company completed the pricing of an Euro-denominated bond issuance (with ratings of BBB- by Fitch Ratings and BB+ by Standard&Poor's) aimed at qualified investors for an amount of EUR 450,000 thousand, maturing in April 2027 and with a coupon of 1.0%. Simultaneously, the Group entered into several cross-currency swap agreements with reputable financial counterparties by which Cellnex lent the EUR 450,000 thousand received and borrowed the equivalent amount in GBP at an agreed exchange rate, enabling Cellnex to obtain approximately GBP 382,455 thousand at a cost of 2.2%. In addition, on 29 January 2020, the Group completed the pricing of a CHF-denominated bond issuance (with a rating of BBB- by Fitch Ratings) for an amount of CHF 185,000 thousand, maturing in February 2027 and with a coupon of 0.775%. On 16 June 2020, the Group completed the pricing of a dual-tranche Euro-denominated bond issuance (with ratings of BBB- by Fitch Ratings and BB+ by Standard&Poor's) aimed at qualified investors, including a tap of the bond maturing in April 2025 for an amount of EUR 165,000 thousand, and with an equivalent coupon of 1.4%; and a new bond for an amount of EUR 750,000 thousand, maturing in June 2029 and with a coupon of 1.875%. In addition, on 22 June 2020, the Group completed the pricing of a CHF-denominated bond issuance (with a rating of BBB- by Fitch Ratings) for an amount of CHF 100,000 thousand, maturing in July 2025 and with a coupon of 1.1%. On 14 October 2020, the Group completed the pricing of a Euro-denominated bond issuance (with ratings of BBB- by Fitch Ratings and BB+ by Standard&Poor's) for an amount of EUR 1,000,000 thousand, maturing in October 2030 and with a coupon of 1.75%.

The bond issuances in Swiss francs are listed on the Swiss Stock Exchange (SIX) and the euro issuances are listed on the Irish Stock Exchange (ISE).

2019

Issue date	Duration	Maturity date	Fitch / S&P rating	ISIN	Fixed coupon payable per annum	Thousands of Euros	
						Amount of issue	Amount of issue at 31 December 2019
27/07/2015	7 years	27/07/2022	BBB-/BB+	XS1265778933	3.13%	600,000	600,000
10/08/2016	8 years	16/01/2024	BBB-/BB+	XS1468525057	2.38%	750,000	750,000
16/12/2016	16 years	20/12/2032	BBB-/NA	XS1538787497	3.88%	65,000	65,000
18/01/2017	8 years	18/04/2025	BBB-/BB+	XS1551726810	2.88%	335,000	335,000
07/04/2017	9 years	07/04/2026	BBB-/NA	XS1592492125	Eur 6M+2.27%(1)	80,000	80,000
03/08/2017	10 years	03/08/2027	BBB-/NA	XS1657934714	Eur 6M+2.20%	60,000	60,000
31/07/2019	10 años	31/07/2029	BBB-/NA	XS2034980479	1.90%	60,500	60,500
						1,950,500	**1,950,500**

(1) Coupon hedged by Interest Rate Swaps. See section of derivative financial instruments.

The bond issues have certain associated costs, customary in this type of transactions such as arrangement expenses and advisors' fees, which amounted to EUR 59,175 thousand as of 31 December 2020 (EUR 16,321 thousand as of 31 December 2019), which the Company defers over the life of the bonds and are taken to the income statement following a financial criteria. In this regard, an amount of EUR 88,401 thousand and EUR 38,602 thousand was deducted from bond issues in the balance sheet as of 31 December 2020 and 2019, respectively.

The arrangement expenses and advisors' fees accrued in the income statement for the year ended 31 December 2020 in relation to the bond issues amounted to EUR 9,376 thousand (EUR 5,619 thousand as of 31 December 2019).

Convertible bonds issue

The Company has issued the Convertible Bonds described in the table below, all of them addressed to qualified investors:

2020

Issue	Initial Duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Balance as at 31 December 2020 (Thousands of Euros)
16/01/2018	8 years	16/01/2026	BBB-/NA	XS1750026186	1.50%	558,469
21/01/2019	7 years	16/01/2026	BBB-/NA	XS1750026186	1.50%	183,964
25/06/2019	9 years	25/07/2028	BBB-/NA	XS2021212332	0.50%	823,711
20/11/2020	11 years	20/11/2031	BBB-/NA	XS2257580857	0.75%	1,400,343
TOTAL						**2,966,487**

The 2020 Convertible Bond

In November 2020, the Company issued new senior unsecured convertible bonds (the "2020 Convertible Bond") and together with the Original Convertible Bonds and the 2019 Convertible Bond, the "Convertible Bonds"). The underlying number of Shares of the 2020 Convertible Bond is equivalent to c.3.2% of the Company's share capital as of the issue date. Bondholders may request Cellnex to repurchase the 2020 Convertible Bond (i) in the event of a change of control of the Company; or (ii) in the event that a tender offer is made with respect to the Shares which leads to a change of control of Cellnex.

The 2020 Convertible Bond has a coupon of 0.75% per annum of the notional amount payable annually in arrears. Cellnex may opt to redeem all (but not part) of the 2020 Convertible Bonds on or after 11 December 2028, if the market value of the underlying Shares per EUR 100,000 of principal amount of the Convertible Bonds exceeds 150% of the accreted principal amount of the 2020 Convertible Bonds during a specific period of time or, at any time, if more than 85% of the aggregate principal amount of the 2020 Convertible Bonds has been converted and/or redeemed and/or purchased and cancelled. The 2020 Convertible Bonds will reach maturity in November 2031 and are rated BBB- by Fitch. Any 2020 Convertible Bonds which have not been previously converted, redeemed or repurchased and cancelled by then, will be redeemed in full at a redemption price equal to 107.37% of their principal amount, implying a yield to maturity of 1.375% per annum.

The initial conversion price of the 2020 Convertible Bond was EUR 97.07, which represented a premium of 70% over the placement price per existing Share, determined pursuant to a simultaneous placement of existing Shares on behalf of certain subscribers of the 2020 Convertible Bond, who wished to sell these existing Shares to purchasers in order to hedge their market risk with respect to the 2020 Convertible Bonds, and was subject to customary adjustments. As a result of the agreed redemption price, the effective conversion price is EUR 104.2241.

These convertible bonds have been treated as a compound instrument and have been split into its two components: a debt component amounting EUR 1,398 million, corresponding to the present value of the coupons and principal discounted at the interest rate of a bond, with same nominal amount and maturity, without the convertibility option; and an equity component, for the remaining amount, due to the bondholder option to convert into shares, included in the heading "Other equity instruments".

Issue	Initial Duration	Maturity	Fitch / S&P rating	ISIN	Coupon rate	Balance as at 31 December 2019 (Thousands of Euros)
16/01/2018	8 years	16/01/2026	BBB-/NA	XS1750026186	1.50%	550,940
21/01/2019	7 years	16/01/2026	BBB-/NA	XS1750026186	1.50%	181,079
25/06/2019	9 years	25/07/2028	BBB-/NA	XS2021212332	0.50%	810,168
TOTAL						**1,542,187**

Convertible bonds issuances during 2019

In January 2019, the Company resolved to carry out an additional tap issuance of senior unsecured convertible bonds, under the same terms and conditions applicable to the 2018 Convertible Bond, which consolidated and currently forms a single series with it (the "Additional Convertible Bond" and, together with the 2018 Convertible Bond, the "Original Convertible Bonds"). The underlying number of Shares of the Original Convertible Bonds is equivalent to c.5.2% of the Company's share capital adjusted to take into account the share capital increases executed on 25 March 2019, 5 November 2019 and 17 August 2020.

The Original Convertible Bonds carry a coupon of 1.5% of the notional amount payable annually in arrears (resulting in an implied yield to maturity of approximately 1.45%). Cellnex may opt to redeem all (but not part) of the Original Convertible Bonds on or after 18 July 2022, if the market value of the underlying Shares per EUR 100,000 of principal amount exceeds EUR 130,000 during a specified period of time, or, at any time, if more than 85% of the aggregate principal amount of the Original Convertible Bonds has been converted and/or redeemed and/or purchased and cancelled. The Original Convertible Bonds will reach maturity in January 2026 and are rated BBB- by Fitch. Any Original Convertible Bonds which have not been previously converted, redeemed or repurchased and cancelled by then, will be redeemed in full at a redemption price equal to 100% of their principal amount, implying a yield to maturity of 1.5% per annum. Bondholders may request Cellnex to repurchase the Original Convertible Bonds (i) in the event of a change of control of the Company; or (ii) in the event that a tender offer is made with respect to the Shares which leads to a change of control of Cellnex.

Furthermore, in July 2019, Cellnex issued additional senior unsecured convertible bonds (the "2019 Convertible Bond"). The underlying number of Shares of the 2019 Convertible Bond is equivalent to c.3.5% of the Company's share capital adjusted to take into account the share capital increase executed on 5 November 2019 and 17 August 2020. Bondholders may request Cellnex to repurchase the 2019 Convertible Bond (i) in the event of a change of control of the Company; (ii) in the event that a tender offer is made with respect to the Shares which leads to a change of control of Cellnex; or (iii) on 5 January 2027.

The 2019 Convertible Bond has a coupon of 0.5% of the notional amount payable annually in arrears. Cellnex may opt to redeem all (but not part) of the 2019 Convertible Bonds on or after 26 July 2026, if the market value of the underlying Shares per EUR 100,000 of principal amount of the Convertible Bonds exceeds 150% of the accreted principal amount of the 2019 Convertible Bonds during a specific period of time or, at any time, if more than 85% of the aggregate principal amount of the Original Convertible Bonds have been converted and/or redeemed and/or purchased and cancelled. The 2019 Convertible Bonds will reach maturity in July 2028 and are rated BBB- by Fitch. Any 2019 Convertible Bonds which have not been previously converted, redeemed or repurchased and cancelled by then, will be redeemed in full at a redemption price equal to 108.57% of their principal amount, implying a yield to maturity of 1.40% per annum.

These convertible bonds have been treated as a compound instruments and have been split into its two components: a debt component amounting EUR 982 million euros, corresponding to the present value of the coupons discounted at the interest rate of a bond, with same nominal amount and maturity, without the convertibility option; and an equity component, for the remaining amount, due to the bondholder option to convert into shares, included in the heading "Other equity instruments".

The Convertible Bonds are listed on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange.

Clauses regarding changes of control

The Terms and Conditions of the bonds to be issued under the EMTN Programme and of the Convertible Bonds include a change of control put clause, at the option of bondholders, which could result in its early repayment.

For the bonds issued under the EMTN Programme, the put option can only be triggered if a change of control event occurs and there is a rating downgrade caused by the change of control event (as defined in the Terms and Conditions of the EMTN Programme). For the Convertible Bond, the put option can only be triggered if a change of control occurs or if a tender offer triggering event occurs (as defined in the Terms and Conditions of the Convertible Bonds).

Under the EMTN Programme and the Convertible Bonds, a "change of control event" is defined as the acquisition of more than 50% of the voting rights in respect of Cellnex or the right to appoint or dismiss all or the majority of the members of the Board of Directors of Cellnex.

Bonds obligations and restrictions

As at 31 December 2020, Cellnex had no restrictions regarding the use of proceeds from its bond offerings, had not provided any collateral for any obligations in connection with its outstanding bonds and the bonds ranked pari passu with the rest of Cellnex's unsecured and unsubordinated borrowings.

ii) <u>Euro-Commercial Paper Programme – (ECP) Programme</u>

In June 2018 Cellnex established an Euro-Commercial Paper Programme (the "ECP Programme") with the Irish Stock Exchange, plc. trading as Euronext Dublin, which was renewed in June 2020. The ECP Programme has a limit of EUR 500 million or its equivalent in GBP, USD and CHF. As of 31 December 2020, and 2019, there were no amounts drawn down in euros under the ECP Programme nor in GBP or CHF.

Bonds obligations and restrictions

As at 31 December 2020 and 2019, the Company had no restrictions regarding the use of capital resources nor had it guarantees and the bonds rank pari passu with the rest of the unsecured and unsubordinated borrowings.

Bond issuances, which are traded on active markets, are valued in EUR 8,426 thousand, based on market prices at the corresponding closing date.

12.2. Loans and credit facilities

As of 31 December 2020, the Company has transferred all debt to credit institutions to the Group Company Cellnex Finance Company, S.A.U. (see Note 8).

As of 31 December 2019, the total limit of loans and credit facilities available was EUR 4,600,867 thousand, of which EUR 2,513,330 thousand in loans and EUR 2,087,537 thousand in credit facilities.

On 2 July 2019 the Company signed a EUR 100 million loan with the Spanish Official Credit Institute (ICO) to finance the Group's international expansion. The loan with ICO has a final maturity of twelve years, including a two-year interest-only period, from the date of signature.

On 17 July 2019 the Company signed a total of EUR 2,100 million financing with a pool of banks to increase its liquidity position and to finance some Group expansion investments. The financing consists of the following two facilities agreements:

i) A syndicated loan of CHF 183,000 thousand, which mainly replaced the CHF 190,000 thousand facility while extending the maturity until 2024, and

ii) a syndicated facilities agreement consisting of a EUR 1,500,000 thousand multicurrency revolving credit agreement, refinancing existing EUR 500,000 thousand revolving credit facility and a new CHF 450,000 thousand term loan to fund the equity contribution into Cellnex Switzerland to finance the acquisitions in Switzerland and to refinance partially the existing CHF 190,000 thousand facility.

On 5 November 2019 the Company signed a GBP 2 billion financing consisting of a GBP 1,400,000 thousand term loan facility for the benefit of Cellnex Telecom with a maturity of up to 3 years and a GBP 600,000 thousand term loan facility for the benefit of Cellnex UK Limited (Sole proprietorship 100% owned by Cellnex Telecom, S.A.), guaranteed by Cellnex Telecom, with a 5-year bullet maturity to finance acquisitions in UK. As of 31 December 2020, the GBP 600,000 thousand term loan facility was completely drawn and the GBP 1,400,000 thousand term loan facility was cancelled.

During the year ended 31 December 2019, the Company had amended certain credit facilities for a total of EUR 370,000 thousand and GBP 100,000 thousand to extend its maturities and reduce margins.

Clauses regarding changes of control

The loans and credit facilities maintained by the Company in 2019, included an early termination clause for change of control, either by the acquisition of more than 50% of the shares with voting rights or by obtaining the right to appoint or dismiss the majority of the members of the Board of Directors of the Company.

Loans and credit facilities obligations and restrictions

As at 31 December 2020 and 2019, the Company has no restrictions regarding the use of capital resources derived from the loans and credit facilities.

Security interests and other covenants and undertakings

As of 31 December 2020, the Company acts as guarantor in relation to the financing agreements provided by Cellnex Finance Company, S.A.U. for an equivalent value in euros of EUR 601,111 thousand, as well as in relation to the EMTN programme established by Cellnex Finance Company, S.A.U. in November 2020 and the loan amounting to GBP 600 million signed by Cellnex UK Limited. In addition, the Company acts as guarantor in relation to the issuance of bonds completed by the group company Cellnex Finance Company, S.A.U. dated February 15, 2021, for a total amount of EUR 2,500 million.

As of 31 December 2020, the Company acts as guarantor in relation to the undrawn credit facility provided by Cellnex Finance Company, S.A.U. for an amount of 10,000 million euros.

The Company is guarantor in relation to the put option contract with Altice France, S.A.S. for an amount of EUR 5,200 million (see Note 19).

In this respect, there are no obligations or financial ratios associated with guaranteed financing agreements that may result in liabilities being immediately claimable by the lender at the date of these annual accounts.

12.3 Derivative financial instruments

The detail of the fair value of the derivative financial instruments at 31 December 2020 and 2019 is as follows:

	Thousands of Euros			
	31/12/2020		31/12/2019	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps:				
Cash Flow hedges	-	(5,072)	-	(3,794)
Interest rate and/or cross currency swaps :				
Hedges of a net investment in a foreign operation	6,723	-	-	-
Derivative financial instruments	**6,723**	**(5,072)**	**-**	**(3,794)**
Interest rate and/or cross currency swaps:				
Cash flow hedges	-	(4,907)	-	(3,593)
Hedges od a net investment in a foreign operation	6,723	-	-	-
Non-current	**6,723**	**(4,907)**	**-**	**(3,593)**
Current	**-**	**(165)**	**-**	**(201)**

The Company uses, in addition to the natural hedges described in Note 12, interest rate swaps and exchange rate swaps, in accordance with the financial risk management policy described in Note 5.

The following are the financial instruments derived as of 31 December 2020 and 2019, by type of swap, indicated, their notional or contractual values, their expiration dates and their fair values:

2020

	Thousand euros							
	31/12/2020							
	National amount	2021	2022	2023	2024	2025	Years after	Net fair value (*)
Interest rate Swaps:								
Cash flow hedges	80.000	(959)	(976)	(952)	(911)	(864)	(369)	(4,907)
Interest rate and/or cross currency swaps:								
Hedges of a net investment in a foreign operation	620,011	(5,930)	(4,549)	(4,517)	(5,077)	(4,762)	31,436	6,723
Total	**700,011**	**(6,889)**	**(5,525)**	**(5,469)**	**(5,988)**	**(5,626)**	**31,067**	**1,816**

(*) The difference between the future cash flows and the derivative financial instruments net fair value, corresponds to the bilateral credit risk adjustment.

2019

	Thousand euros							
	31/12/2019							
	National amount	2020	2021	2022	2023	2024	Years after	Net fair value (*)
Interest rate swaps:								
Cash Flow hedges	80.000	(838)	(779)	(687)	(574)	(456)	(549)	(3,593)
Total	**80.000**	**(838)**	**(779)**	**(687)**	**(574)**	**(456)**	**(549)**	**(3,593)**

(*) The difference between the future cash flows and the derivative financial instruments net fair value, corresponds to the bilateral credit risk adjustment.

Interest rate swaps

Bond issued in April 2017 amounting to EUR 80 million and due in April 2026 have been covered by interest rate swaps that convert the interest rate on variable-to-fixed bond (see Note 12). The total amount and maturity of interest rate swaps match those of the underlying bond. By contracting these interest rate swaps, the resulting fixed interest rate in the EUR 80 million issue is 2.945%.

Interest rate swaps and/or exchange rates in various currencies

During the 2020 financial year, the following operations were carried out:

i) The Company contracted a Cross Currency Swap ("CCS") amounting to EUR 450 million and a sterling value of GBP 382 million, which has been designated together with the bond issue of EUR 450 million bond (see Note 12), as natural hedge of the net investment in Cellnex UK.

ii) The Company contracted three Cross Currency Swaps ("CCS") for a total amount of USD 328 million and an equivalent total euro value of EUR 300 million to hedge three deposits for a total amount of USD 328 million (see Note 11). As of 31 December 2020, these three CCS were cancelled.

iii) The Company formalized a Cross Currency Swap ("CCS") amounting to CHF 183 million (EUR 170,011 thousand) with Cellnex Finance Company, S.A. The arrangement of the derivative financial instrument was carried out with the aim of obtaining natural hedge in the foreign currency investment in Cellnex Switzerland when the debt was transferred to Cellnex Finance with the reorganization of the Group's financial structure (see Notes 8 and 17.3).

iv) In addition, the Company designated cash acquired in sterling in the amount of GBP 1,200 million to cover disbursement in connection with the investment commitment acquired in October 2019 for the acquisition of On Tower Uk, Ltd., which was completed on 8 July 2020 (see Note 8). Cash acquired in sterling was classified as a hedging in compliance with the requirements for such classification since, interless other things, that investment commitment was linked to a highly likely transaction at the time of acquisition of the currencies. Consequently, the euro-pound conversion differences amounting to EUR 4,422 thousand (EUR 3,316 thousand without taking into account the tax effect) have been recognized under the caption "Valuation adjustments" of the accompanying balance sheet.

12.4 Other financial liabilities

The caption "Other non-current financial liabilities" corresponds to the outstanding balance for the purchase of companies made by the Company.

In the context of the acquisition of OMTEL, Estruturas de Comunicacaoes (see Note 8), this caption includes the current value of the outstanding amount of the total acquisition price, amounting to EUR 570 million, to be paid on 31 December 2027 or if certain cases of non-compliance ("certain events of default") materialize, whichever comes first. The amount of the previous deferred payment is updated to its present value at an annual market discount rate of 2.65% at each period end. As of 31 December 2020, the present value of the deferred payment was EUR 475,836 thousand. For its part, the impact under the caption "Financial expenses" of the corresponding accompanying profit and loss account for the year amounted to EUR 13,452 thousand.

In addition, arising from the acquisition of Ukkoverkot Oy (see Note 8) a financial liability has been recorded at the current value of the variable price of EUR 10,500 thousand, which will be paid if certain established compliances materialize, with EUR 4,500 thousand in 2023 and EUR 6,000 thousand in 2025.

The caption "other financial liabilities" corresponds to the outstanding balance with fixed asset suppliers as a result of the acquisitions of fixed assets undertaken by the Company during the current year (see Notes 6 and 7)

12.5 Corporate rating

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

13. Income tax and tax situation

13.1. Tax-related disclosures

Since the year 2015, Cellnex Telecom, S.A.is taxed under the tax consolidation regime, for the purposes of Corporate Tax, being the Parent Company of the Tax Group, the subsidiaries of which are composed of investees at least 75-owned by it and with tax residence in Spain. The subsidiaries companies included in the tax consolidation group in 2020 are the following: Cellnex Telecom España, S.L.U., Retevisión I, S.A.U., Tradia Telecom, S.A.U., On Tower Telecom Infraestructuras, S.A.U. Gestora del Espectro, S.L. Xarxa Oberta de Catalunya, S.A., Zenon Digital Radio, S.L. and Cellnex Finance Company, S.A.U.

During the year 2016, the Company became the parent company of a new tax consolidation group for the purposes of the Value Added Tax in Spain.

Status of inspections and litigation

The Company has pending verification of all taxes not legally prescribed. In relation to Corporate Tax, the years that are pending verification are from the year 2017 onwards. Due to interpretative differences of the current fiscal regulations applicable to some operations, fiscal liabilities of a contingent nature of difficult objective quantification could be revealed in the future. In any case, the consequences that could arise should not significantly affect the annual accounts of the Company.

On 3 July 2018, the Company received notice of initiation of tax audit for the concepts Corporate Income Tax (consolidated group), corresponding to the 2015 and 2016 fiscal years, and Value Added Tax, corresponding to the periods between April and December 2015 (individual) and 2016 (VAT group).

On 12 June 2020, tax records were issued in accordance with corporation tax for the years 2015 to 2018. For 2015 and 2016, the minutes are final. For 2017 and 2018, the minutes are provisional, since the inspection procedure merely verified basically the correct application of the reduction of income from the transfer of certain intangible assets. The total amount resulting from the taxes payable for the Company amounted to EUR 1,177 thousand and has been recorded in reserves. The Company's Administrators have considered that the criteria applied by the tax authorities do not have a significant impact on the years open to inspection.

Also, on 9 June 2020 unaccepted tax reassessments were communicated in respect of VAT. The proposed assessment amounted to EUR 2,413 thousand. The reason for the reassessment was the different interpretation of the financial activity carried out and how this affects the deductibility of certain items.

The allegations put forward by the Company were not accepted and on 22 December 2020 final assessments were communicated. In January 2021 the Company has appealed the final assessments before the Economic-Administrative Court and requested for the adjournment of the assessments by granting a bank guarantee to the Spanish Tax Authorities.

In all cases, the inspection authorities have considered the Group's approach to be reasonable and have expressly stated that no sanctions will be proposed.

The Company considers that there were no significant impacts arising from the tax audit, nor possible significant interpretative differences in tax legislation

13.2. Current balances with public authorities

Details of current balances with public authorities are as follows:

Receivables

	Thousands of Euros	
	31/12/2020	31/12/2019
Corporate tax refundable	1,828	1,674
VAT refundable	143	44,544
Total	**1,971**	**46,218**

The balance owed by Corporation Tax as of 31 December 2020 corresponds, mainly, to the split payments made during the 2020 financial year by the Consolidation Group. The debtor balance for VAT as of 31 December 2020 corresponds to unevenated input VAT. The vat debtor balance as of 31 December 2019 corresponded mainly to the amount of VAT requested to be refunded by the Group in the December self-rental, amounting to EUR 42,714 thousand.

Payables

	Thousands of Euros	
	31/12/2020	31/12/2019
VAT payable	3,355	-
Personal Income tax withholdings	509	1,063
Social security taxes payable	162	112
Total	**4,026**	**1,175**

The VAT credit balance as of 31 December 2020 corresponds to the amount of VAT payable by the Group in the order for the amount of December in the amount of EUR 3,355 thousand.

13.3. Reconciliation between net accounting income and taxable income

Reconciliation between net accounting income and taxable income for income tax purposes is as follows:

2020

	Thousands of Euros		
	Increases	Decreases	Total
Net accounting income for the period			(69,195)
Income tax for the period			(53,012)
Permanent differences:			
Donations	211	-	211
Dividends (Note 15.1)	-	(92,212)	(92,212)
Issue of equity instruments	-	(81,541)	(81,541)
Income attributed to equity	3,236	-	3,236
Temporary differences:			
Non-deductible financial expenses	29,632	-	29,632
Remuneration Provisions	7,472	(6,207)	1,265
Equity instruments remuneration	-	(1,566)	(1,566)
Other	-	(337)	(337)
Taxable income	**40,551**	**(177,752)**	**(263,519)**

2019

	Thousands of Euros		
	Increases	Decreases	Total
Net accounting income for the period			7,415
Income tax for the period			(39,661)
Permanent differences:			
Donations	41	-	41
Dividends (Note 15.1)	-	(126,435)	(126,435)
Issue of equity instruments	-	(82,265)	(82,265)
Temporary differences:			
Non-deductible financial expenses	63,236	-	63,236
Remuneration Provisions	10,025	(2,096)	7,929
Taxable income	**73,302**	**(210,796)**	**(169,740)**

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In the 2020 and 2019 financial years, dividends from group companies in fiscal consolidation and the costs of issuing equity instruments that have been eliminated for the determination of the tax base are considered as permanent differences.

The temporary differences correspond mainly to the amounts provided during the financial year related to the Long-Term Incentive Plan and the exceptional delivery of shares to employees which are not deductible until the time of payment of the employees (see Note 16.4), as well as the amount of non-deductible financial expenses of the Tax Consolidation Group in the 2020 financial year.

13.4. Reconciliation between net accounting income and income tax expense

The standard income tax rate for 2020 and 2019 is 25%.

Reconciliation between net accounting income and income tax expense is as follows:

	Thousands of Euros	
	2020	2019
Profit (Loss) before tax	(122.207)	(32,246)
Theoretical tax	30.552	8,062
Impact on tax expense from (permanent differences):		
Donations	(53)	(10)
Dividends (Note 15.1)	23,053	31,609
Shares to employees	(808)	-
Deductions	224	-
Income tax expense for the year	**52,968**	**39,661**
Other tax effects	44	-
Income tax expense	**53,012**	**39,661**

13.5. Breakdown of income tax expense

The main items of income tax expense in the year are as follows:

	Thousands of Euros	
	2020	2019
Current tax	45,719	21,869
Deferred tax	7,249	17,791
Previous years tax/others	44	1
Income tax expense	**53,012**	**39,661**

Tax withholdings and prepayments totalled EUR 271 thousand (EUR 1 thousand in 2019)

13.6. *Deferred taxes*

The balance of the recognised deferred assets and liabilities, as well as their movement during the financial year, was as follows:

	Thousands of Euros	
	31/12/2020	31/12/2019
At 1 January	**34,661**	**7,103**
Debits/ (Credits) in income statements	48,267	26,746
Debits/ (Credits) in equity	1,727	812
At 31 Decemeber	**84,655**	**34,661**

	Thousands of Euros	
	2020	2019
(Debits)/Credits in income statements		
Deferred tax assets	48,267	26,746
(Debits)/Credits in equity		
Deferred tax assets	1,727	812
Total	**49,994**	**27,558**

The breakdown of the deferred taxes is as follows:

	Thousands of Euros	
	31/12/2020	31/12/2019
Tax credits for negative tax bases	46,015	11,326
Non deductible financial expense	23,010	15,809
Tax credits for deductions	8,441	2,162
Employee Benefit obligations	3,792	3,817
Derivative financial instruments	1,227	899
Hedge linked to a highly likely transaction in foreign currency	1,105	-
Convertible Bond	752	459
Others	313	189
Total deferred tax assets	**84,655**	**34,661**

The deferred tax assets indicated above were recognised in the balance sheet because the Company's Directors considered that, based on their best estimate of the Company's future earnings, it is probable that these assets will be recovered.

In addition, during the 2020 and 2019 financial year, the Company recorded a deferred tax asset for the non-deductibility of the financial expense of companies, as head of the Spanish Tax Group amounting to EUR 7,201 and EUR 15,809 thousand, respectively.

Also, during the 2020 financial year, the Company has activated credits on negative tax bases amounting to EUR 34,689 thousand (EUR 6,727 thousand during the 2019 financial year), as head of the Fiscal Consolidation Group.

Expected schedule for reversal the deferred tax assets and liabilities

In most cases, the use of the Company's deferred tax assets and liabilities is conditional upon the future performance of the business activities, the tax regulations of the country in which it operates, and the strategic decisions to which it may be subject. Under the assumption used, it is estimated that the deferred tax assets and liabilities recognised in the balance sheet at 31 December 2020 and 2019 will be used as follows:

	Thousands of Euros	
	2020	2019
	Temporary differences	
	Deferred tax assets	
Less than one year	802	1,171
More than one year	83,853	33,490
At 31 December	**84,655**	**34,661**

14. Foreign currency balances and transactions

The detail of the most significant balances and transactions in foreign currency, valued at the year-end exchange rate and the average exchange rates for the year, respectively, is as follows:

	Thousands of Euros	
	2020	2019
Other assets	2,440,000	899,779
Accounts receivable	1,056	267
Loans received	756,936	957,285
Accounts payable	779	612
Services rendered	2,902	558
Services received	15,196	13,008

The breakdown of the exchange differences recognised in 2020 and 2019, by type of financial instrument, is as follows:

	Thousands of Euros	
	Transactions settled during the year	
	2020	2019
Other payables	(8,312)	672
Total	**(8,312)**	**672**

15. Revenue and expenses

15.1. Revenue

Revenue in 2020 and 2019 was as follows:

	Thousands of Euros	
	2020	2019
Dividends (Note 17.3)	92,212	126,435
Interest income (Note 17.3)	37,955	6,595
Total	**130,167**	**133,030**

"Interest income" was generated by the Company's cash pooling operation with Group companies and by the loans to these companies (see Note 17.3). The interest rate stipulated in these operations is the market rate.

15.2. Other operating income

"Other operating income" chiefly relates to services rendered to Group companies as management fees as well as the re-invoicing of expenses related to the building's rental and supply costs and other costs (see Notes 16.3 and 17.3).

15.3. Staff costs

The detail of staff costs is as follows:

	Thousands of Euros	
	2020	2019
Wages and salaries	20,885	24,923
Compensation	456	12
Social Security contributions	1,483	962
Other employee benefit costs	1,846	1,408
Staff costs	**24,670**	**27,305**

The average number of employees at the Company at the end of the 2020 and 2019, broken down by job category and gender, is as follows:

	2020			2019		
	Male	Female	Total	Male	Female	Total
Chief Executive Officer	1	-	1	1	-	1
Senior management	5	1	6	6	-	6
Other executives, senior and middle management	22	4	26	13	3	16
Other employees	39	28	67	26	15	41
Total	**67**	**33**	**100**	**46**	**18**	**64**

The number of employees at the Company in 2020 and 2019, broken down by job category and gender, was as follows:

	2020			2019		
	Male	Female	Total	Male	Female	Total
Chief Executive Officer	1	-	1	1	-	1
Senior management	5	1	6	6	-	6
Other executives, senior and middle management	25	4	29	18	4	22
Other employees	45	32	77	31	21	52
Total	**76**	**37**	**113**	**56**	**25**	**81**

The average number of employees at the Company with a level of disability of 33% or above in 2020 and 2019 was zero.

At the end of 2020, the Board of Directors is composed of seven male Directors and four female Directors (eight male Directors and four female Director at the end of 2019).

15.4. Other operating expenses

The detail of “Other operating expenses” on the income statement is as follows:

	Thousands of Euros	
	2020	2019
Leases and royalties	3,143	3,327
Independent professional services	27,336	19,942
Advertising, publicity and public relations	8,613	2,856
Other external services	19,118	22,840
Total external services	**58,210**	**48,965**

15.5. Net financial profit/loss

The breakdown of financial income and costs by item is as follows:

	Thousands of Euros			
	2020		2019	
	Income	Expense	Income	Expense
Finance income and interest from third parties	591	-	50	-
Finance expenses and interest from third parties	-	(182,235)	-	(108.120)
Finance expenses and interest from Group and Associates (Note 17.3)	-	(1,367)	-	(482)
Change in fair value of financial instruments	10,096	(12,740)	(142.848)	(146.299)
Exchange differences	21,755	(30,067)	(23.510)	(6.769)
	32,442	**(226,409)**	**(150.339)**	**(261.670)**
Financial Profit/loss		**(193,967)**		**(111,331)**

The change in fair value of financial instruments for 2020 and 2019 is as follows:

	Thousands of Euros	
	2020	2019
Gain/(Loss) on hedges	(2,644)	(3,451)
	(2,644)	**(3,451)**

This item includes mainly the net impact deriving from the accounting treatment of net investments in foreign operations as hedges (see Note 12.3).

16. Commitments and obligations

16.1. Contingent liabilities

At 31 December 2020 the Company had guarantees with third parties amounting to EUR 69,139 thousands (EUR 49,202 thousands in 2019) (see Note 16.5).

16.2. Purchase commitments

The Company is a guarantor of the acquisition operations committed by the Group as well as the deployment of future sites. As of 31 December 2020, the main purchase commitments correspond to the operations with CK Hutchison Holdings and the acquisition of Iliad Poland, amounting to EUR 7,800 million and EUR 828 million, respectively. The committed investment in the future deployment of sites and other initiatives amounts to EUR 1,400 million and EUR 390 million, respectively.

In addition, the Company has purchase commitments for fixed material and intangible amounting to EUR 10 thousand and EUR 0 thousand, respectively (EUR 556 thousand and EUR 531 thousand respectively in 2019).

16.3. Operating lease commitments

The Company leases spaces, equipment and vehicles under operating leases.

Most of the leases are for one year and have a renewable option at expiry under market terms. In some cases, the lease term is greater than one year, also with renewal options.

Total future minimal rentals payable under operating leases are recurring, as all the current leases are considered to be essential for the Company's operations.

The detail of operating lease payments undertaken by the Company is as follows:

Minimum operating lease payments	Thousands of Euros	
	2020	2019
Within one year	2,389	2,367
1 to 5 years	11,153	4,865
More than 5 years	14,498	1,665
Total	**28,040**	**8,897**

On 20 July 2015 a contract was signed between Parc Logístic de la Zona Franca, S.A. and the Company for the provision of corporate building management services, which included the lease of the company offices at

Parc Logístic de la Zona Franca, Barcelona, for a period of 6 years. The rent paid in 2020 was EUR 1,772 thousand (EUR 1,748 thousand in 2019).

On 11 April 2019, a contract was signed between Iberdrola Inmobiliaria Patrimonio, S.A.U. and the Company for the provision of corporate building management services, understood by them, the rental of corporate offices of Torre Llevant in the Zona Franca (Barcelona), lasting 15 years.

The Torre Llevant building is currently under construction, and it is estimated that the delivery will take place on the 1 June 2021.

16.4. Employee benefit obligations

ILP (2017-2019)

As described in note 4.5, based on the best possible estimation of the related liability and taking into consideration all the available information, the Company had recorded a provision of EUR 3,455 and EUR 2,304 thousand in the line “Staff” and “Other equity instruments” of the accompanying balance sheet. Therefore, the impact on the income statement attached to the closing of the 2019 financial year amounted to EUR 3,800 thousand.

ILP (2018-2020)

As described in note 4.5, based on the best possible estimation of the related liability and taking into consideration all the available information, the Company has recognised a provision of EUR 2,569 thousand and EUR 2,675 thousand for this item in “Staff” and “Other equity instruments” of the accompanying balance sheet as at 31 December 2020 (EUR 1,672 and EUR 1,733 for this item in “non-current provisions” and “Other equity instruments” of the accompanying balance sheet as at 31 December 2019). Therefore, the impact on the income statement attached to the closing of the 2020 financial year amounted to EUR 1,839 thousand (EUR 1,717 thousand as at 31 December 2019).

ILP (2019-2021)

As described in Note 4.5, the Company, on the basis of the best possible estimate of the obligation associated with that plan and taking into account all available information, as of 31 December 2020 the Company has recorded a provision of EUR 4,526 thousand under the caption "Other equity instruments" of the accompanying balance sheet (EUR 2,133 thousand at the end of 2019). Therefore, the impact on the income statement attached at the end of the 2020 financial year amounts to EUR 2,393 thousand (EUR 2,133 thousand at the end of 2019).

ILP (2020-2022)

As described in note 4.5, based on the best possible estimation of the related liability and taking into consideration all the available information the Company has recognised a provision of EUR 1,997 thousand euros for the item in “Other equity instruments” of the accompanying balance as at 31 December 2020.

16.5. Other Contingencies

On 19 May 2009, the Board of the National Commission on Markets and Competition (CNMC) imposed a fine of EUR 22.7 million on Cellnex Telecom, S.A. (formerly Abertis Telecom, S.A.U.) for abusing its dominant position in the Spanish market for transmitting and broadcasting TV signals, pursuant to article 2 of the Competition Act and article 102 of the Treaty on the Functioning of the European Union. The Company filed an appeal for judicial review with the National Appellate Court against the CNMC fine, which was dismissed in the judgement passed on 16 February 2012. This judgement was appealed to the Supreme Court on 12 June 2012. On 23 April 2015 the appeal was resolved, upholding the appeal and annulling the decision of the CNMC with regard to the amount of the fine, ordering the current CNMC to recalculate that amount in accordance with the provisions of law 16/89. The CNMC has issued its decision recalculating the aforementioned amount, reducing it to EUR 18.7 million and this decision was appealed against in the National High Court on 29 September 2016. Based on the opinion of its legal advisers, at 31 December 2020 Retevisión-I, SAU has recorded a provision under “non-current provisions and other liabilities” of the balance sheet for a total of EUR 18.7 million (EUR 18.7 million at the close of 2019).

On 8 February 2012, the Board of the National Commission on Markets and Competition (CNMC) imposed a fine of EUR 13.7 million on Cellnex Telecom, S.A. (formerly Abertis Telecom, S.A.U.) for having abused its dominant position, pursuant to article 2 of the Competition Act and article 102 of the Treaty on the Functioning of the European Union. The company allegedly abused its dominant position in wholesale service markets with access to infrastructure and broadcast centres of Cellnex for broadcasting DTT signals in Spain, and retail service markets for transmitting and distributing DTT signals in Spain by narrowing margins. On 21 March 2012, the Company filed an appeal for judicial review against the decision of the CNMC with the National Appellate Court, also requesting a delay of payments with regard to the fine until the court passes a ruling on this matter. This delay was granted on 18 June 2012. On 20 February 2015 the National Appellate Court partially upheld the appeal, ordering the CNMC to recalculate the fine as it considered that the criteria used at the time by the CNMC were not appropriate. Notwithstanding the foregoing, on 26 May 2015, an appeal was filed with the Supreme Court against the judgement of the National Appellate Court on the grounds that it is not only about the recalculation of the amount but also that the Company did not break any competition rules.

On 23 March 2018, the Supreme Court issued a judgment dismissing the appeal, and is awaiting the return of the file to the CNMC for the recalculation of the sanction. Cellnex Telecom, S.A. filed a nullity incident, which was dismissed on 19 July 2018. On 10 October 2018, Cellnex Telecom, S.A. filed an appeal with the Constitutional Court against the ruling. On 13 February 2019 the Constitutional Court dismissed Cellnex Telecom, S.A.’s appeal. Following the corresponding calculation procedure, the CNMC has ruled that the amount of the fine should not be amended. Cellnex Telecom, S.A., has filed an appeal against such decision. The original guarantee was provided on 4 February 2020. With regard to these proceedings, the provision recognised, by the Company's Directors based on the opinion of their legal advisers, amounted to EUR 13.7 million under “non-current provisions and other liabilities” of the balance sheet of Retevision-I, S.A.U. at 31 December 2020 (EUR 13.7 million at 31 December 2019).

Because of the spin-off of Abertis Telecom S.A.U. (now Abertis Telecom Satélites, S.A.U.) on 17 December 2013, Cellnex Telecom, S.A. assumed all rights and obligations that may arise from the before mentioned legal proceedings, as they relate to the spin-off business (terrestrial telecommunications). An agreement has therefore been entered into between Cellnex Telecom, S.A. and Abertis Telecom Satélites, S.A.U. stipulating that if the before mentioned amounts have to be paid, Retevisión-I, S.A.U. will be responsible for paying these fines. At 31 December 2020, Cellnex Telecom, S.A. has provided three guarantees amounting to EUR 32.5 million (EUR 46.3 million at the close of 2019) to cover the disputed rulings with the National Competition Commission explained above.

17. Related party transactions

17.1. Directors and senior management

Remuneration received by the Company's directors in 2020 and 2019 was as follows:

i. Members of the Board of Directors accrued EUR 1,630 thousand for exercising the functions as directors of Cellnex Telecom, S.A. (EUR 1,464 thousand in 2019).

In the exercise of senior management functions, the CEO has accrued EUR 2,335 thousand corresponding to fixed and variable remuneration (EUR 3,195 thousand in 2019) and accrual of EUR 1,650 thousand for the achievement of the multiannual objectives set out in the "Long-Term Incentive Plan" that is consolidated in December 2020, estimated to assume 137.5% compliance. Accounting provisions for all LTIP in progress (2018-2020, 2019-2021 and 2020-2022), for the year closed at 31 December 2020 amount to EUR 1,373 thousand (EUR 1,893 thousand in 2019 for all "Long-Term Incentive Plans").

ii. In addition, the CEO of Cellnex Telecom, S.A. accrued by way of other benefits contributions to cover pensions and other remuneration in kind in the respective amounts of EUR 250 thousand and EUR 28 thousand (EUR 250 thousand and EUR 28 thousand in 2019, respectively).

Cellnex Telecom, S.A. defines Senior Management as directors that perform management duties and report directly to the CEO. Fixed and variable remuneration for 2020 for members of senior management amounted to EUR 4,547 thousand (EUR 5,671 thousand in 2019).

In addition, members of Senior Management accrued by way of other benefits contributions to cover pensions and other remuneration in kind in the respective amounts of EUR 334 thousand and EUR 174 thousand in 2020 (EUR 304 thousand and EUR 132 thousand in 2019).

Additionally, in accordance with the Company's Remuneration Policy, during the 2017, 2018, 2019 and 2020 fiscal years, several incentive plans were approved linked to the achievement of certain multi-year objectives of the Company (see Notes 4.5 and 16.4).

The Company has taken out an executives and directors civil liability policy for the members of the Board of Directors, the Chief Executive Officer and all the directors of the Cellnex Telecom group at a cost amounting to EUR 538 thousand and EUR 288 thousand at 31 December 2020 and 2019, respectively.

17.2. Other disclosures concerning Directors

In accordance with Article 229 of the Spanish Limited Liability Companies Law, the directors have reported that neither they nor any persons related to them are involved in any situations that may lead to a direct or indirect conflict with the Company's interests.

17.3. Group companies and associates

The financial assets and liabilities held by the Company with Cellnex Group companies and associates at year-end 2020 and 2019, with the exception of equity instruments (see Note 8), are as follows:

2020

	Thousands of Euros					
	Assets				Liabilities	
	Non-Current loans	Non-Current Investments[1]	Current loans	Receivables	Payables	Current Loans
Adesal Telecom, S.L.	-	-	48	2	-	-
Belmont Infra Holding	-	-	-	726	-	-
Cellnex Austria, GmbH	-	-	-	237	-	-
Cellnex Denmark ApS	-	-	-	91	-	-
Cellnex Finance Company, S.A.	-	607	25	-	-	590,791
Cellnex France, S.A.S.	402	-	-	751	-	-
Cellnex France Groupe, S.A.S.	-	-	-	3,656	-	-
Cellnex Ireland Limited	-	-	-	19	-	-
Cellnex Italia, S.P.A	362	-	-	160	501	-
Cellnex Netherlands, BV	336	-	-	514	-	17,448
CLNX Portugal, S.A.	360,000	-	6.065	-	-	-
Cellnex Telecom España, S.L.	242	-	-	103	-	2,515
Cellnex Switzerland, AG	563	-	-	2,154	-	-
Cellnex UK Limited	302	-	-	4,360	121	19
Cignal Infrastructures Limited	143	-	380	621	-	-
On Tower France, S.A.S.	67	-	-	-	-	-
OMTEL, Estruturas de Comunicaçoes	263	-	-	7	-	-
On Tower Telecom Infraestructuras, S.A.	-	-	3,720	28	157	-
Cellnex Connectivity Solutions Limited	-	-	-	35	-	-
Retevisión-I, S.A.	189	-	38,667	1,563	11,002	-
Cellnex Poland sp. z.o.o	-	-	-	316	-	-
Springbok Mobility	-	-	-	43	-	-
Swiss Towers, AG	-	-	-	28	-	-
TowerCo, S.p.A.	-	-	-	20	-	-
Towerlink France	-	-	-	51	-	-
Tradia Telecom, S.A.	360	-	8,223	489	2,459	-
Ukkoverkot Oy	-	-	-	10	-	-
Xarxa Oberta de Catalunya	38	-	1,433	102	-	239
Zenon Digital Radio	-	-	278	6	-	-
Total	**363,267**	**607**	**58,839**	**16,092**	**14,240**	**611,012**

[1]Corresponds to the contract formalized for a cross currency swap with Cellnex Finance Company, S.A.U. (see Note 12.3)

2019

	Thousands of Euros					
	Assets			Liabilities		
	Non-current loans	Current loans	Receivables	Payables	Curent loans	Non-Curent loans
Adesal Telecom, S.L.	-	18	-	-	-	-
Alticom, BV	-	-	-	-	-	-
Cellnex France, S.A.S.	211,672	310	3,749	-	-	-
Cellnex France Groupe, S.A.S.	-	41	1,556	-	-	-
Cellnex Italia, S.r.L.	205	-	97	-	-	-
Cellnex Netherlands, BV	163	8,475	1,206	-	10,748	-
Cellnex Telecom España, S.L.	142	-	67	-	78,154	17,050
Cellnex Switzerland, AG	211	-	90	-	-	-
Commscon Italia S.R.L.	-	-	-	508	-	-
Cellnex UK Limited	95	2,500	109	114	39,454	-
Cignal Infrastructures, Ltd	106,991	1,756	-	-	-	-
Galata, S.p.A	600,016	1,233	-	-	-	-
On Tower Telecom Infraestructuras, S.A.U.	250,306	1,867	2	-	47,266	-
Retevisión-I, S.A.U.	133	14,883	326	-	5	-
Shere Masten BV	-	-	51	-	-	-
Towerlink Portugal, ULDA	-	1,000	-	-	-	-
Tradia Telecom, S.A.U.	192	3,226	255	-	-	-
Xarxa Oberta de Catalunya, S.A.	29	392	47	-	-	-
Zenon Digital Radio, S.L.	-	57	-	-	-	-
Total	**1,170,155**	**35,758**	**7,555**	**622**	**175,627**	**17,050**

In the context of the financial reorganization of the Company explained in Note 8, the transfer to Cellnex Finance Company, S.A.U., as the new debtor, of the Company's indebtedness to Group companies and associates in the amount of EUR 210,604 thousand derived from contracts *cash pooling*, the termination of certain debt instruments granted by the Company, as a creditor, in favour of certain Group companies and associates for an amount of EUR 1,623,272 thousand and the granting of new debt instruments by Cellnex Finance Company, S.A.U. in favor of the same companies of the Group and associates for the same amount.

As of 31 December 2020, under the caption "Credits to Group companies and non-current partners, the Company has registered the amounts corresponding to:

a) On 13 February 2020, the Company signed a long-term bond with CLNX Portugal, S.A. for an amount of EUR 235 million and a 5 year maturity from the date of disposal. It has been contracted under market conditions. In addition, on 24 September 2020, the Company signed an additional long-term bond issuance with CLNX Portugal, S.A. for an amount of EUR 125 million and a 5-year maturity. At the end of the 2020 financial year, interest accrued and not collected amounted to EUR 6,065 thousand.

As of 31 December 2020, under the caption "Credits to Group companies and current partners" the Company has registered the amounts corresponding to:

b) Current debtor balance of the receivables with the Group companies that are part of the Tax Consolidation Group, by consolidated corporate tax regime amounting to EUR 45,148 thousand (EUR 13,780 thousand at the end of 2019).

c) Current debtor balance of the receivables with the Group companies that are part of the Tax Consolidation Group, by consolidated VAT tax regime, amounting to EUR 7,221 thousand.

As of 31 December 2020, under the caption "Debts with Group companies and current partners" the Company has registered the amounts corresponding to:

a) On 15 January 2017, the Company signed a credit facility with the Group company Cellnex Netherlands B.V., with a limit of 20 million euros and a six-monthly maturity from the date of disposal, renewable tenderly for periods of the same duration. On 15 January 2019, the limit was expanded to 80 million. As of 31 December 2020, the amount of this facility is EUR 17,447 thousand (EUR 10,747 thousand at the end of 2019), and interest accrued and unpaid amounted to EUR 1 thousand (EUR 1 thousand at the end of 2019).

b) On 10 December 2020, a centralized Treasury management contract was signed between Cellnex Telecom, S.A. and Cellnex Finance Company, S.A.U, which includes provisions both short and long term, and lasting one year, renewable tenderly for annual periods. As of 31 December 2020, the Company maintains a short-term debt amounting to EUR 589,485 thousand, and interest accrued and unpaid amounted to EUR 69 thousand.

c) Creditor balances with the Group companies that are part of the Tax Consolidation Group, by consolidated corporate tax regime amounting to EUR 3,495 thousand (EUR 1,005 thousand at the end of 2019).

d) Creditor balances with the Group companies that are part of the Tax Consolidation Group, by consolidated VAT tax regime amounting to EUR 497 thousand.

As of 31 December 2020, there are no long-term debts to Group companies and associates.

The Company's transactions with Cellnex Group companies and associates in 2020 and 2019 are as follows:

2020

	Thousands of Euros				
	Income			Expenses	
	Dividends	Services rendered	Accrued interests	Services received	Accrued interests
Alticom, B.V.	-	9	-	-	-
Belmont Infra Holding	-	726	-	-	-
Cellnex Austria, GmbH	-	237	-	-	-
Cellnex Denmark, ApS	-	91	-	-	-
Cellnex Finance Company, S.A.U.	-	-	-	-	69
Cellnex France, S.A.S.	-	758	6,402	-	-
Cellnex France Groupe, S.A.S.	-	3,633	418	-	-
Cellnex Ireland Limited	-	19	-	-	-
Cellnex Italia, S.p.A.	-	3,813	14,260	501	-
Cellnex Netherlands, B.V.	-	1,592	-	-	-
CLNX Portugal, S.A.	-	-	6,065	-	-
Cellnex Switzerland, AG	-	2,014	-	-	-
Cellnex Telecom España, S.L.U.	92,212	11,036	-	-	1,182
Cellnex UK Limited	-	3,679	2,437	-	116
Cignal Infrastructure Services, Ltd.	-	589	1,421	-	-
OMTEL, Estructuras de Comunicaçoes, S.A.	-	7	-	-	-
On Tower Telecom Infraestructuras, S.A.U.	-	167	6,831	130	-
Cellnex Connectivity Solutions Limited	-	35	-	-	-
Retevisión-I, S.A.U.	-	1,426	-	9,142	-
Cellnex Poland sp z.o.o.	-	316	-	-	-
Swiss Towers, AG	-	20	-	-	-
TowerCo, S.p.A.	-	4	-	-	-
Towerlink France, S.A.S.	-	42	113	-	-
Towerlink Portugal, ULDA	-	-	8	-	-
Tradia Telecom, S.A.U.	-	595	-	2.032	-
Ukkoverkot Oy	-	10	-	-	-
Xarxa Oberta de Comunicació i Tecnologia de Catalunya, S.A.	-	104	-	-	-
Total	**92,212**	**30,922**	**37,955**	**11,805**	**1,367**

Cellnex Telecom, S.A. has approved a dividend distribution for an amount of EUR 5,082 thousand from Cellnex Netherlands, B.V. which has been recognised as a reduction of the cost of the investment (see Note 8).

2019

	Thousands of Euros				
	Income			Expenses	
	Dividends	Services rendered	Accrued interest	Services received	Accrued interest
Cellnex France, S.A.S.	-	4,229	1,073	-	-
Cellnex France Groupe, S.A.S.	-	-	1,555	-	-
Cellnex Italia, S.r.L.	31,601	3,781	-	-	-
Cellnex Netherlands, B.V.	8,475	1,206	-	-	-
Cellnex Switzerland, AG	-	27	-	-	-
Cellnex Telecom España, S.L.U.	86,359	13,239	-	-	408
Cellnex UK Limited	-	1,646	522	564	74
Cignal Infrastructure Services, Ltd.	-	-	1,756	-	-
Commscon Italia S.R.L.	-	-	-	512	-
Cellnex Italia, S.p.A.	-	-	1,233	-	-
On Tower Telecom Infraestructuras, S.A.U.	-	75	455	62	-
Retevisión-I, S.A.U.	-	1,486	-	11,798	-
Shere Masten, B.V.	-	50	-	-	-
Swiss Towers, AG	-	1,688	-	-	-
Towerlink Portugal, ULDA	-	-	1	-	-
Tradia Telecom, S.A.U.	-	667	-	4,308	-
Xarxa Oberta de Comunicació i Tecnologia de Catalunya, S.A.	-	157	-	-	-
Total	**126,435**	**28,251**	**6,595**	**17,244**	**482**

Financial interest with the various Group companies are those accrued on loans and financial debt held by the Company, as mentioned above.

17.4. Other related parties

Other related parties, in addition to the Group companies and associates indicated in Note 17.3 above and as defined in Spain's General Accounting Plan, include shareholders (and their subsidiaries) of Cellnex Telecom, S.A. that exercise significant influence over it, those with the right to appoint a director or those with a stake of more than 3%.

On 12 July 2018, ConnecT acquired 29.9% of the Company's share capital. ConnecT is controlled by Sintonia, a subholding company wholly-owned by Edizione and, in turn, Sintonia is the largest shareholder of Atlantia. As a result, as of 31 December 2018, Edizione, together with its group of companies, is considered a party related to the Company. As of 31 December 2020, Edizione is listed as a reference shareholder of Cellnex Telecom, S.A. with a 13.03% stake.

Services rendered and received

The transactions carried out with Abertis Group companies and associates during 2020 and 2019 financial years are as follows:

2020

	Thousands of Euros	
	Income	Expenses
	Services rendered	Services received
Abertis Autopistas España, S.A.	228	-
Total	**228**	**-**

2019

	Thousands of Euros	
	Income	Expenses
	Services rendered	Services received
Abertis Autopistas España, S.A.	192	-
Total	**192**	**-**

The Company carries out all its transactions with related parties on an arm's length basis. Also, given that transfer prices are adequately documented, the Company's Directors consider that there are no significant risks that could give rise to material liabilities in the future.

Other

The other assets and liabilities held by the Company with companies of the Abertis group and associates at 31 December 2020 and 2019 are the following:

2020

	Thousands of Euros	
	Assets	Liabilities
	Receivables	Payables
Abertis Autopistas España, S.A.	130	-
Total	**130**	**-**

2019

	Thousands of Euros	
	Assets	Liabilities
	Receivables	Payables
Abertis Autopistas España, S.A.	254	-
Total	**254**	**-**

18. Other information

18.1. Audit fees

In 2020 and 2019 the fees for financial audit and other services provided by the auditor of the Company's financial statements, Deloitte, S.L., or by companies related to these auditors as a result of control, common ownership or common management, were as follows:

	Thousands of Euros	
	2020	2019
Audit of financial statements	782	626
Verification services	474	1,637
Total audit services and other related services	**1,256**	**2,263**
Tax advisory services	46	97
Other services	2,040	-
Total professional services	**3,342**	**2,360**

18.2. Information on deferral of payment to suppliers.

The information required by the additional third decree of Law 15/2010 of 5 July (modified by the second final decree of Law 31/2014) prepared in accordance with the resolution issued by the Spanish Accounting and Auditing Institute (AAI) of 29 January 2016 in relation to the information to be disclosed in the annual report with regard to the average supplier payment period for commercial transactions, is set up below:

	Thousands of Euros	
	2020	2019
Total payments in the year	54,731	62,971
Total payments outstanding	14,777	1,389
Average payment period to suppliers (days)	34 days	38 days
Ratio of transactions paid (days)	42 days	39 days
Ratio of transactions outstanding (days)	5 days	26 days

In accordance with the AAI resolution, only the delivery of goods and services from the date Law 31/2014 of 3 December came into force have been taken into account.

For the sole purpose of the disclosure of information required by this resolution, the term 'suppliers' relates to the trade payables for debts with suppliers of goods or services included in the caption 'Trade and other payables' in the short term liabilities of the balance sheet.

Average payment period to suppliers is understood to mean the period lapsed from the delivery of goods or services by the supplier to the actual payment of the transaction.

18.3 Modification or termination of contracts

There has been no conclusion, modification or early termination of any contract between the Company and any of its partners or Directors or person acting on their behalf, affecting operations outside the ordinary traffic of the Company or that has not been carried out under normal conditions.

19. Events after the reporting period

T-Mobile Infra Acquisition

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

The closing of the T-Mobile Infra Acquisition is expected to take place in the first half of 2021, following receipt of among others, customary regulatory authorizations.

CK Hutchison Holdings Swedish Transaction

On 26 January 2021, the CK Hutchison Holdings Swedish Transaction has been completed and, consequently, the Group has acquired Hutchison's European tower business and assets in Sweden, comprised of approximately 2,300 sites. Cellnex also anticipates the further deployment of up to 2,880 new sites in Sweden by 2026. See Note 16.2 of the accompanying financial statements.

Hivory Acquisition

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

Completion of the Hivory Acquisition is subject to certain conditions precedent, and closing is expected in the second half of 2021.

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

New Bond Issuance in 2021

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

Iliad Poland Acquisition

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

20. Explanation added for translation to English

These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Company in Spain (see Note 2.1). Certain accounting practices applied by the Company that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

Cellnex Telecom, S.A.
Appendix I to the Notes to the 2020 financial statements
(Thousands of Euros)

Direct Ownership Interests

Company	Registered Office	Activity	% Direct ownership	Ownership net value	Auditor	Net Equity: Share Capital	Net Equity: Share premium and reserves (interim dividend deducted)	Operating profit/loss	Profit for the year	Dividends received
2020:										
Cellnex Italia, S.p.A.	Via Carlo Cesare Giulio Viola, 43 CAP 00148 Roma	Holding	100%	952,310	Deloitte	1,000	985,633	90,919	43,710	-
Cellnex Netherlands, B.V.	Papendorpseweg 75-79 3528 BJ Uthrecht, the Netherlands	Holding	100%	511,355	Deloitte	-	328,506	(3,090)	4,939	-
Cellnex UK Limited	Office 132 Spaces Liverpool Street Station, 35 New Broad Street, London, EC2M 1NH	Holding	100%	1,856,985	Deloitte	1,349,203	477,027	(22,981)	(32,043)	-
Cellnex France Groupe, S.A.S.	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	Holding	100%	2,324,391	Deloitte	7,466	2,309,887	(14,285)	(14,393)	-

(*) Unaudited financial statements at 31 December 2020.

This appendix forms an integral part of Note 8 to the 2020 financial statements, with which it should be read.

Company	Registered Office	Activity	% Direct ownership	Ownership net value	Auditor	Net Equity		Operating profit/loss	Profit for the year	Dividends received
						Share Capital	Share premium and reserves (interim dividend deducted)			
2020:										
Cellnex Telecom España, S.L.U.	Juan Esplandiú, 11-13 28007 Madrid	Holding	100%	2,807,500	Deloitte	103,753	2,630,259	(5,342)	97,409	92,212
Cellnex Switzerland, AG	Thurgauerstrasse, 136 8152 Opfikon	Holding	72,22%	581,117	Deloitte	184	724,095	(579)	(550)	-
Towerlink Portugal, ULDA (*)	Avenida Álvares Cabral, nº61 – 4º piso, 1250-017 Lisboa, Portugal	Fixed and mobile telecommunications services provider	100%	4,000	-	4,000	85	132	78	-
Cignal Infrastructure Services, Ltd.	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18, YV50, Ireland	Terrestrial telecommunications infrastructure operator	100%	178,636	Deloitte	3,252	55,595	4,831	4,198	-
Ukkoberkot Oy (*)	Itämerentori 2, 00180 Helsinki Finland	Holding	100%	25,517	Deloitte	3	7,659	(688)	(689)	-
CLNX Portugal (*)	Av. Fontes Pereira de Melo, nº 6 7 º direito, Distrito: Lisboa Concelho: Lisboa Fregesia , San Antonio 1050 121 Lisboa	Holding	100%	1,037,384	Deloitte	50	715,678	(1,972)	(33,901)	-

(*) Unaudited financial statements at 31 December 2020.

This appendix forms an integral part of Note 8 to the 2020 financial statements, with which it should be read.

Sociedad	Domicilio	Actividad	% Participación Directa	Valor neto de la participación	Auditor	Patrimonio neto		Resultado explotación	Resultado ejercicio	Dividendos recibidos
						Capital	Prima de Emisión y Reservas (deducido dividendo a cuenta)			
2020:										
Cellnex Finance Company, S.A.	Juan Esplandiú, 11-13 28007 Madrid	Group Finance Company	100%	1,000,060	Deloitte	60	1,000,000	(612)	(3,712)	-
Cellnex Sweden, AB (*)	Box 162 85, 103 25 Stockholm	Holding	100%	2	Deloitte	-	-	-	-	-
Cellnex Austria, GmbH (*)	Schubertring 6, 1010 Vienna	Holding	100%	953,035	Deloitte	35	953,000	(2,383)	(2,441)	-
Cellnex Ireland Limited (*)	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18, YV50,	Holding	100%	499,000	Deloitte	499,000	-	(1,585)	(1,710)	-
Cellnex Poland sp z,o,o (*)	Plac Marsz, Józefa Pilsudskiego 100-078 Warsaw	Holding	100%	3	Deloitte	-	-	-	-	-
Cellnex Denmark, ApS	Sundkrogsgade 5, DK-2100 Copenhagen	Holding	100%	350,005	Deloitte	349,797	(39)	(1,316)	(1,338)	-
Total ownership				**13,081,300**						**92,212**

(*) Unaudited financial statements at 31 December 2020.

This appendix forms an integral part of Note 8 to the 2020 financial statements, with which it should be read.

Cellnex Telecom, S.A.
Appendix I to the Notes to the 2020 financial statements

(Thousands of Euros)

Indirect Ownership Interests

Company	Registered Office	Activity	% Direct ownership	Ownership net value	Auditor	Net Equity		Operating profit/loss	Profit for the year
						Share Capital	Share premium and reserves (interim dividend deducted)		
2020:									
Indirect Ownership									
Retevisión-I, S.A.U,	Juan Esplandiú, 11 28007 Madrid	Terrestrial telecommunications infrastructure operator	100%	Cellnex Telecom España, S.L.U.	Deloitte	81,270	29,178	108,673	82,966
Tradia Telecom, S.A.U,	Avenida del Parc Logístic 12-20 08040 Barcelona	Terrestrial telecommunications infrastructure operator	100%	Cellnex Telecom España, S.L.U.	Deloitte	131,488	31,683	26,433	21,590
On Tower Telecom Infraestructuras, S.A.U.	Juan Esplandiú, 11 28007 Madrid	Terrestrial telecommunications infrastructure operator	100%	Cellnex Telecom España, S.L.U.	Deloitte	72,725	370,394	31,000	1,548
Gestora del Espectro, S.L. (*)	Juan Esplandiú, 11 28007 Madrid	Terrestrial telecommunications infrastructure operator	100%	Cellnex Telecom España, S.L.U.	-	-	(1)	(1)	-
Metrocall, S.A.	c/ Juan Espladiú 11-13 29007 Madrid	Implementation, organization and operation of the mobile network in Madrid	60%	Cellnes Telecom España S.L.U.	-	2,750	9,271	313	223
Adesal Telecom, S.L.	Ausias March 20, Valencia	Provision of related services for terrestrial telecommunications concessions and operators,	60,08%	Tradia Telecom, S.A.U.	Deloitte	3,228	1,711	782	585

(*) Unaudited financial statements at 31 December 2020,

This appendix forms an integral part of Note 8 to the 2020 financial statements, with which it should be read.

Company	Registered Office	Activity	% Direct ownership	Ownership net value	Auditor	Net Equity		Operating profit/loss	Profit for the year
						Share Capital	Share premium and reserves (interim dividend deducted)		
2020:									
Zenon Digital Radio, S.L. (*)	C/Lincoln, 11, 1º3º 08006 Barcelona	Marketing, development, installation and maintenance of TETRA systems	100%	Tradia Telecom, S.A.U.	-	32	1,926	890	660
Xarxa Oberta de Comunicació i Tecnologia de Catalunya, S.A.	Av. Del Parc Logístic, 12-20 08040 Barcelona	Management, maintenance and construction of the fiber optic network of the Generalitat de Catalunya	100%	Tradia Telecom, S.A.U.	Deloitte	6,825	12,960	5,295	3,729
TowerCo, S.p.A.	Via Cesare Giulio Viola, 43 CAP 00148 Roma	Terrestrial telecommunications infrastructure operator	100%	Cellnex Italia, S.p.A.	Deloitte	20,100	6,468	8.195	4,681
Tower Lease S.r.L.	Via Cesare Giulio Viola, 43 CAP 00148 Roma	Terrestrial telecommunications infrastructure operator	100%	Cellnex Italia, S.p.A.	Deloitte	100	1,121	(124)	(133)
TowerLink Italia, S.r.L. (*)	Via Cesare Giulio Viola, 43 CAP 00148 Roma	Terrestrial telecommunications infrastructure operator	100%	Cellnex Italia, S.p.A.	-	10	3	(3)	(2)
Areaventi, S.r.L.	Via Cesare Giulio Viola, 43 CAP 00148 Roma	Terrestrial telecommunications infrastructure operator	100%	Cellnex Italia, S.p.A.	Deloitte	500	784	-	-
Towerlink Netherlands, B.V.	Papendorppseweg 75-79 3518 BJ Utrecht, the Netherlands	Terrestrial telecommunications infrastructure operator	100%	Cellnex Netherlands, B.V.	Deloitte	-	69,411	7,128	6,007
Shere Masten, B.V.	Papendorppseweg 75-79 3518 BJ Utrecht, the Netherlands	Terrestrial telecommunications infrastructure operator	100%	Cellnex Netherlands, B.V.	Deloitte	18	208,558	17,512	14,799

(*) Unaudited financial statements at 31 December 2020.

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Company	Registered Office	Activity	% Direct ownership	Ownership net value	Auditor	Net Equity		Operating profit/loss	Profit for the year
						Share Capital	Share premium and reserves (interim dividend deducted)		
2020:									
Breedlink, B.V.	Papendorppseweg 75-79 3518 BJ Utrecht, the Netherlands	Terrestrial telecommunications infrastructure operator	100%	Cellnex Netherlands, B.V.	Deloitte	-	(493)	(189)	(154)
Alticom, B.V.	Papendorppseweg 75-79 3518 BJ Utrecht, the Netherlands	Terrestrial telecommunications infrastructure operator	100%	Cellnex Netherlands, B.V.	Deloitte	18	184,142	1,135	156
On Tower Netherlands, B.V.	Axelstraat, 58, 4537 AL, Terneuzen, The Netherlands	Terrestrial telecommunications infrastructure operator	100%	Cellnex Netherlands, B.V.	Deloitte	1,825	11,229	4,619	3,013
Springbok Mobility (*)	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	Provision of related services for concessionaires and terrestrial telecommunications operators	100%	Cellnex France Groupe, S.A.S.	-	1	(25)	(338)	(341)
Cellnex France, S.A.S.	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	Terrestrial telecommunications infrastructure operator	100%	Cellnex France Groupe, S.A.S.	Deloitte	21,543	835,694	11,671	(20,063)
Towerlink France, S.A.S. (*)	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	Terrestrial telecommunications infrastructure operator	99,99%	Cellnex France, S.A.S.	-	20	(300)	(267)	(688)
		Terrestrial telecommunications infrastructure operator							
Nextloop France, S.A.S	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	Terrestrial telecommunications infrastructure operator	51%	Cellnex France Groupe, S.A.S.	Deloitte	3,050	23,968	1,750	(685)

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Company	Registered Office	Activity	% Direct ownership	Ownership net value	Auditor	Net Equity		Operating profit/loss	Profit for the year
						Share Capital	Share premium and reserves (interim dividend deducted)		
2020:									
On Tower France S.A.S.	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	Terrestrial telecommunications infrastructure operator	70%	Cellnex France Groupe, S.A.S.	Deloitte	381,384	4,205	81,052	40,516
Compagnie Foncière ITM 1 (*)	58 avenue Emile Zola, Immeuble Ardeko, 92100 Boulogne-Billancourt	Terrestrial telecommunications infrastructure operator	100%	Cellnex France Groupe, S.A.S.	-	1	(69)	(4)	(4)
Cellnex UK Midco, Ltd.	Arbion House High Street, Unit 6 Woking One (Woking) Surrey GU21 6BG	Terrestrial telecommunications infrastructure operator	100%	Cellnex UK Limited	Deloitte	-	208,876	(20)	(4)
Watersite Holding Limited	Arbion House High Street, Unit 6 Woking One (Woking) Surrey GU21 6BG	Terrestrial telecommunications infrastructure operator	100%	Cellnex UK Midco, Ltd.	Deloitte	28,912	(10,398)	1,617	1,442
Radiosite Limited	Arbion House High Street, Unit 6 Woking One (Woking) Surrey GU21 6BG	Terrestrial telecommunications infrastructure operator	100%	Cellnex UK Midco, Ltd.	Deloitte	31,029	(4,535)	4,090	3,197
Cellnex Connectivity Solutions Limited	Arbion House High Street, Unit 6 Woking One (Woking) Surrey GU21 6BG	Terrestrial telecommunications infrastructure operator	100%	Cellnex UK Midco, Ltd.	Deloitte	1,924	136,718	(2,797)	(2,708)

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Company	Registered Office	Activity	% Direct ownership	Ownership net value	Auditor	Net Equity		Operating profit/loss	Profit for the year
						Share Capital	Share premium and reserves (interim dividend deducted)		
2020:									
Cellnex UK Consulting Limited	Arbion House High Street, Unit 6 Woking One (Woking) Surrey GU21 6BG	Terrestrial telecommunications infrastructure operator	100%	Cellnex UK Midco, Ltd.	Deloitte	2.529	(1.338)	390	393
On Tower UK, Ltd.	Crawley Court, Winchester. SO21 2QA	Terrestrial telecommunications infrastructure operator	100%	Cellnex UK Limited	Deloitte	3.227	582.391	61.101	37.316
On Tower UK, 1, Ltd	Crawley Court, Winchester. SO21 2QA	Terrestrial telecommunications infrastructure operator	100%	Cellnex UK Limited	Deloitte	3.017	25.999	3.083	2.765
On Tower UK 2, Ltd	Crawley Court, Winchester. SO21 2QA	Terrestrial telecommunications infrastructure operator	100%	Cellnex UK Limited	Deloitte	4.498	3.261	3.037	2.105
On Tower UK 3, Ltd	Crawley Court, Winchester. SO21 2QA	Terrestrial telecommunications infrastructure operator	100%	Cellnex UK Limited	Deloitte	2.811	(1.305)	-	-
On Tower UK, 4 Ltd	Crawley Court, Winchester. SO21 2QA	Terrestrial telecommunications infrastructure operator	100%	Cellnex UK Limited	Deloitte	112	8.108	8	8
On Tower UK, 5 Ltd	Crawley Court, Winchester. SO21 2QA	Terrestrial telecommunications infrastructure operator	100%	Cellnex UK Limited	Deloitte	-	-	-	-
Swiss Infra Services, SA	Rue du Caudray, 4, 1020 Renens Vaud	Terrestrial telecommunications infrastructure operator	90%	Swiss Towers, AG	Deloitte	90	44.261	42.867	27.783

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Company	Registered Office	Activity	% Direct ownership	Ownership net value	Auditor	Net Equity		Operating profit/loss	Profit for the year
						Share Capital	Share premium and reserves (interim dividend deducted)		
2020:									
Swiss Towers, AG	Thurgauerstrasse, 136 8152 Opfitkon	Terrestrial telecommunications infrastructure operator	100%	Cellnex Switzerland, AG	Deloitte	275,392	40,910	25,804	4,705
Grid Tracer, AG (*)	Thurgauerstrasse, 136 8152 Opfitkon	Internet of Things	55%	Swiss Towers, AG	-	93	(1)	44	35
OMTEL, Estructuras de Comunicaçoes, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho: Lisboa Fregesia, rroios 1050 121 Lisboa	Terrestrial telecommunications infrastructure operator	100%	CLNX Portugal, S.A.	Deloitte	576,345	(6,107)	7,532	(3,503)
On Tower Portugal, S.A.	Av. Fontes Pereira de Melo, nº6, 7º direito, Distrito: Lisboa Concelho: Lisboa Fregesia, rroios 1050 121 Lisboa	Terrestrial telecommunications infrastructure operator	10%	CLNX Portugal, S.A.	Deloitte	6,150	105,078	(1,040)	(1,419)
Cellcom Ireland Limited (in process of being sold)	Suite 311 Q house, 76 Furze Road Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	To provide communication sites used in the mobile network.	100%	Cignal Infrastructure Services, Ltd.	Deloitte	-	11,718	753	(169)
Shannonside Communications Limited	Suite 311 Q house, 76 Furze Road Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	To provide communication sites used in the mobile network. Proveer	100%	Cignal Infrastructure Services, Ltd.	Deloitte	-	47	23	20

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Sociedad	Domicilio	Actividad	% Participación Indirecta	Sociedad titular de la participación indirecta	Auditor	Patrimonio neto		Resultado explotación	Resultado ejercicio
						Capital	Prima de Emisión y Reservas (deducido dividendo a cuenta)		
On Tower Ireland Limited	28/29 Sir John Rogerson's Quay, Dublin 2, Dublin, Ireland (cambio dde domicilio social en proceso) después será Suite 311 Q house, 76 Furze Road Sandyford Industrial Estate, Dublin 18, D18 YV50, Ireland	Communication sites provider used in the mobile operator network	100%	Cellnex Ireland Limited	Deloitte	1,000	129,595	629	492
Edzcom Oy	Itämentori 2, 00180 Helsinki Finland	Communication sites provider used in the mobile operator network	100%	Ukkoverkot Oy	Deloitte	-	4,377	(1,138)	(1,157)
On Tower Austria, GmbH	Bruünner Strabe 52, 1210 Vienna	Communication sites provider used in the mobile operator network	100%	Cellnex Austria, GmbH	Deloitte	35	50,484	1,021	573
On Tower Denmark, ApS	Scandiagade 8, 2450 Kobenhavn SV	Communication sites provider used in the mobile operator network	100%	Cellnex Denmark, ApS	Deloitte	8,652	101,904	399	373
Torre de Collserola, S.A.	Ctra. Vallvidrera a Tibidabo, s/n Barcelona	Construcción y explotación de infraestructuras y telecomunicaciones	41,75	Retevisión-I, S.A.U.	Deloitte	4,520	170	33	2
Consorcio de Telecomunicaciones Avanzadas, S.A. (COTA)	C/ Uruguay, parcela 13R, nave 6, Parque Empresarial Magalia, Polígono Industrial Oeste Alcantarilla (Murcia)	Terrestrial telecommunications infrastructure operator	29,5%	Tradia Telecom, S.A.U.	Areas Auditores	1,000	879	603	452

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Company	Registered Office	Activity	% Direct ownership	Ownership net value	Auditor	Net Equity		Operating profit/loss	Profit for the year
						Share Capital	Share premium and reserves (interim dividend deducted)		
Nearby Sensors, S.L. (*)	C/Berruguete 60-62, Barcelona	Software and IT development app; development of network telecommunication systems	30,00%	Tradia Telecom, S.A.U.	-	47	(167)	(453)	281
Nearby Computing, S,L. (*)	C/Travessera de Gràcia, 18, Barcelona	Software and IT development app; development of network telecommunication systems	9,00%	Tradia Telecom, S.A.U.	-	6	1.434	(473)	(358)

(*) Unaudited financial statements at 31 December 2020.

This appendix forms an integral part of Note 8 to the 2020 financial statements, with which it should be read.

Cellnex Telecom, S.A.
Appendix I to the Notes to the 2019 financial statements
(Thousands of Euros)

Direct Ownership Interests

Company	Registered Office	Activity	% Direct ownership	Ownership net value	Auditor	Net Equity		Operating profit/loss	Profit for the year	Dividends received
						Share Capital	Share premium and reserves (interim dividend deducted)			
2019:										
Cellnex Italia, S.r.L	Via Carlo Veneziani 58, 00148 Roma (Italia)	Holding	100%	952,310	Deloitte	952,310	(1,758)	(2,739)	36,115	31,601
Cellnex Netherlands, BV	Dr. Lelykade 22, Unit 9, 2583CM's - Gravenhage	Holding	100%	516,437	Deloitte	-	327,119	(1,266)	7,490	8,475

(*) Unaudited financial statements at 31 December 2019.

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Company	Registered Office	Activity	% Direct ownership	Ownership net value	Auditor	Net Equity: Share Capital	Net Equity: Share premium and reserves (interim dividend deducted)	Operating profit/loss	Profit for the year	Dividends received
2019:										
Cellnex UK Limited	River Court, Albert Dr, Woking GU21 5RP, Reino Unido	Holding	100%	281,489	Deloitte	-	213,890	(4,706)	(5,396)	-
Cellnex France Groupe, S.A.S.	1, Avenue de la Cristallerie, 92310 Sèvres	Holding	100%	2,324,391	Deloitte	7,466	2,315,816	(1,251)	(5,705)	-
Cellnex Telecom España, S.L.U.	Juan Esplandiú, 11 28007 Madrid	Holding	100%	807,500	Deloitte	103,753	703,748	101,133	101,378	86,359
Cellnex Switzerland AG	Postastrasse 12 CH-6301, Zug, Switzerland	Holding	54%	579,191	Deloitte	188	733,999	(1,261)	8,175	-
Towerlink Portugal, ULDA (*)	Avenida Álvares Cabral, nº61 – 4º piso, 1250-017 Lisboa, Portugal	Fixed and mobile telecommunications services provider	100%	4,000	-	4,000	-	127	111	-
Cignal Infrastructures Services, Ltd.	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18, YV50, Ireland	Terrestrial telecommunications infrastructure operator	100%	111,928	Deloitte	-	(4,375)	1,743	(1,930)	-
Total share				**5,577,246**						**126,435**

(*) Unaudited financial statements at 31 December 2019.

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Cellnex Telecom, S.A.
Appendix I to the Notes to the 2019 financial statements

(Thousands of Euros)

Indirect Ownership Interests

Sociedad	Domicilio	Actividad	% Participación Indirecta	Sociedad titular de la participación indirecta	Auditor	Patrimonio neto		Resultado explotación	Resultado ejercicio
						Capital	Prima de Emisión y Reservas (deducido dividendo a cuenta)		
2019:									
Participación indirecta									
Retevisión I, S.A.U.	Juan Esplandiú, 11 28007 Madrid	Terrestrial telecommunications infrastructure operator	100%	Cellnex Telecom España, S.L.	Deloitte	81,270	49,218	99,115	92,796
Tradia Telecom, S.A.U.	Avenida del Parc Logístic 12-20 08040 Barcelona	Terrestrial telecommunications infrastructure operator	100%	Cellnex Telecom España, S.L.	Deloitte	131,488	19,001	26,429	20,623
On Tower Telecom Infraestructuras, S.A.U.	Juan Esplandiú, 11 28007 Madrid	Terrestrial telecommunications infrastructure operator	100%	Cellnex Telecom España, S.L.	Deloitte	72,725	384,529	10,976	7,564
Gestora del Espectro, S.L. (*)	Juan Esplandiú, 11 28007 Madrid	Development, implementation, management and marketing of terrestrial telecommunications services.	100%	Cellnex Telecom España, S.L.	-	-	-	-	-
Adesal Telecom, S.L.	Ausias March 20, Valencia	Provision of related services for terrestrial telecommunications concessions and operators.	60.08%	Tradia Telecom, S.A.U.	Deloitte	3,228	847	7	3
Zenon Digital Radio, S.L.(*)	C/Doctor Casas 20, Zaragoza	Marketing, development, installation and maintenance of TETRA systems	100%	Tradia Telecom, S.A.U.	-	32	-	223	166

(*) Unaudited financial statements at 31 December 2019.

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Sociedad	Domicilio	Actividad	% Participación Indirecta	Sociedad titular de la participación indirecta	Auditor	Patrimonio neto		Resultado explotación	Resultado ejercicio
						Capital	Prima de Emisión y Reservas (deducido dividendo a cuenta)		
2019:									
Xarxa Oberta de Comunicació i Tecnologia de Catalunya, S.A.	Av. Parc Logístic 12-20, Barcelona	Management, maintenance and construction of the fiber optic network of the Generalitat de Catalunya	100%	Tradia Telecom, S.A.U.	Deloitte	6,825	9,251	5,400	3,750
Galata, S.p.A.	Via Carlo Veneziani 56L, 00148 Rome, Italy	Terrestrial telecommunications infrastructure operator	100%	Cellnex Italia, S.r.L.	Deloitte	1,000	302,313	74,361	29,299
TowerCo, S.p.A.	Via Alberto Bergammini 50, Rome Italy	Terrestrial telecommunications infrastructure operator	100%	Cellnex Italia, S.r.L.	Deloitte	20,100	6,380	9,465	5,742
TowerLink Italia, S.r.L (*)	Via Carlo Veneziani 58, 00148 Rome, Italy	Terrestrial telecommunications infrastructure operator	100%	Cellnex Italia, S.r.L.	-	-	-	-	-
Commscon Italia, S.r.L.	Via Carducci 32, 20123 Milano	Terrestrial telecommunications infrastructure operator	100%	Cellnex Italia, S.r.L.	Deloitte	100	1,715	2,559	2,594
Towerlink Netherlands, B.V.	Dr. Lelykade 22, Unit 9, 2583CM's - Gravenhage	Terrestrial telecommunications infrastructure operator	100%	Cellnex Netherlands, BV	Deloitte	-	69,391	3,166	2,315
Shere Masten B.V.	Leeghwaterstraat 21, 2811 DT Reeuwiik, Netherlands	Terrestrial telecommunications infrastructure operator	100%	Cellnex Netherlands BV	Deloitte	18	206,070	16,267	14,565
Breedlink B.V.	Branderweg 7, 8042 PD, Zwolle	Terrestrial telecommunications infrastructure operator	100%	Cellnex Netherlands BV	Deloitte	-	(25)	(576)	(577)

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Sociedad	Domicilio	Actividad	% Participación Indirecta	Sociedad titular de la participación indirecta	Auditor	Patrimonio neto		Resultado explotación	Resultado ejercicio
						Capital	Prima de Emisión y Reservas (deducido dividendo a cuenta)		
2019:									
Alticom B.V.	Branderweg 7, 8042 PD, Zwolle	Terrestrial telecommunications infrastructure operator	100%	Cellnex Netherlands BV	Deloitte	18	182,661	3,523	2,642
On Tower Netherlands, B.V.	Axelstraat, 58, 4537 AL, Terneuzen, The Netherlands	Terrestrial telecommunications infrastructure operator	100%	Cellnex Netherlands BV	Deloitte	1,825	10,059	2,041	2,012
Springbook Mobility (*)	1, Avenue de la Cristallerie, 93210, Sèvres	Provision of related services for concessionaires and terrestrial telecommunications operators	100%	Cellnex France Groupe, S.A.S.	-	1	32	(57)	(57)
Cellnex France, S.A.S.	1, Avenue de la Cristallerie, 92310 Sèvres	Holding	100%	Cellnex France Groupe, S.A.S.	Deloitte	21,543	861,059	(5,906)	(25,356)
Towerlink France, SAS (*)	1, avenue de la Cristallerie (9th floor), Sèvres (92310).	Acquisition and deployment of strategic telecommunications centers with capacity to house data processing capabilities.	99.99%	Cellnex France, S.A.S	-	20	(15)	(77)	(103)
Iliad 7	31, Rue de la Baume – Paris (75008)	Terrestrial telecommunications infrastructure operator	70%	Cellnex France Groupe, S.A.S.	Deloitte	381,384	3,623	1,045	286

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Sociedad	Domicilio	Actividad	% Participación Indirecta	Sociedad titular de la participación indirecta	Auditor	Patrimonio neto		Resultado explotación	Resultado ejercicio
						Capital	Prima de Emisión y Reservas (deducido dividendo a cuenta)		
2019:									
Shere Midco Limited	River court, Albert Dr, Woking GU21 5RP, United Kingdom	Holding	100%	Cellnex UK Limited	Deloitte	-	215,088	(9)	54
Watersite Limited	River court, Albert Dr, Woking GU21 5RP, United Kingdom	Terrestrial telecommunications infrastructure operator	100%	Cellnex UK Midco Ltd	Deloitte	29,703	(10,954)	2,338	1,935
Radiosite Limited	River court, Albert Dr, Woking GU21 5RP, United Kingdom	Terrestrial telecommunications infrastructure operator	100%	Cellnex UK Midco Ltd	Deloitte	31,878	(5,310)	3,265	3,114
Cellnex Connectivity Solutions Limited	River court, Albert Dr, Woking GU21 5RP, United Kingdom	Terrestrial telecommunications infrastructure operator	100%	Cellnex UK Midco Ltd	Deloitte	1,977	146,504	(1,745)	(2,010)
Cellnex UK Consulting Limited	River court, Albert Dr, Woking GU21 5RP, United Kingdom	Terrestrial telecommunications infrastructure operator	100%	Cellnex UK Midco Ltd	Deloitte	2,598	(1,927)	584	592
Swiss Towers AG	Binzmühlestrasse 130, 8050 Zúrich, Switzerland	Terrestrial telecommunications infrastructure operator	54%	Cellnex Switzerland AG	Deloitte	279,903	51,689	18,912	5,871

(*) Unaudited financial statements at 31 December 2019.

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Sociedad	Domicilio	Actividad	% Participación Indirecta	Sociedad titular de la participación indirecta	Auditor	Patrimonio neto		Resultado explotación	Resultado ejercicio
						Capital	Prima de Emisión y Reservas (deducido dividendo a cuenta)		
2019:									
Swiss Infra Services, S.A.	Rue du Caudray, 4, 1020 Renens, Vaud	Terrestrial telecommunications infrastructure operator	64.99%	Swiss Towers, AG	Deloitte	92	41,987	9,128	3,383
Cellcom Ireland Limited	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18, YV50, Ireland	Provision of communication sites used by Mobile Network Operators	100%	Cignal Infrastructure Services	Deloitte	-	12,358	235	235
National Radio Network Limited	Suite 311 Q House, 76 Furze Road, Sandyford Industrial Estate, Dublin 18, D18, YV50, Ireland	Provision of communication sites used by Mobile Network Operators	100%	Cignal Infrastructure Services	Deloitte	-	535	-	-
Torre de Collserola, S.A.	Ctra. Vallvidrera a Tibidabo, s/n Barcelona	Construction and operation of terrestrial telecommunications infrastructure	41,75	Retevisión-I, S.A.	Deloitte	4.520	173	26	(4)

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Sociedad	Domicilio	Actividad	% Participación Indirecta	Sociedad titular de la participación indirecta	Auditor	Patrimonio neto		Resultado explotación	Resultado ejercicio
						Capital	Prima de Emisión y Reservas (deducido dividendo a cuenta)		
2019:									
Consorcio de Telecomunicaciones Avanzadas, S.A.	C/ Uruguay, parcela 13R, nave 6, Parque Empresarial Magalia, Polígono Industrial Oeste Alcantarilla (Murcia)	Provision of related services for terrestrial telecommunications concessions and operators	29,5%	Tradia Telecom, S.A.	Areas Auditores	1.000	1,204	629	374
Nearby Sensors, S.L. (*)	C/Berruguete 60-62, Barcelona	Software and IT development app; development of network telecommunication systems	30,00%	Tradia Telecom, S.A.	-	58	1,111	(339)	(171)
Nearby Computing, S.L. (*)	C/Travessera de Gràcia, 18, Barcelona	Software and IT development app; development of network telecommunication systems	9,00%	Tradia Telecom, S.A.	-	-	500	(25)	(19)

(*) Unaudited financial statements at 31 December 2019.

This appendix forms an integral part of Note 8 to the 2019 financial statements, with which it should be read.

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

Cellnex Telecom, S.A.

Directors' Report
for the year ended
31 December 2020

1. Information required under Article 262 of the Spanish Limited Liability Companies Law

1.1 Situation of the Company

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

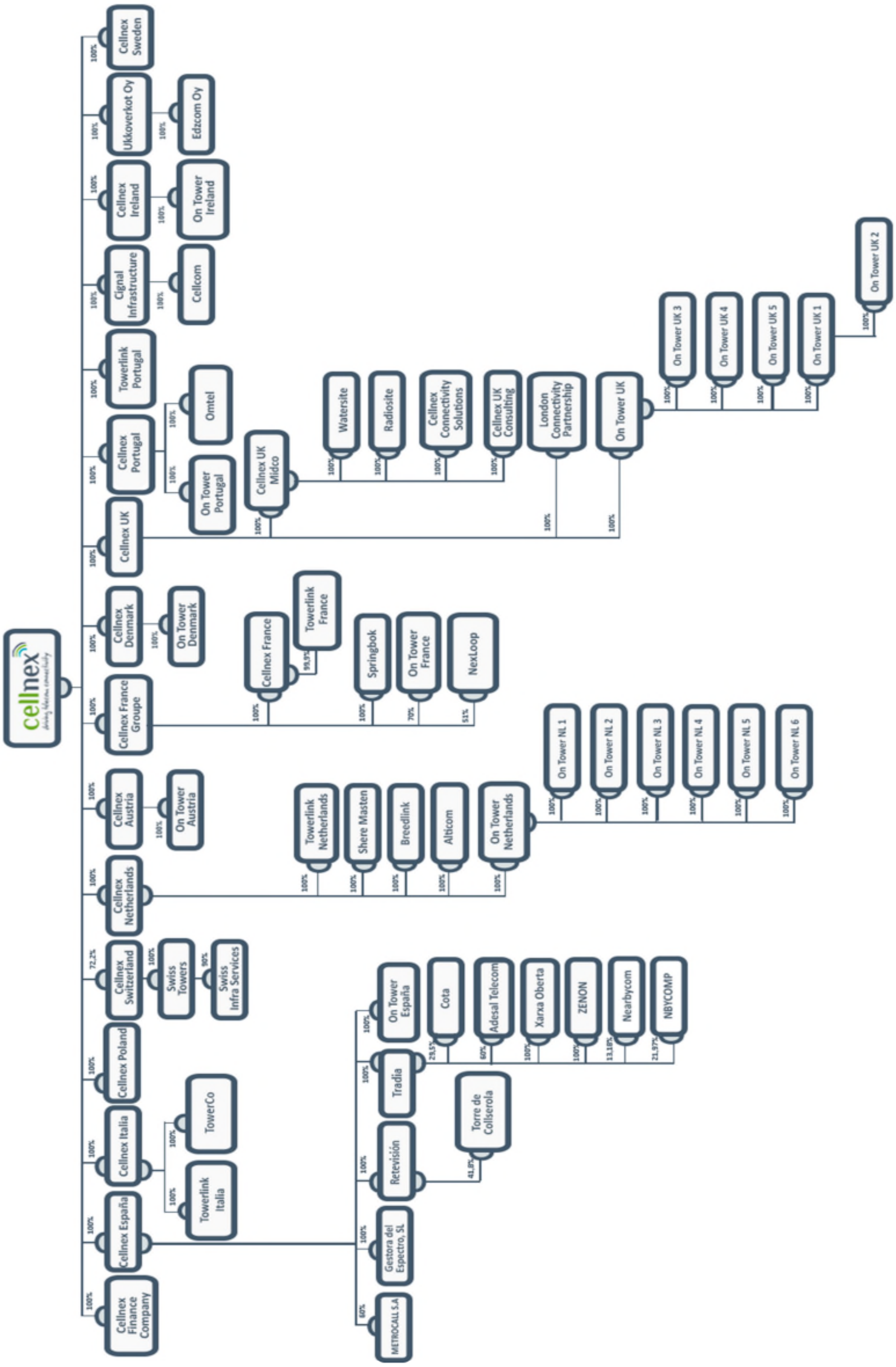
- Telecom Infrastructure Services,
- Broadcasting Infrastructure and
- Other Network Services.

Cellnex has successfully become the leading neutral[2] European telecommunications infrastructure operator with a portfolio of up to 61,108 infrastructures (not including forecast roll-outs up to 2031) located in Spain, Italy, France, Switzerland, the Netherlands, the UK, Ireland, Portugal, Finland, Austria and Denmark. As at 31 December 2020, the Group manages a portfolio of 58,104 sites and 3,004 nodes, making a total of 61,108 infrastructures. This business model is based on innovative, efficient, sustainable, independent and quality management to create value for its shareholders, customers, employees and all stakeholders. In addition, the Group is the main Broadcasting Infrastructure provider in Spain with a majority share in the national and regional markets.

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

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

As of 31 December 2020, the organisational structure of the Cellnex Group, hereinafter Cellnex or the Group, is as follows:



The breakdown of direct and indirect shareholdings in Group companies and associates is shown in Appendix I of the accompanying financial statements.

1.2 Business model and Significant events in 2020

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

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

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

<u>Telecom Infrastructure Services (TIS)</u>

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

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

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

COVID-19 agreement for connectivity for people and companies

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

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

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

Roll-out of a Fixed and Mobile Transport Fibre Network

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

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

Data centres

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

Installation of a multi-operator 4G tower

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

DAS and Small Cells

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

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

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

Distributed Antenna Systems at hospitals

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

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

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

DAS at Stadiums

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

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

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

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

5G network in BASF's production centre

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

Car parks

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

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

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

Shopping centres, Convention centres, Skyscrapers, Hotels and Resorts

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

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

5G mobile network at IESE Business School

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

Transport networks

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

5GMED Project

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

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

Broadcasting Infrastructure

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

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

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

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

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

LOVEStv

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

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

Network Services and others

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

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

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

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

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

IoT for Smart and Connected countries

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

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

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

IoT & Smart

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

Innovation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Mobility Lab

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

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

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

Consolidation in Europe

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

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

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

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

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

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

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

Portugal

OMTEL Acquisition

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

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

NOS Towering Acquisition

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

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

France

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

United Kingdom

Arqiva Acquisition

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

Finland

Agreement to acquire EDZCOM

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

Poland

Agreement with Iliad

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

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

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

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

CK Hutchison agreements

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

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

1.3 Activity and main risks and uncertainties

The financial statements of Cellnex Telecom, S.A. reflect the consequences of its investment activity and its activity as parent company of the group, both from the point of view of the balance sheet (investments and financing) and the income statement (contributions through dividends from the different companies and borrowing costs and structure).

The Company balance sheet is chiefly composed of shareholdings in companies and the financing required for their acquisition using debt.

On November, 2020, the Company's Board of Directors approved the reorganization of its financial function in order to improve efficiency. As a result of the aforementioned reorganization, the wholly owned company Cellnex Finance Company, S.A.U. has been incorporated.

In the context of the aforementioned financial reorganization, prior to December 31, 2020, the following operations have been carried out:

(i) the transfer to Cellnex Finance Company, S.A.U., as new debtor, of the following Company's indebtedness: indebtedness owed to third parties by the Company derived from financing contracts and indebtedness owed to Group companies by the Company derived from cash pooling contracts;

(ii) the termination of certain debt instruments granted by the Company, as creditor, in favour of certain Group companies and the granting of new debt instruments by Cellnex Finance Company, S.A.U. in favour of the same Group companies and for the same amount;

In relation with the abovementioned operations, the Company continues to act as guarantor of the transferred debt.

Additionally, in November 2020, Cellnex Finance established a Guaranteed Euro Medium Term Note Programme, guaranteed by the Company, registered on the Irish Stock Exchange plc, trading as Euronext Dublin, and allowing for the issue of bonds up to an aggregate amount of 10,000 million euros.

Finally, the Intra-group Debt Reorganization Transactions were completed and became effective at year end.

Due to the nature of its investment activity, the Company is exposed to certain financial risks, such as foreign currency risk, interest rate risk, credit risk, liquidity risk and Inflation risk. For more details, see note 5 of the accompanying financial statements.

Cellnex has implemented a risk management model that has been approved and is monitored by the Audit and Control Committee and is applicable to all business and corporate units in countries where the Group operates. The risk management model is aimed at effectively ensuring that the Group's objectives are achieved.

The information concerning the risks of the Company is presented, with this same date and in the same mercantile register, in the Consolidated Management report of the Cellnex Group, which has been prepared according to internationally recognised standards.

1.4 Information relating to the deferred of payments to suppliers

See the information in Note 18.2.of the accompanying financial statements

1.5 Use of financial instruments

In the year ended 31 December 2020, Cellnex Telecom, S.A. abided by the policy for use of financial instruments described in Note 5 to the accompanying financial statements.

1.6 Research and Development activities

The Company as Parent Company of Cellnex Group has not carried out any research and development activities, due to the fact that they are been developed at operative companies level. The information concerning the Group research and development activities is presented, in the Consolidated Management report of the Cellnex Group, which has been prepared according to internationally recognised standards.

1.7 Cellnex's Corporate Social Responsibility framework

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

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

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

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

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

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

An ESG Master Plan (2021-2025)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.8 Other Information

Non-financial information

The non-financial information presented in this Director's Report is complemented with the information presented, with this same date and in the same mercantile register, in the Consolidated Management report of the Cellnex Group, which has been prepared according to internationally recognised standards.

Shareholder remuneration

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

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

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

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

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

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

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

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

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

Business outlook

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

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

Market figures: Cellnex on the stock market

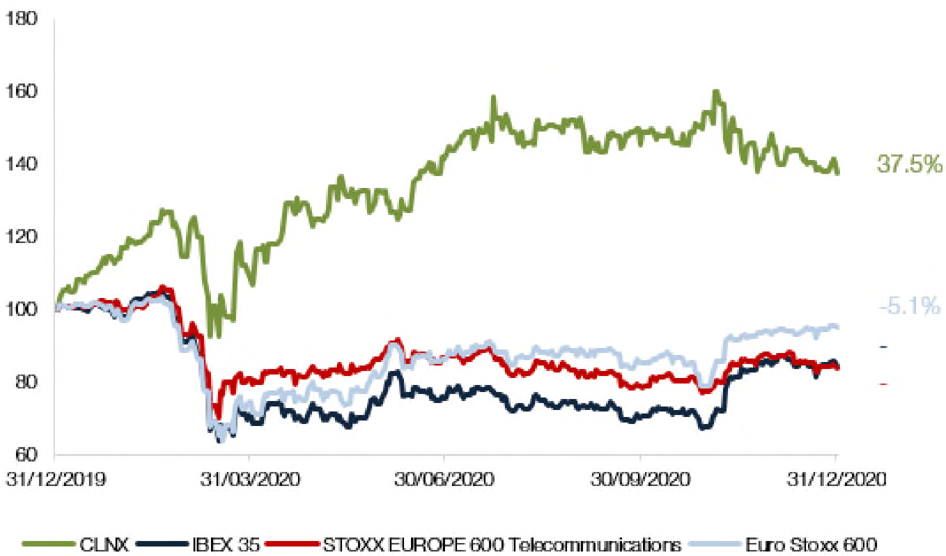
On 20 June 2016, the IBEX 35 Technical Advisory Committee approved Cellnex Telecom's (CLNX: SM) inclusion in the benchmark index of Spain's stock exchange, the IBEX 35, which brings together the principal companies on the Spanish stock exchange in terms of capitalisation and turnover. This milestone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

As at 31 December 2020, the share capital of Cellnex Telecom increased by EUR 25,345 thousand to EUR 121,677 thousand (EUR 96,332 thousand at the end of 2019), represented by 486,708,669 cumulative and indivisible ordinary registered shares of EUR 0.25 par value each, fully subscribed and paid (see Note 11.1 of the accompanying financial statements).

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

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

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



The detail of the main stock market indicators of Cellnex as of 31 December 2020 and 2019 is as follows:

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

Treasury shares

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

The treasury shares transactions carried out in 2020 are disclosed in Note 11.1 of the accompanying financial statements.

Sustainable development of the business

Responsible environmental management

In 2019 Strategic Sustainability Plan (2019-2023) was approved by the company’s senior management. The Plan aims to raise the level of the company’s responsibility in the field of sustainability to work towards becoming a leader in environmental management through eleven lines linked to the United Nations Sustainable Development Goals (SDG).

Strategic and Global Objectives of the Sustainability Plan are:

Following this strategy, Cellnex implemented several actions during 2020:

- Development of Cellnex' s sustainability and climate change policy in line with the Sustainable Development Goals (SDG) (L1 Sustainability Planning and Management).
- Complete screening of the scope 3 of Cellnex's carbon footprint calculation (L2 Climate change mitigation and adaptation).
- Update of the assessment of risks and opportunities related to climate change, following the recommendations of the TCFD (L2 Climate change mitigation and adaptation).
- Analise the climate scenarios of all countries following the recommendations of the "Task Force on Climate-related Financial Disclosures (TCFD) (L2 Climate change mitigation and adaptation).
- Collaborate in drawing up the Cellnex' s Energy Transition Plan (L3 Energy management).

- Life cycle assessment for the Telecom Infrastructure Service (TIS) (L4 Responsible management and circulation of resources).
- Identify sites in protected areas and associated regulations, specifically sites located in areas of the Natura 2000 Network (L6 Natural areas and biodiversity).
- Undertake a global mobility study (L5 Sustainable and safe mobility).

These actions will be coordinated from Corporate but will be implemented in all geographical areas. It is also worth highlighting the actions that the countries develop by themselves, such as Cellnex Italy.

Ecosistema Aziendale Sostenibile Integrato (EASI)

Cellnex Italia established an Integrated Sustainable Business Ecosystem (EASI) allowing it to specify and be aware of all relevant aspects on sustainability issues.

EASI is based on the integration of Social Responsibility and Sustainability into the strategy and business process of the company. In this way, Cellnex Italia is the first company worldwide to be full sustainability integrated by DNV-GL certification, including all the company's processes.

Cellnex Italia pursues its path to sustainability by adopting an integrated strategy to combine business growth and financial solidity with social and environmental sustainability, creating long-term value. To this end, Cellnex Italia has defined the project "SosteniAmo" as a commitment to all stakeholders (internal and external) on sustainability issues.

Following this line, in mid-2020 Cellnex Italia launched the "SosteniAmo Insieme" competition among its workers to identify actions that can combine business growth and financial solidity with social and environmental sustainability, creating long-term value. Five initiatives will be chosen, and a Working Group will be set up for each of the projects to study the idea and transform it into a feasible project and implement it.

Further actions are developed beyond Cellnex itself, for example in Spain, Cellnex has collaborated with Ambientech with a participation in the "Climatic emergency" educational itinerary as well as the participation in the educational itinerary of "Circular economy". During 2020, around half a million visits were received to the website on the subject of "Climatic emergency", and around 181,000 visits on the website on the theme of "Circular economy". Moreover, the age range of the visitors was very diverse, although the majority of participants were under 35 years.

Also, Cellnex Netherlands is a partner in Green IT Amsterdam, a platform consisting of over 50 parties that promotes a strong local datacentre industry that invests in green solutions.

Moreover, Cellnex group offer training to their employees that aims to be aware of sustainability. The employees received 403 hours of training related to sustainability.

Integrated Management System

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

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

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

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

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

Therefore, an Integrated Management System and Certifications:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Post balance sheet events

<u>T-Mobile Infra Acquisition</u>

On 21 January 2021, Cellnex and Cellnex Netherlands, B.V. ("Cellnex Netherlands") signed a framework agreement with Deutsche Telekom A.G. ("DTAG"), Deutsche Telecom Europe, B.V. ("DTEU") and Digital Infrastructure Vehicle 1 SCSp ("DIV"), which sets forth among others, the conditions to and the steps and arrangements to achieve the contribution in kind, through DIV, of 100% of the share capital of T-Mobile Infra, B.V. ("T-Mobile Infra") to Cellnex Netherlands, which owns approximately 3,150 sites with an initial tenancy ratio of c.1.2

per site, in exchange for a stake of 37.65% in the share capital of Cellnex Netherlands (the "T-Mobile Infra Acquisition"). Additionally, pursuant to the T-Mobile Infra MLA, T-Mobile Infra and T-Mobile Netherlands, B.V. ("T-Mobile") have agreed to the deployment of approximately up to 180 additional sites in the Netherlands, over a seven-year term. DIV is an investment fund, with a mandate to invest mainly into European digital infrastructure assets, which upon closing will have DTAG and Cellnex (through a carry vehicle) as limited partners, and Cellnex will have the right to co-invest with a stake of 51%, subject to certain conditions, in opportunities originated by DIV in relation to towers, rooftops, masts, small cells or build-to-suit programs. The T-Mobile Infra Acquisition strengthens the Group's industrial project in the Netherlands, and Cellnex will thus execute a second step cooperation with the Deutsche Telekom group following the precedent partnership in Switzerland.

The closing of the T-Mobile Infra Acquisition is expected to take place in the first half of 2021, following receipt of among others, customary regulatory authorizations.

<u>CK Hutchison Holdings Swedish Transaction</u>

On 26 January 2021, the CK Hutchison Holdings Swedish Transaction has been completed and, consequently, the Group has acquired Hutchison's European tower business and assets in Sweden, comprised of approximately 2,300 sites. Cellnex also anticipates the further deployment of up to 2,880 new sites in Sweden by 2026. See Note 16.2 of the accompanying financial statements.

<u>Hivory Acquisition</u>

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

Completion of the Hivory Acquisition is subject to certain conditions precedent, and closing is expected in the second half of 2021.

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

<u>New Bond Issuance in 2021</u>

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

<u>Iliad Poland Acquisition</u>

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

2. Annual Corporate Governance Report

The following is the Annual Corporate Governance Report 2020, presented by the Board of Directors of Cellnex Telecom, S.A., spread over 103 pages, numbers 1 to 103, inclusive.

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Barcelona, as of February 25, 2021

Note: This document is a translation of a duly approved Spanish language document, and is provided for information purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish language document which this translation is intended to reflect, the text of the original Spanish language document shall prevail.

ANNEX I TEMPLATE

ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

ISSUER IDENTIFICATION DETAILS

YEAR ENDING 31/12/2020

CORPORATE TAX ID (CIF)
A-64907306

Company name:

CELLNEX TELECOM, S.A.

Registered office:

C/JUAN ESPLANDIÚ 11-13 - MADRID

ANNUAL CORPORATE GOVERNANCE REPORT
FOR LISTED COMPANIES

A OWNERSHIP STRUCTURE

A.1 Complete the following table with details of the company's share capital:

Date of latest modification	Share capital (euros)	Number of shares	Number of voting rights
14-08-2020	121,677,167.25	486,708,669	486,708,669

Remarks

Indicate whether there are different classes of shares with different associated rights:

Yes No X

Class	Number of shares	Par value	Number of voting rights	Rights and obligations conferred

Remarks

A.2 Give details on the direct and indirect holders of significant interests at the year-end, excluding directors:

Name of shareholder	% of voting rights attributed to the shares		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
ABU DHABI INVESTMENT AUTHORITY	0.24	6.73	0.00	0.00	6.97
ATLANTIA S.P.A.	0.00	0.00	0.00	4.73	4.73
BLACKROCK INC	0.00	3.40	0.00	0.39	3.80
CANADA PENSION PLAN INVESTMENT BOARD	3.15	0.00	0.00	0.00	3.15
CAPITAL RESEARCH AND MANAGEMENT COMPANY	0.00	3.02	0.00	0.00	3.02
CRITERIA CAIXA, S.A.U	4.77	0.00	0.00	0.00	4.77
EDIZIONE, S.R.L	0.00	13.02	0.00	0.00	13.02
FMR LLC	0.00	3.04	0.00	0.00	3.04

FUNDACIÓN BANCARIA CAIXA D´ESTALVIS I PENSIONS DE BARCELONA	0.00	4.77	0.00	0.00	4.77
GIC PRIVATE LIMITED	0.25	6.73	0.04	0.00	7.03
GQG PARTNERS LLC	3.21	0.00	0.00	0.00	3.21
LISSON GROVE INVESTMENT PRIVATE LIMITED	6.73	0.00	0.00	0.00	6.73
NORGES BANK	3.01	0.00	0.02	0.00	3.03
WELLINGTON MANAGEMENT GROUP LLP	0.00	4.27	0.00	0.00	4.27

Remarks

Breakdown of the indirect holding:

Indirect shareholder	Direct shareholder	% of voting rights attributed to the shares	% of voting rights through financial instruments	% of total voting rights
ABU DHABI INVESTMENTS AUTHORITY	AZURE VISTA C 2020, S.R.L.	6.73	0.00	6.73
BLACKROCK INC	VARIOUS FUNDS NOT REQUIRED TO REPORT INDIVIDUALLY	3.40	0.39	3.80
CAPITAL RESEARCH AND MANAGEMENT COMPANY	VARIOUS FUNDS NOT REQUIRED TO REPORT INDIVIDUALLY	3.02	0.00	3.02
EDIZIONE, S.R.L	CONNECT DUE S.R.L.	13.02	0.00	13.02
FUNDACIÓN BANCARIA CAIXA D´ESTALVIS I PENSIONS DE BARCELONA	CRITERIA CAIXA S.A.U	4.77	0.00	4.77
FMR LLC	VARIOUS FUNDS NOT REQUIRED TO REPORT INDIVIDUALLY	3.04	0.00	3.04
GIC PRIVATE LIMITED	LISSON GROVE INVESTMENT PRIVATE LIMITED	6.73	0.00	6.73

WELLINGTON MANAGEMENT GROUP LLP	WELLINGTON GROUP HOLDINGS LLP	4.27	0.00	4.27

Remarks
On 10 June the total non-proportional split of Connect S.p.A was completed with its dissolution and liquidation in favour of Connect Due S.r.l., Azure Vista C2020 S.r.l. and Prisma Holdings S.r.l., companies wholly owned by Sintonia S.p.A (Edizione group), Infinity Investments, S.A. (ADIA group) and Raffles Infra Holding Limited (GIC group), respectively. Consequently, Connect Due S.r.l. on that date had a 16.45% of the stake and Azure Vista C2020 S.r.l. and Prisma Holdings S.r.l. on that date, each of them had a 6.73% of the stake. Subsequently, on 6 July 2020, GIC restructured its stake in Cellnex, holding it through Lisson Grove Investment Private Limited (see the movements for that date in the table).

Indicate the most significant changes in the shareholder structure during the year:

Most significant movements
CAPITAL RESEARCH AND MANAGEMENT COMPANY 10-01-2020 has exceeded 3% of aggregate share capital (shares and financial instruments)
FIDELITY INTERNATIONAL LIMITED 16-01-2020 has exceeded 1% of aggregate share capital (shares and financial instruments) Tax havens only)
FIDELITY INTERNATIONAL LIMITED 24-01-2020 has decreased below 1% of aggregate share capital (shares and financial instruments). Tax havens only.
40 NORTH LATITUDE MASTER FUND LTD. 03-03-2020 has decreased below 1% of aggregate share capital (shares and financial instruments). Tax havens only.
ABU DHABI INVESTMENT AUTHORITY 10-06-2020 has exceeded 5% of aggregate share capital (shares and financial instruments)
EDIZIONE S.R.L. 10-06-2020 has decreased below 20% of aggregate share capital (shares and financial instruments)
GIC PRIVATE LIMITED 10-06-2020 has exceeded 5% of aggregate share capital (shares and financial instruments)
PRISMA HOLDINGS S.R.L. 10-06-2020 has exceeded 5% of aggregate share capital (shares and financial instruments)
LISSON GROVE INVESTMENT PRIVATE LIMITED 06-07-2020 has exceeded 5% of aggregate share share capital (shares and financial instruments)
PRISMA HOLDINGS S.R.L. 06-07-2020 All share capital has been sold
NORGES BANK 24-07-2020 has exceeded 3% of aggregate share capital (shares and financial instruments)
FMR LL 06-08-2020 has exceeded 3% of aggregate share capital (shares and financial instruments)
ATLANTIA S.P.A. 17-08-2020 has decreased below 5% of share capital in financial instruments
FMR LLC 17-08-2020 has decreased below 3% of aggregate share capital (shares and financial instruments)
BLACKROCK 18-08-2020 has decreased below 5% of the share capital of the percentage of voting rights attributed to the shares

EDIZIONE S.R.L. 18-08-2020 has decreased below 15% of the aggregate share capital (shares and financial instruments)
FUNDACION BANCARIA CAIXA D ESTALVIS I PENSIONS DE BARCELONA 19-08-2020 has decreased below 5% of aggregate share capital (shares and financial instruments)
FMR LL 25-09-2020 has exceeded 3% of aggregate share capital (shares and financial instruments)
GQG PARTNERS LLC 08-10-2020 has exceeded 3% of aggregate share capital (shares and financial instruments)

A.3 Complete the following tables on company directors holding voting shares in the Company:

Name of director	**% of voting rights attributed to the shares**		**% of voting rights through financial instruments**		**% of total voting rights**	**% voting rights that can be transferred through financial instruments**	
	Direct	**Indirect**	**Direct**	**Indirect**		**Direct**	**Indirect**
MR. TOBIAS MARTINEZ GIMENO	0.02	0.00	0.00	0.00	0.02	0.02	0.00
MR. PIERRE BLAYAU	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. BERTRAND KAN	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MS. ANNE BOUVEROT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. GIAMPAOLO ZAMBELETTI	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Total percentage of voting rights held by the Board of Directors	0.02

Remarks

Breakdown of the indirect holding:

Name of director	**Direct shareholder**	**% of voting rights attributed to the shares**	**% of voting rights through financial instruments**	**% of total voting rights**	**% voting rights that can be transferred through financial instruments**
MR. PIERRE BLAYAU	HARBOUR CONSEILS	0.00	0.00	0.00	0.00
MR. GIAMPAOLO ZAMBELETTI	AREPO FIDUCIARIA	0.00	0.00	0.00	0.00

Remarks

A.4 If applicable, indicate any family, commercial, contractual or corporate relationships that exist among significant shareholders that they are known to the company, unless they are insignificant or arise in the ordinary course of business, with the exception of those reported in section A.6:

Name or company name of related party	Nature of relationship	Brief description
N.A.		

A.5 If applicable, indicate any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or its group, unless they are insignificant or arise in the ordinary course of business:

Name or company name of related party	Nature of relationship	Brief description
N.A.		

A.6 Describe the relationships, unless insignificant for both parties, that exist between significant shareholders or shareholders represented on the Board and directors, or their representatives in the case of directors that are legal persons.

Explain, if applicable, how the significant shareholders are represented. Specifically, indicate those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders, or who are linked to significant shareholders and/or companies in their group, specifying the nature of such relationships. In particular, mention the existence, identity and post of any directors of the listed company, or their representatives, who are in turn members or representatives of members of the Board of Directors of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders.

Name of the related director or representative	Name of the related significant shareholder	Name of the company pertaining to the significant shareholder's group	Description of relationship / position
MR. FRANCO BERNABÈ	CONNECT DUE S.r.l.	EDIZIONE S.R.L.	Member of the Board of Directors
MR. CHRISTIAN COCO	CONNECT DUE S.r.l.	EDIZIONE S.R.L.	CEO
MS. ALEXANDRA REICH	Lisson Grove Investment Private Limited	GIC	N.A.

Remarks

A.7. Indicate any shareholders' agreements of which the company has been notified in accordance with the provisions of articles 530 and 531 of the Spanish Companies Law. If so, describe them briefly and list the shareholders bound by the agreement:

Yes X **No**

Parties to the shareholders' agreement	% of share capital affected	Brief description of the agreement	Expiry date of the agreement, if any
ATLANTIA S.P.A. EDIZIONE S.R.L. SINTONIA S.P.A. CONNECT DUE S.R.L.	5.98%	Co-Investment Agreement dated 24 July 2018, novated by virtue of a non-extinctive modification novation agreement dated 9 July 2020, by virtue of which, among others, Sintonía (i) grants Atlantia the right to co-invest a stake representing 5.98% of the share capital until 12 July 2021, (ii) grants Atlantia a right to match on the options (not exercised) resulting from any issuance of future rights approved by Cellnex until 12 July 2025, and (iii) grants Atlantia the option to exercise the ROFO and the Right to Match for a maximum of 10% of Cellnex's issued capital until 12 July 2025, instead of for the entire indirect stake of Edizione in Cellnex. The specific terms of the aforementioned	12 July 2025

		agreement are available on the CNMV website and on the Cellnex website.	
CONNECT DUE S.R.L. AZURE VISTA C 2020 S.R.L. PRISMA HOLDINGS S.R.L.	29.91%	Framework agreement that regulates certain obligations in relation to the appointment of their respective proprietary directors. The specific terms of the aforementioned agreement are available on the CNMV website and on the Cellnex website.	Date of the General Shareholders' Meeting 2021 of Cellnex Telecom

Remarks
The first agreement was published as Relevant Fact on the CNMV website on 25 July 2018 and registration number 268281.
The second agreement was published as Other Relevant Information on the CNMV website on 17 July 2020 and registration number 3441.

Indicate whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

Yes ☐ **No** ☐X

Parties to the concerted action	% of share capital affected	Brief description of the concerted action	Expiry date of the concert, if any

Remarks

If any of the aforementioned agreements or concerted actions have been amended or terminated during the year, indicate this expressly:

A.8 Indicate any individuals or company that exercises or may exercise control over the company in accordance with article 5 of the Securities Market Law. If so, identify them:

Yes ☐ **No** ☐X

Name or company name

Remarks

A.9 Complete the following table with details of the company's treasury shares:

At the close of the year:

Number of direct shares	**Number of indirect shares (*)**	**Total percentage of share capital**
200,320		0.04

Remarks

(*) Through:

Name of direct shareholder	**Number of direct shares**
N.A.	
Total:	

Remarks

Explain any significant changes during the year:

Explain significant changes

A.10 Provide a detailed description of the conditions and the period of authorization granted by the general shareholders' meeting to the Board of Directors to issue, buy-back, or transfer treasury shares.

The current mandate to the Board of Directors was granted by the Ordinary General Shareholders' Meeting held on 31 May 2018 for a period of 5 years. In its ninth resolution, the General Shareholders' Meeting authorized the Board to acquire shares of the Company up to the legal limit of 10% of the share capital by way of sale, exchange, donation, award or lieu of payment or by any other onerous title. The price or counter value will oscillate between a minimum equivalent to their nominal value and a maximum equivalent to the one that is higher than (i) 110% of the listed price of the Company's shares on the Continuous Market at the time of acquisition or closing price of the last trading session prior to the acquisition, if this is done outside the hours of operation of the Continuous Market;

and (ii) the result of increasing the maximum price of the three months prior to the moment in which the acquisition takes place by 10%.

A.11 Estimated floating capital:

	%
Estimated floating capital	44.65

Remarks

A.12 Indicate whether there are any restrictions (as per the bylaws, legislation or any other type) on the transfer of securities and/or any restrictions on voting rights. In particular, indicate the existence of any type of restriction that make it difficult to take control of the company by acquiring shares on the market, or any prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

Yes □ **No** □X

Description of restrictions

A.13 Indicate whether the general shareholders' meeting has resolved to adopt measures to neutralise a takeover bid by virtue of the provisions of Law 6/2007.

Yes □ **No** □X

If so, explain the measures approved and the terms under which such limitations would become ineffective:

Explain the measures approved and the terms under which the constraints would become ineffective:

A.14 Indicate whether the company has issued securities that are not traded on a regulated EU market.

Yes □ **No** □X

If so, indicate the different types of shares and for each type, the rights and obligations they confer.

Indicate the different classes of shares

B GENERAL SHAREHOLDERS' MEETING

B.1 Indicate whether there are any differences between the minimum quorum regime established by the Spanish Companies Law for General Shareholders' Meetings and the quorum set by the company, and if so give details.

Yes ☐ No ☐X

	% quorum different to that established in article 193 of the Spanish Companies Law for general matters	% quorum different to that established in article 194 of the Spanish Companies Law for special matters
Quorum required on 1st call		
Quorum required on 2nd call		

Description of differences

B.2 Indicate whether there are any differences between the company's manner of adopting corporate resolutions and the regime provided in the Spanish Companies Law and, if so, give details:

Yes ☐ No ☐X

Describe how it is different from the regime provided in the Spanish Companies Law.

	Qualified majority different to that established in article 201.2 of the Spanish Companies Law for matters governed by article 194.1 of Spanish Companies Law	Other matters requiring a qualified majority
% established by the company to adopt resolutions		

Describe the differences

B.3 Indicate the rules for amending the company's Bylaws. In particular, indicate the majorities required to amend the Bylaws and any provisions in place to protect shareholders' rights in the event of amendments to the Bylaws.

The rules contained in the Spanish Companies Law for the amendment of the Company's Bylaws will apply.

B.4 Provide details of attendance at the General Shareholders' Meetings held during the year to which this report refers, as well as the two previous years:

	Attendance				
Date General Shareholders' Meeting	% physically present	% present by proxy	% remote voting		Total
			Electronic voting	Other	
31/05/2018	34.15	49.39	0.00	0.00	

					83.54
Of which floating capital:	0.16	35.15	0.00	0.00	35.31
09/05/2019	30.36	51.49	0.00	0.00	81.85
Of which floating capital:	0.37	25.79	0.00	0.00	26.16
21/07/2020	24.28	50.05	0.00	0.00	74.33
Of which floating capital:	24.23	49.85	0.00	0.00	74.08

Remarks
From the list of attendees, the ultimate identification of shareholders cannot be guaranteed due to the existence of institutional investors.

B.5 Indicate whether any item on the agenda of the General Shareholders' Meetings during the year was not approved by the shareholders for any reason.

Yes ☐ **No** ☐X

Items on the agenda not approved	**% vote against (*)**

(*) If the non-approval of the point was for a reason other than the votes against, this will be explained in the text part and "N/A" will be placed in the "% votes against" column.

B.6 Indicate whether the Bylaws contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or to vote remotely:

Yes ☐X **No** ☐

Number of shares required to attend General Meetings	100
Number of shares required to vote remotely	100

Remarks

B.7 Indicate whether it has been established that certain decisions other than those established by law exist that entail an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions must be submitted for approval to the General Shareholders' Meeting.

Yes ☐ **No** ☐X

Explain the decisions that must be submitted to the General Shareholders' Meeting, other than those established by law

B.8 Indicate the address and manner of access on the company's website to information on corporate governance and other information regarding General Shareholders' Meetings that must be available to shareholders through the company website.

The "Shareholders and Investors" section of the website www.cellnextelecom.com provides the information required by article 539.2 of the Spanish Companies Law and Circular 3/2015 of the National Securities Market Commission.

C STRUCTURE OF THE COMPANY'S ADMINISTRATION

C.1 Board of Directors

C.1.1 Maximum and minimum number of directors provided for in the Bylaws and the number set by the general meeting:

Maximum number of directors	13
Minimum number of directors	4
Number of directors set by the general meeting	12

Remarks

C.1.2 Complete the following table on Board members:

Name or company name of director	Representative	Category of director	Position on the board	Date first appointed	Date of last appointment	Election procedure	Date of birth
MR. FRANCO BERNABÈ		Proprietary	CHAIRMAN	25/07/2019	21/07/2020	RESOLUTION OF GENERAL SHAREHOLDERS MEETING	18/09/1948
MR. TOBIAS MARTINEZ GIMENO		Executive	CEO	17/11/2014	09/05/2019	RESOLUTION OF GENERAL SHAREHOLDERS MEETING	27/04/1959
MR. BERTRAND KAN		Independent	VICE CHAIRMAN	16/04/2015	31/05/2018	RESOLUTION OF GENERAL SHAREHOLDERS MEETING	23/08/1966
MR. GIAMPAOLO ZAMBELETTI		Independent	COORDINATING INDEPENDENT DIRECTOR	16/04/2015	31/05/2018	RESOLUTION OF GENERAL SHAREHOLDERS MEETING	04/05/1940
MR. PIERRE BLAYAU		Independent	DIRECTOR	16/04/2015	31/05/2018	RESOLUTION OF GENERAL	14/12/1950

						SHAREHOLDERS MEETING	
MS. ANNE BOUVEROT		Independent	DIRECTOR	31/05/2018	31/05/2018	RESOLUTION OF GENERAL SHAREHOLDERS MEETING	21/03/1966
MS. MARIETA DEL RIVERO BERMEJO		Independent	DIRECTOR	27/04/2017	21/07/2020	RESOLUTION OF GENERAL SHAREHOLDERS MEETING	15/06/1965
MS. MARÍA LUISA GUIJARRO PIÑAL		Independent	DIRECTOR	31/05/2018	31/05/2018	RESOLUTION OF GENERAL SHAREHOLDERS MEETING	13/02/1963
MR. LEONARD PETER SHORE		Independent	DIRECTOR	16/04/2015	31/05/2018	RESOLUTION OF GENERAL SHAREHOLDERS MEETING	08/09/1950
MR. CHRISTIAN COCO		Proprietary	DIRECTOR	02/04/2020	21/07/2020	RESOLUTION OF GENERAL SHAREHOLDERS MEETING	26/11/1974
MS. ALEXANDRA REICH		Proprietary	DIRECTOR	16/12/2020	16/12/2020	CO-OPTION	27/11/1963

Total number of directors	11

Indicate any cessations, whether through resignation or by resolution of the general meeting, that have taken place in the Board of Directors during the reporting period:

Name of director	Category of the director at the time of cessation	Date of last appointment	Date of cessation	Specialised committees of which he/she was a member	Indicate whether the director left before the end of his/ her term of office
MR. CARLO BERTAZZO	Proprietary	09/05/2019	28/02/2020	N.A.	YES
MS. ELISABETTA DE BERNARDI DI VALSERRA	Proprietary	09/05/2019	10/06/2020	Audit and Control Committee	YES
MR. MAMOUN JAMAI	Proprietary	21/07/2020	24/08/2020	Nominations and Remunerations Committee	YES

Reason for cessation when this occurs before the end of the term of office and other observations; information on whether the director has sent a letter to the remaining members of the board and, in the case of cessation of non-executive directors, explanation or opinion of the director dismissed by the general meeting
Mr. Carlo Bertazzo, proprietary director of ConnecT S.p.A., tendered his resignation on 28 February 2020, due to lack of availability due to his recent appointment as CEO of Atlantia, being replaced on 2 April 2020 by the proprietary director of Connect Due S.p.A. Mr. Christian Coco (who, after the total spin-off of Connect S.p.A., became proprietary director of Connect Due S.r.l., belonging to the Edizione group). Mr. Carlo Bertazzo informed all the Board members sending the corresponding email. Ms. Elisabetta Di Bernardi Di Valserra, proprietary director of ConnecT S.p.A., resigned on 10 June 2020, as a result of the spin-off of Connect S.p.A. on the same date, and she was replaced on 16 December 2020 by the proprietary director of Lisson Grove Investment Private Limited (belonging to the GIC group) Ms. Alexandra Reich. Ms. Elisabetta Di Bernardi sent a letter to the Chairman and the Secretary; subsequently, the Chairman informed the rest of the Board members. Mr. Mamoun Jamai, proprietary director of Raffles Infra Holdings Limited, resigned as director effective as of 24 August 2020, as a result of an internal review of appointments on the boards of directors of certain assets of the infrastructure division of ADIA . Mr. Jamai sent the letter to the Secretary and notified his resignation to the rest of the Board members by email. Mr. Franco Bernabè, proprietary director of ConnecT Due S.p.A., tendered his resignation as director and Chairman of the Board of Directors, for personal reasons, on 4 January 2021. Mr. Franco Bernabè sent his letter of resignation to the Secretary, who transmitted it to the rest of the directors. Currently the new Chairman of the Board of Directors is the independent director Mr. Bertrand Kan.

C.1.3 Complete the following tables on the members of the Board and their categories:

EXECUTIVE DIRECTORS

Name of the director	Position in company's organizational structure	Profile
MR. TOBIAS MARTINEZ GIMENO	CEO	Tobías Martínez is the Chief Executive Officer of the Company. He joined Acesa Telecom (Abertis Group) in the year 2000, first as Board Member and Director General of Tradia, and subsequently of Retevisión. Before joining the Abertis Group, he headed his own business project in Information and Telecommunication Systems for more than 10 years. He studied Telecommunications Engineering and holds a Diploma in Top Management from the IESE Business School (PADE) and a Diploma in Marketing

		Management from the Instituto Superior de Marketing de Barcelona (Higher Institute of Marketing of Barcelona).

Total number of executive directors	1
Percentage of Board	9.09

Remarks

EXTERNAL PROPRIETARY DIRECTORS

Name or company name of director	Name or company name of the significant shareholder represented by the director or that nominated the director	Profile
MR. FRANCO BERNABÈ	CONNECT DUE S.R.L.	Franco Bernabè combines an extraordinary experience in business leadership at an international level with his active participation of an altruistic nature in social and cultural organizations. He has led, as CEO, the restructuring and listing on the New York Stock Exchange of Eni, one of the leading international oil companies. After leaving Eni in 1998, he spent most of the next 20 years in the telecommunications sector as CEO and Chairman of Telecom Italia. In recent years he has contributed to the creation of Nexi, the leading Italian company in payment systems. He has been Vice-Chairman of Rothschild Europe, director and Chairman of the PetroChina Audit Committee for 14 years, a member of the Supervisory Board of TPG Post Group in the Netherlands, as well as a member of the JP Morgan International Board. He has also been a member of the Confindustria Executive Committee and a

		member of the European Round Table. He has worked altruistically in the main Italian cultural institutions, as Chairman of La Biennale di Venezia, the MART, Quadriennale di Roma and the Italian National Commission for UNESCO. He has been named an honorary doctorate in Environmental Sciences by the University of Parma for the activities of environmental recovery of contaminated sites. He is a senior advisor to Barclays Bank. In 2011 he was knighted by the President of the Italian Republic.
MR. CHRISTIAN COCO	CONNECT DUE S.R.L.	Christian Coco is Investment Director at Edizione Srl. He is also a director of the companies of Edizione Group, Benetton Srl and CEO of ConnecT Due, as well as non-executive Chairman of Benetton Group Srl. He began his professional career in strategic planning in the energy sector and in 2002 he joined Mediobanca in the acquisition finance department. From 2007 to 2011 he worked in private equity firms, focusing especially on investments in the infrastructure sector in Europe. Subsequently, and until joining the Edizione Group in 2015, he was head of Planning, Control and M&A of the CIR Group of the De Benedetti family. Christian Coco has an engineering degree from Milan Polytechnic, and a post graduate degree in Utility Companies from MIP Milan (Politecnico's Business School).
MS. ALEXANDRA REICH	LISSON GROVE INVESTMENT PRIVATE LIMITED	Alexandra Reich has 20 years' experience in the

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

Total number of proprietary directors	3
Percentage of Board	27.27

Remarks

EXTERNAL INDEPENDENT DIRECTORS

Name of the director	**Profile**
MR. BERTRAND KAN	He has extensive professional experience in investment banking and focused on the telecoms, media and technology sector in particular. He spent most of his career at Morgan Stanley where he became a Managing Director and Head of the European Telecoms Group. Subsequently in 2006 he moved to Lehman Brothers, where he was Co-Head of the Global Telecoms

	Team and was a member of the European Operating Committee. In 2008, he became Head of the Global Telecoms, Media and Technology Group at Nomura and was a member of Nomura and served on the Investment Banking Global Executive Committee. He left investment banking in 2012. Among other responsibilities, in addition to the Cellnex Board, he is currently a member of the Advisory Council of Wadhwani Asset Management, Chairman of Sentient Blue and Chairman of the Board of UWC Netherlands. Bertrand Kan graduated with B.Sc. and an M.Sc. degrees in Economics from the London School of Economics.
MR. GIAMPAOLO ZAMBELETTI	He has spent much of his professional career in the chemicals/pharmaceuticals and telecoms sectors. Currently holds the position Vice-President of Unidad Editorial, S.A. He was previously Founder and Managing Director of Zambeletti España, President and CEO of Zambeletti Group, President of Italgas SpA, President and Managing Director of Ellem Industria Farmaceutica SpA . He served as Vice President of the pharma labs association, Farmindustria. In 2001 he has been appointed Group Senior Vice President International Affairs of Telecom Italia. He has furthermore been a member of the Board of Directors of Telecom Italia International (Netherlands), Auna, S.A. (Spain), Avea (Turkey), Oger Telecom (Dubai), Ojer Telekomunikasyon (Turkey) and Telekom Austria. Giampaolo Zambeletti holds a degree in Chemistry from the Università degli Studi di Pavia, is an international trustee of the Friends of the Prado Museum Foundation in Madrid, and received the Isabel la Católica Award from King Felipe VI in 2015.

MR. PIERRE BLAYAU	He is currently holding the position of president of CCR (Caisse Centrale de Reassurance), member of the strategic committee of SECP (Canal+ Group), Censor of FIMALAC, Senior Advisor of Bain & Company and Chairman of Harbour Conseils. He was previously Chief Executive Officer of Pont à Mousson, PPR, Moulinex, Geodis, and Executive Director of SNCF. He has also served as Executive Director of La Redoute, as a member of the Board of Directors of FNAC, and Independent Director of Crédit Lyonnais and President of the Board of Directors of Areva. Pierre Blayau is a Public Finance Inspector of the French Ministry of Finance, and graduated from the École Nationale d'Administration de Paris and the École Normale Supérieure de Saint-Cloud.
MS. ANNE BOUVEROT	Anne Bouverot is currently Chairperson of the Board of Technicolor, as well as Senior Advisor of TowerBrook Capital Partners and Board Director at Capgemini and Edenred. She is also Chairperson of Foundation Abeona, whose motto is "Data Science for Fairness and Equality", working on social impact of AI and digital technology. Previously she was CEO of Morpho, a biometrics and cybersecurity company (between 2015 and 2017) and general director of the GSMA (between 2011 and 2015). She also held several international management positions in companies in the telecommunications sector such as France Telecom / Orange (Executive Vice President of Mobile Services from 2009 to 2011), Global One Communications, Equant and Telmex. Anne Bouverot has a degree in Mathematics and a PhD in Artificial Intelligence from the École Normale Supérieure in Paris, and a degree in Engineering from Telecom Paris.
MS. MARIETA DEL RIVERO BERMEJO	Independent director of Cellnex Telecom and Gestamp Automoción.

	Non-executive Chairperson of Onivia. She is a member of the Advisory Board of the Mutual Society of Lawyers and of the Made in Möbile. She has been global marketing director of Telefonica, deputy managing director to the digital commercial managing director of Telefónica, CEO of Nokia Iberia, senior advisor of Ericsson, partner of Seeliger & Conde and Chairperson of International Women´s Forum Spain. She was one of 'The 500 Most Influential Women in Spain' in 2018, 2019 and 2020 according to 'El Mundo'; she was one of 'The Top 100 Women Leaders 2018' by Mujeres & Cía, and she was recognized as the 'Best Executive 2017' by the Spanish Association of Business Women. She is the author of the book 'Smart Cities: a vision for the citizen'. Marieta del Rivero is a member of the management board of the Spanish Directors Association (AED), AMP by IESE, EP by Singularity University and executive coach certified by ECC. In 2019, she attended the 'Workshop in Global Leadership' provided by the Harvard Kennedy School. Marieta del Rivero is BA in Business Administration by University Autónoma of Madrid (UAM).
MS. MARÍA LUISA GUIJARRO PIÑAL	María Luisa Guijarro has worked most of her career in the Telefónica group, from 1996 until 2016, where she held positions including Global Marketing and Sponsorship Manager, CEO of Terra España, Director of Marketing and Business Development in Spain and, in her later years at the company, member of the Executive Committee in Spain as head of Strategy and Quality. She is proprietary director on behalf of EQT in Adamo Telecom Iberia, S.A. and Adamo Telecom, S.L. She has a degree in Economics from the Universidad Autónoma de Madrid.
MR. LEONARD PETER SHORE	Leonard Peter Shore has extensive experience in the telecommunications and tech sector. He held the position of

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

Total number of independent directors	7
Percentage of Board	63.64

Remarks

Indicate whether any director classified as independent receives from the company or any company in its group any amount or benefit other than remuneration as a director, or has or has had a business relationship with the company or any company in its group during the past year, whether in his/her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

If so, include a reasoned statement from the Board explaining why it believes that the director in question can perform his/her duties as an independent director.

Name the of director	Description of the relationship	Reasoned statement
No data		

OTHER EXTERNAL DIRECTORS

Identify the other external directors, indicate the reasons why they cannot be considered either proprietary or independent, and detail their links with the company, its management or its shareholders:

Name of the director	Reasons	Company, manager or shareholder to which or to whom the director is related	Profile
No data			

Total number of other external directors	N.A.
Percentage of Board	N.A.

Remarks

Indicate any changes that have occurred during the period in each director's category:

Name or company name of director	Date of change	Previous category	Current category
No data			

Remarks

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past four years, as well as the category of each:

	Number of female directors				% of total directors for each category			
	Year n	Year n-1	Year n-2	Year n-3	Year n 2020	Year n-1 2019	Year n-2 2018	Year n-3 2017
Executive					0.00	0.00	0.00	0.00
Proprietary	1	1	1		33.33	25.00	25.00	0.00
Independent	3	3	3	1	42.86	42.80	42.80	20.00
Other External					0.00	0.00	0.00	0.00
Total:	4	4	4	1	36.36	33.33	33.33	20.00

Remarks

C.1.5 Indicate whether the company has diversity policies in relation to its Board of Directors on such questions as age, gender, disability, education and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Spanish Account Auditing Law, will have to report at least the policy that they have implemented in relation to gender diversity.

Yes X **No** **Partial policies**

If so, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results over the year. Also indicate the specific measures adopted by the Board of Directors and the Nominations and Remunerations Committee to achieve a balanced and diverse presence of directors.

If the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been applied, and results achieved
On 18 February 2016 the Board of Directors of Cellnex Telecom, S.A. approved the Policy for the Selection and Appointment of Directors, which aims, among other things, to achieve an appropriate composition for the Board of Directors. In the selection of its members, aspects such as the Company's shareholder structure, the diversity of knowledge, professional experience, origins, nationalities and gender of its members, their ability to devote the time necessary to perform their duties, their possible specialisation in specific matters of special relevance (financial, legal, telecommunications, etc.), the absence of conflicts of interest (real or potential) and their personal commitment to defend the corporate interest must be taken into account. 1.- Scope of Application. This policy is applicable to the selection of candidates for directors who are natural persons. In the case of directors who are legal persons, the provisions of this Policy will extend to the natural persons who will represent them. 2.- Selection Process. In accordance with the provisions of the Spanish Companies Law, the proposal for appointment or re-election of the members of the Board of Directors corresponds to the Nominations and Remunerations Committee, in the case of independent directors, and to the Board of Directors itself, in other cases. Such appointment or re-election will be accompanied by a supporting report from the Board evaluating the skills, experience and merits of the nominee. Also, the proposal for appointment or re-election of a non-independent director must furthermore be preceded by a report from the Nominations and Remunerations Committee. In the selection of board members candidates, a prior analysis of the company's needs will be carried out by the Board of Directors with the advice and report of the Nominations and Remunerations Committee, with the objective of integrating different professional and management experiences and skills, and promoting diversity of knowledge, experience and gender, considering the weight of the different activities carried out by Cellnex and taking into account those areas or sectors that should be specifically promoted. Any Director may request that the Nominations and Remunerations Committee consider potential candidates to fill vacancies on the Board.

3.- Conditions to be met by the candidates.

Candidates for the position of director of the Company must be honourable, suitable persons of recognised solvency, competence, experience, qualifications, training, availability and commitment to their role.

They must be professionals of integrity, whose conduct and professional career is aligned with the principles set out in the Cellnex Code of Ethics and with the mission, vision and values of the Cellnex Group.

In the analysis of candidates, the Nominations and Remuneration Committee, in accordance with the needs of the Board, will evaluate the following aspects:

1. The technical-professional competencies of the candidates.
2. The management experiences of the candidates, also taking into account the context in which Cellnex operates.
3. The commitment required to perform the position, also evaluating the positions already held by the candidates in other companies.
4. The possible existence of conflicts of interest.
5. The significance of any existing or recently maintained commercial, financial or professional relationships, direct or indirect, by the candidates with the Company or other Group companies.
6. And proceedings that may undermine the responsibility or reputation of the candidates.

4.- Impediments to being a candidate for director.

Those who are affected by any of the causes of incompatibility, incapacity or prohibition to hold the position of Board member provided for in the law or in the internal rules of the Company may not be considered as candidates for the board of directors.

5.- Assistance from external consultants.

For the selection of candidates for the Board of Directors, the Nominations and Remunerations Committee may hire the services of external consultants specialised in the search and selection of candidates in order to strengthen the efficiency and effectiveness of the procedures for their identification.

In the analysis of the candidates, the consultant must evaluate the requirements set forth in section 3 of this Policy.

6.- Special reference to gender diversity.

In any case, the candidate selection process must avoid any type of implicit bias that could imply any discrimination.

This Policy for the Selection and Appointment of Directors will promote a balanced presence of women and men on the Board of Directors.

This Policy must aim to ensure that in the shortest possible time and at the latest by the end of 2020 the least represented gender is at least thirty percent of the total number of members of the Board of Directors. On 19 February 2021 the Board of Directors of Cellnex, following the proposal of the Nominations, Remunerations and Sustainability Committee (formerly named Nominations and Remunerations Committee), approved the new Policy on the composition of the Board of Directors, which aims, among other things, to achieve an appropriate composition for the Board in line with the recommendations of the Good Governance Code for Listed Companies of the National Securities Market Commission, revised in June 2020. In essence, the reference to directors legal persons has been eliminated, the diversity of knowledge, experience, age and gender is favoured, in the context in which Cellnex operates and regulates that it must be ensured that in the shortest possible time and before the end of the year 2022, the least-represented gender is at least forty percent of the total members of the Board of Directors.

C.1.6 Describe the measures, if any, agreed upon by the Nominations Committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes female candidates who meet the required professional profile among potential candidates, in order to achieve a balance between men and women. Also indicate whether these measures include encouraging the company to have a significant number of female senior executives:

Explanation of measures
During 2020 the only changes in the composition of the Board were of proprietary directors, so the Company did not carry out any selection process in which the Nominations and Remunerations Committee could take any action. Notwithstanding the foregoing, the Company did communicate to GIC (who began a selection process for the position of proprietary director of Cellnex) the criteria it considered relevant in order to reinforce diversity within the Board of Directors. In any case, the current composition of the Board already has a higher number of female directors than is established in the Recommendations of the CNMV's of the Good Governance Code for listed companies for this year. On 19 February 2021 the Board of Directors approved a modification of the Policy on the composition of the Board of Directors in order to include the objective that the least represented gender represents at least 40% of the total members of the Board before the end of 2022. Likewise, on the same date it has also been approved a modification on the Equity, Diversity and Inclusion Policy, in order to highlight the commitment to the presence of female senior managers.

When, despite the measures that, where appropriate, have been adopted, there is little or no number of female directors or female senior managers, explain the reasons that justify it:

Explanation of reasons
N.A.

C.1.7 Explain the conclusions of the Nominations Committee regarding verification of compliance with the policy aimed at promoting an appropriate composition of the Board of Directors.

The appointments made in recent years have always been in accordance with the criteria established in the Policy on the composition of the Board of Directors. Likewise, the Company complies with the recommendations of the Good Governance Code for listed companies regarding diversity within the Board. However, on the occasion of the upcoming renewal of positions, the Nominations, Remunerations and Sustainability Committee has set up a review of the Board's competencies matrix in order to analyse and, where appropriate, reinforce its composition. Likewise, on 19 February 2021 the Board of Directors of Cellnex approved the amendment of its Regulations, in which it has incorporated the provision that at the end of the 2022 financial year there should be a representation of at least 40% of female directors. This same mention has been included in the Policy on the composition of the Board of Directors of the same date.

C.1.8 If applicable, explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than 3% of share capital:

Name or company name of shareholder	Reason
No data	

Indicate whether the Board has declined any formal requests for presence on the Board from shareholders whose interest is equal to or greater than that of others at whose request proprietary directors have been appointed. If so, explain why the requests were not granted:

Yes ☐ **No** ☐X

Name of shareholder	Explanation

C.1.9 Indicate the powers, if any, delegated by the Board of Directors to directors or Board committees:

Name of the director	Brief description
TOBIAS MARTINEZ GIMENO	CEO, who has all the powers of representation, management and disposition, except those

	that cannot be delegated by Law or by the Bylaws.

C.1.10 Identify any members of the Board who are also directors, representatives of directors or managers in other companies forming part of the listed company's group:

Name of director	Name of the group company	Position	Does the director have executive powers?
TOBÍAS MARTINEZ GIMENO	CELLNEX FINANCE COMPANY, S.A.U.	SOLE ADMINISTRATOR	YES

Remarks

C.1.11 List any directors or representatives of directors legal persons of your company who are members of the Board of Directors or representatives of directors legal persons of other listed companies on regulated markets other than group companies, of which the company has been informed:

Name of the director	Name of the listed company	Position
MS. ANNE BOUVEROT	CAPGEMINI	DIRECTOR
MS. ANNE BOUVEROT	EDENRED	DIRECTOR
MS. ANNE BOUVEROT	TECHNICOLOR	CHAIRMAN
MS. MARIETA DEL RIVERO BERMEJO	GESTAMP AUTOMOCION	DIRECTOR

Remarks

C.1.12 Indicate whether the company has established rules on the maximum number of company boards on which its directors may sit, explaining if necessary and identifying where this is regulated, if applicable:

Yes X **No**

Explanation of the rules and identification of the document where this is regulated
In accordance with the provisions of the Board of Directors Regulations, "The directors will have the appropriate dedication and will adopt the necessary measures for the proper management and control of the Company in the performance of their duties. For such purposes, the directors of the Company may not sit on more than four boards of directors of listed companies other than the Company. For the purposes of this rule, all the boards of companies that form part of the same group will be treated as a single board and the following will not be counted: (i) the boards of holding companies or companies that constitute vehicles or complements for the professional practice of the director, the director's spouse or a person with

an analogous relationship of affectivity or the director's closest relatives, (ii) the boards to which the director belongs as a proprietary director proposed by the Company or any company of its group and (iii) the boards of companies whose purpose is complementary or accessory to another activity that for the director of the Company constitutes a leisure activity, assistance or aid to third parties or any other type of activity that does not involve dedication to a commercial business".

C.1.13 Indicate the remuneration received by the Board of Directors as a whole for the following items:

Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)	5,893
Amount of pension rights accumulated by directors currently in office (thousands of euros)	1,150
Amount of pension rights accumulated by former directors (thousands of euros)	

Remarks

C.1.14 Identify members of senior management who are not executive directors and indicate their total remuneration accrued during the year:

Name or company name	Position(s)
MR. LUIS DEULOFEU FUGUET	Deputy CEO
MR. ALEXANDRE MESTRE MOLINS	Business Deputy CEO
JOSE MANUEL AISA MANCHO	Corporate Finance & M&A Director
MR. ALBERTO LOPEZ PRIOR	Global Resources Director
MR. ANTONI BRUNET MAURI	Corporate and Public Affairs Director
MR. SERGIO TÓRTOLA PÉREZ	Global Operations Director
MS. VIRGINIA NAVARRO VIRGÓS	Legal M&A & Financing Director
MR. JOSÉ MARÍA MIRALLES PRIETO	General Counsel – Legal & Regulatory Affairs
MR. DANIEL FERNÁNDEZ CAPO	Director of Management and Services and Cellnex Ventures.

Number of women in senior management	1
Percentage of total senior management	12.5

Total remuneration of senior management (thousands of euros)	7,594

Remarks
The difference from the amount shown in the annual accounts is due to the fact that in the ACGR we also add the remuneration of the internal auditor.

C.1.15 Indicate whether the Board regulations were amended during the year:

Yes ☐ **No** ☐X

Description of amendment(s)

C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors. List the competent bodies, steps to follow and criteria applied in each procedure.

The procedures for the appointment, re-election, evaluation and removal of directors for 2020, are regulated in articles 18 to 21 of the Board Regulations.

C.1.17 Explain to what extent the annual evaluation of the Board has given rise to significant changes in its internal organisation and in the procedures applicable to its activities:

Description of amendment(s)
As a result of the self-assessment carried out by the Board of Directors for 2019, in 2020 various actions were carried out in the following areas: • Promotion of a dynamic that promotes an open and constructive debate within the Board; • More attention to operational and strategic issues, financial and non-financial risk management; • Reinforcement of the succession plan, taking special consideration to the growth of the Company; and • Coordination of the work of the Committees and the Board to avoid duplication.

Describe the evaluation process and the areas evaluated by the Board of Directors with or without the help of an external advisor, regarding the functioning and composition of the Board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and areas evaluated
Likewise, at the end of 2020 the Board has commissioned an external evaluation of the Board and its Committees upon completion of the third year of the previous review by an expert, this time entrusted to EY, who has reviewed the requested documentation and interviewed the members of the Board of Directors. The aforementioned evaluation has covered the

following topics regarding the Board and the Committees: (i) composition, (ii) welcome and update programs, (iii) culture and dynamics, (iv) information, planning and meetings, (v) the role of the CEO, Chairman, Coordinating Director and Secretary, (vi) functions and duties, and (vii) interaction with the management team and between the Board and the Committees.
Its report has been evaluated by the Board of Directors in its session held on 19 February 2021, and the corresponding action plan has been adopted.

C.1.18 Provide details, for years in which the evaluation was carried out with the help of an external advisor, of the business relationships that the external advisor or company in its group maintains with the company or any company in its group.

EY has been hired by Cellnex Telecom, S.A. and by other group companies for the provision of 5 accounting advisory services, 7 consulting services for projects, 1 financial consultation, 2 tax advisory services and 3 labour consulting services, the overall amount being of little relevance with respect to the services contracted in total, as well as not very significant for the supplier.

C.1.19 Indicate the cases in which directors are obliged to submit his/her resignation.

1. Directors will leave office at the end of the term for which they were appointed, and when so decided by the General Shareholders' Meeting in use of the authority granted to it by Law or by the Bylaws.
2. Directors must tender their resignation to the Board of Directors and, if the Board deems it to be appropriate, resign in the following cases:
a) When they leave executive positions with which their appointment as director was associated. Independent directors when they complete twelve (12) years in office.
b) When they are subject to any of the grounds of incompatibility or prohibition provided for by law.
c) When there are situations that affect them, related or not to their performance in the Company itself, that may harm its credit and reputation, and when they are investigated in any criminal case, the Board of Directors must be informed of their procedural vicissitudes, or are subject to disciplinary proceedings for serious or very serious misconduct instructed by the supervisory authorities.
d) When their remaining on the Board may place the Company's interest at risk, and when the reasons for which they were appointed cease to exist. The latter circumstance will be deemed to occur with respect to a proprietary director when the total shareholding of which he/she is the holder or whose interests he/she represents is disposed of and also when the reduction of the shareholding requires the reduction of the number of proprietary directors.
3. Executive directors must tender their resignation to the Board upon reaching the age of seventy and the Board must decide whether they will continue in the exercise of their executive or delegated functions or simply as a director.

4. In the event that, by resignation or by resolution of the General Shareholders' Meeting, a director ceases from his/her position before the end of his mandate, he/she should state the reasons for his resignation or, in the case of non-executive directors, his/her opinion of the reasons for

the General Shareholders' Meeting resolution in a letter to be sent to all the members of the Board of Directors. Notwithstanding it being reported in the Annual Corporate Governance Report, the Company will publish the cessation as soon as possible, including sufficient reference to the reasons or circumstances provided by the director. 5. The Board of Directors may only propose the removal of an independent director before the expiration of the statutory term when there is just cause, as determined by the Board following a report from the Nominations, Remunerations and Sustainability Committee. In particular, it will be understood there is just cause when the director comes to occupy new positions or assumes new obligations that prevent him/her from dedicating the time necessary for performance of the functions inherent to the position of director, fails to comply with the duties inherent to the position or is in any of the circumstances resulting in loss of independent status, in accordance with the provisions of applicable legislation. Such dismissal may also be proposed as a result of a takeover bid, merger, or other similar corporate operations implying a change in the share capital structure of the Company, provided that such changes in the structure of the board are required by virtue of the proportionate representation criterion.

C.1.20 Are qualified majorities other than those established by law required for any particular kind of decision?

Yes ☐ **No** ☐**X**

If so, describe the differences.

Description of differences

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, for being appointed as chairman of the Board of Directors.

Yes ☐ **No** ☐**X**

Description of requirements

C.1.22 Indicate whether the Bylaws or Board of Directors Regulations state an age limit for directors:

Yes ☐**X** **No** ☐

	Age limit
Chairperson	N.A.
CEO	70
Director	N.A.

Remarks

It is stated that this is not an absolute limit but rather the age from which the Chief Executive Officer must place his position at the disposal of the Board for the latter to decide whether to continue in the exercise of his duties.

C.1.23 Indicate whether the Bylaws or the Board of Directors Regulations state any term limits for independent directors other than those required by law or any other than that stated in the regulations:

Yes □ **No** □**X**

Additional requirements and/or maximum number of years of office	

C.1.24 Indicate whether the Bylaws or the Board of Directors Regulations state specific rules for delegating votes within the Board of Directors to other directors, if so the procedure for doing so and, in particular, the maximum number of delegations that a director may hold, as well as whether any limit has been established regarding the categories of director to whom votes may be delegated beyond the limits imposed by law. If so, briefly describe these rules.

Article 23 a) of the Bylaws (currently article 19) states that any director may confer representation to another director in writing, by fax, e-mail or any other similar means. Non-executive directors may do so only to another non-executive director.

C.1.25 Indicate the number of meetings held by the Board of Directors during the year. Also indicate, if applicable, the number of times the Board met without the chairman being present. Meetings where the chairman gave specific proxy instructions are to be counted as attended.

Number of board meetings	12
Number of board meetings held without the chairman's presence	0

Remarks

Indicate the number of meetings held by the coordinating director with the other directors that were not attended by any executive directors in person or by proxy:

Number of meetings	0

Remarks

Indicate the number of meetings held by each Board committee during the year:

Number of meetings held by the executive committee	

Number of meetings held by the audit and control committee	8
Number of meetings held by the nominations and remunerations committee	12

Remarks

C.1.26 Indicate the number of meetings held by the Board of Directors during the year and information regarding the attendance of its members:

Number of meetings in which at least 80% of directors were present in person	12
Attendance in person as a % of total votes during the year	100
Number of meetings with attendance in person or proxies given with specific instructions, by all directors	12
Votes cast in person and by proxies with specific instructions, as a % of total votes during the year	100

Remarks

C.1.27 Indicate whether the individual and consolidated financial statements are certified before being presented to the Board for approval:

Yes X **No**

Identify, if applicable, the person(s) who certified the individual and consolidated financial statements of the company before being drawn up by the Board:

Name	**Position**
MR. JOSÉ MANUEL AISA MANCHO	Corporate Finance & M&A Director
MR. TOBIAS MARTINEZ GIMENO	CEO

Remarks

C.1.28 Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations.

The consolidated annual accounts have been prepared in accordance with the financial reporting regulatory framework applicable to the Group, which is established by the International Financial Reporting Standards (hereinafter "IFRS") adopted by the European Union (hereinafter "EU-IFRS") and taking into consideration all the accounting principles and standards and the mandatory assessment criteria, as well as the Commercial Code, the Spanish Companies Law and other applicable commercial legislation, so that the image shows faithful of the equity and

financial situation of the Cellnex Group as of 31 December 2020 and of the results of its operations, of the changes in equity and of the consolidated cash flows that have occurred in the year ended on that date.

C.1.29 Is the secretary of the Board also a director?

Yes ☐ **No ☐X**

If the secretary is not a director, complete the following table:

Name or company name of the secretary	Representative
MR. JAIME VELÁZQUEZ VIOQUE	

Remarks

C.1.30 Indicate the specific mechanisms established by the company to safeguard the independence of the external auditors, and any mechanisms to safeguard the independence of financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.

One of the functions of the Audit and Risk Management Committee (article 15 paragraph b) of the Board of Directors Regulations in its wording of 19 February 2021 which is adapted to the Good Governance Code revised in June 2020) is to raise to the Board of Directors for submission to the General Shareholders' Meeting the proposals for the selection, appointment, re-election and replacement of the external auditor or audit firm, taking responsibility for the selection process, the conditions of engagement, the scope of the professional mandate and, if applicable, the revocation or non-renewal thereof, all in accordance with current legislation, as well as to regularly obtain information from them on the audit plan and its execution, and preserve their independence in the exercise of their functions.

Another function (art. 15, paragraph d) of the same Regulations) is to establish the appropriate relations with the external auditors or audit companies in order to receive information on issues that could jeopardise their independence, for review by the Committee, and any other matters relating to the process of the audit of accounts, and when appropriate, the authorization of services other than those prohibited in the terms contemplated in the applicable regulations, in relation to the independence regime as well as other communications provided for under audit legislation and the auditing standards. In any case, they must receive annually from the external auditors or audit firms written confirmation of their independence from the entity or entities directly or indirectly related to it, as well as information on additional services of any kind rendered and the corresponding fees received from these entities by the external auditors or audit firms or by the persons or entities related to them in accordance with the provisions of the applicable legislation on audit of accounts.

Additionally, another function of the Audit and Risk Management Committee (art. 15 sect. j) of the Board of Directors Regulations) is to issue annually, prior to the issuance of the audit report, a report in which an opinion will be expressed on whether the independence of the auditors or audit firms is compromised. This

report in any event must contain a reasoned evaluation of the provision of each and every one of the additional services referred to in the preceding paragraph, taken individually and as a whole, other than the legal audit, as regards the scheme of independence of the auditors and regulations governing audits. In accordance with the legal requirements, information on the fees paid to the Company's external auditor for the provision of audit and other services is included in the company's financial statements. The governing bodies pay particular attention to not compromising the independence of financial analysts, investment banks and rating agencies.

C.1.31 Indicate whether the company changed its external auditor during the year. If so, identify the incoming and outgoing auditor:

Yes □ **No □X**

Outgoing auditor	Incoming auditor

Remarks

If there were any disagreements with the outgoing auditor, explain their content:

Yes □ **No □X**

Explanation of disagreements

C.1.32 Indicate whether the audit firm performs any non-audit work for the company and/or its group and, if so, state the amount of fees it received for such work and express this amount as a percentage of the total fees invoiced to the company and/or its group for audit work:

Yes □X **No □**

	Company	Group companies	Total
Amount of work other than standard audit work (thousands of euros)	2,560	17	2,577
Fees for work other than standard audit/Fees for audit work (%)	100.00	1.00	100.00

Remarks

In view of the impossibility of entering the correct percentage that the fees for work other than standard audit represent on the total fees invoiced to the company, we have entered 100% since it is the maximum allowed by the system. However, the correct percentages are as follows: Amounts of work other than audit: Company 327%, Group 1 Companies, Total 113%.

C.1.33 Indicate whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, indicate the reasons given to shareholders at the general meeting by the chairman of the audit committee to explain the content and extent of the qualified opinion or reservations.

Yes ☐ **No** ☐X

Explanation of the reasons and direct link to the document made available to the shareholders at the time that the general meeting was called in relation to this matter

C.1.34 Indicate the number of consecutive years for which the current audit firm has been auditing the company's individual and/or consolidated financial statements. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	8	8

	Individual	Consolidated
Number of years audited by the current audit firm/number of years in which the company has been audited (in %)	100%	100%

Remarks

C.1.35 Indicate whether there is a procedure for directors to be sure of having the information necessary to prepare the meetings of the governing bodies with sufficient time; provide details if applicable:

Yes ☐X **No** ☐

Details of the procedure
Article 23 of the Board of Directors Regulations (former article 22) states that the agenda of the Board meetings will clearly indicate those items on which the Board of Directors must adopt a decision or resolution so that the directors may study or obtain, in advance, the information necessary for its adoption. And that all information regarding the proposals to be

submitted to the directors will be made available to them at least forty-eight (48) hours in advance. The information sent to the directors during the 2020 fiscal year was generally sent one week in advance.

C.1.36 Indicate whether the company has established rules obliging directors to inform the Board of any circumstances, whether or not related to their actions in the company itself, that might harm the company's standing and reputation, tendering their resignation where appropriate. If so, provide details:

Yes X **No**

Explain the rules
Article 21 of the Board of Directors Regulations states that directors must tender their resignation to the Board of Directors and, if the Board deems it appropriate, formalise the corresponding resignation in the following cases: - When they are subject to any of the grounds of incompatibility or prohibition contemplated by law. - When there are situations that affect them, related or not to their performance in the Company itself, that may harm its credit and reputation, and when they are investigated in any criminal case, the Board of Directors must be informed of their procedural vicissitudes, or are subject to disciplinary proceedings for serious or very serious misconduct instructed by the supervisory authorities. - When their continuance on the Board may jeopardise the interests of the Company, and - When the reasons for which they were appointed disappear. The latter circumstance will be deemed to occur with respect to a proprietary director when the total shareholding he/she holds or whose interests he/she represents is disposed of, and also when the reduction of the shareholding requires the reduction of the number of proprietary directors. The Board has positively viewed the rules that require directors to report situations that affect them, whether or not related to their performance in the Company itself. Thus, in the regulatory modification of 19 February 2021, it has been adapted to the provisions of the Good Governance Code, which in recommendation 22 has expanded the obligation to report when directors are investigated in any criminal case.

C.1.37 Indicate, unless there have been special circumstances that have been recorded in the minutes, if the Board of Directors has been notified or has otherwise become aware of any situation affecting a director, whether or not related to his/her actions in the company itself, that might harm the company's standing and reputation:

Yes **No X**

Director's name	Nature of the situation	Remarks

Indicate whether the Board of Directors has examined the case. If so, explain with reasons whether, given the specific circumstances, it has adopted any measure, such as opening an internal enquiry, requesting the director's resignation or proposing his/her dismissal.

Indicate also whether the Board decision was backed up by a report from the nominations committee.

Yes ☐ **No** ☐

Decision / action taken	Reasoned explanation

C.1.38 Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

Obligations and other loans

The terms and conditions of the bonds issued under the EMTN Program, as well as the convertible bonds, include a change of control clause (at the option of the bondholders) that would imply their early repayment.

For bonds issued under the EMTN Program, the put option can only be activated if a change of control event occurs and there is a credit rating downgrade caused by a change of control event (as defined in the Program Terms and Conditions EMTN). For convertible bonds, the put option can only be activated if there is a change of control or if there is an event that triggers the offer (as defined in the terms and conditions of the convertible bonds).

For simple bonds (EMTN Program) and convertible bonds, a change of control event is defined as the acquisition of more than 50% of the voting rights with respect to the Parent Company, or the right to appoint or dismiss all or the majority of the members of the Board of Directors of Cellnex.

Loans and credit policies

In relation to the loans and credit policies contracted by Cellnex, the trigger is at the level of the Parent Company. For syndicated financing arranged through Swiss Towers, the trigger is measured against Cellnex Switzerland, Swiss Towers and Swiss Infra Services. For “GBP Facilities”, the trigger for the change of control is measured against Cellnex UK as well as at Cellnex level. For loans and credit policies arranged through Nexloop, the trigger for the change of control is measured relative to Nexloop. The event of change of control is generally triggered when a third party, alone or jointly with others, acquires 50% of the shares with voting rights or obtains the right to appoint or dismiss the majority of the members of the Board of Directors of the company. Relevant Company. See Note 15 of the consolidated annual accounts corresponding to fiscal year 2020.

Infrastructure acquisitions

In relation to the acquisitions of the Group's infrastructures by mobile phone operators, some significant contracts signed by the Group, including most of the Group's contracts with anchor customers, could be modified or terminated if a clause for change of control is activated. With respect to the relevant contracts entered into by the Group with anchor customers, the activation of a change of control clause is generally limited to the situation in which a competitor of the anchor customer, individually or together with others, obtains "control" (generally defined as the ownership of (i) more than 50% of the voting shares (except in certain exceptional cases where this threshold is defined as 29% or more of the voting shares) or (ii) the right to appoint or remove the majority of the members of the board of directors of the relevant Group company). In such circumstances, the anchor customer may be granted an option to repurchase the assets (generally the infrastructure from which it receives the service). Likewise, this repurchase option may also be granted in the event that a direct competitor of the anchor client acquires a significant part of the shares or obtains voting or governance rights that can be exercised in a way that could negatively affect the client's interests. anchor. The change of control clause may be activated either at Cellnex level or only at the level of the relevant subsidiary that has signed the corresponding contract. In some contracts, the definition of control, and therefore of change of control, expressly refers to the applicable law in the relevant jurisdiction. Finally, in relation to the recent transaction with Hutchison in the United Kingdom and the part of the price that Hutchison will receive in Cellnex shares, if as a result of a takeover bid prior to the closing of the transaction with Hutchison in the United Kingdom, a third party (alone or in concert with another shareholder) acquires the majority of the votes in Cellnex, Cellnex will ensure that Hutchison receives at closing the consideration equivalent to what it would have received had it been a Cellnex shareholder at the time of the takeover bid.

C.1.39 Identify individually as regards directors, and in aggregate form in other cases, and provide details of any agreements between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal without due cause or termination of employment as a result of a takeover bid or any other type of transaction.

Number of beneficiaries	2
Type of beneficiary	**Description of the agreement**
	The Directors have signed contracts with the Company which include indemnification clauses.

CEO and Senior Management	In general terms, the indemnity clause of the contracts provides for the accrual of an indemnity in favour of the executive in the event of (i) unfair dismissal, (ii) unilateral termination of the contract by the executive due to serious breach by the Company of the obligations established in the contract, substantial non-consensual modification of the executive's functions, powers or conditions of the provision of services thereby. The indemnification is the greater of the following amounts: a) indemnification equivalent to one year's salary, taking into consideration the gross annual fixed remuneration in cash received at the time of termination, as well as the gross annual variable remuneration received by the director in the twelve months immediately prior to the effective termination of services; or, b) indemnification legally provided for in the labour legislation in force. In the case of the CEO and a member of Senior Management the indemnity clause of the contracts provides for the accrual of an indemnity in favour of the executive also in the case of: (iii) unilateral termination of the contract by the executive due to a change of control of the Company within the meaning of article 42 of the Commercial Code and similar circumstances. In the case of the CEO and another member of Senior Management, the indemnification is the greater of the following amounts: a) indemnification equivalent to two years' salary, taking into consideration the gross annual fixed remuneration in cash received at the time of termination, as well as the gross annual variable remuneration received by the director in the twelve months immediately prior to the effective termination of services; or b) indemnification legally

	provided for in the labour legislation in force.

Indicate whether, beyond the cases established by legislation, these agreements have to be communicated and/or authorised by the governing bodies of the company or its group. If so, specify the procedures, the cases concerned and the nature of the bodies responsible for their approval or communication:

	Board of Directors	General shareholders' meeting
Body authorising the clauses	X	

	YES	NO
Are these clauses notified to the General Shareholders' Meeting?		X

Remarks
The Board of Directors, following a report from the Nominations, Remunerations and Sustainability Committee, approves the essential conditions of the Senior Management.

C.2 Committees of the Board of Directors

C.2.1 Provide details of all committees of the Board of Directors, their members, and the proportion of executive, proprietary, independent and other external directors forming them:

EXECUTIVE COMMITTEE

Name	Position	Current

% of executive directors	
% of proprietary directors	
% of independent directors	
% of other external directors	

Remarks

Explain the functions delegated or assigned to this committee, other than those that have already been described in Section C.1.9, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the bylaws or in other corporate resolutions.

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Position	Current
MR. BERTRAND KAN	CHAIRMAN	Independent
MR. LEONARD PETER SHORE	MEMBER	Independent
MS. ANNE BOUVEROT	MEMBER	Independent
MR. CHRISTIAN COCO	MEMBER	Proprietary

% of proprietary directors	25
% of independent directors	75
% of other external directors	0

Remarks

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the bylaws or in other corporate resolutions.

SEE EXPLANATORY NOTE TO SECTION C.2.1.

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date on which the Chairperson of this committee was appointed.

Names of directors with experience	MR. BERTRAND KAN
Date of appointment of the chairperson	16/02/2017

Remarks
The Board is evaluating the succession of the position of Chairperson of the Audit and Risk Management Committee, which it foresees in the immediate future.

NOMINATIONS, REMUNERATIONS AND SUSTAINABILITY COMMITTEE

Name	Position	Current
MR. GIAMPAOLO ZAMBELETTI	CHAIRMAN	Independent
MR. PIERRE BLAYAU	MEMBER	Independent

MS. MARIETA DEL RIVERO	MEMBER	Independent
MS. MARIA LUISA GUIJARRO PIÑAL	MEMBER	Independent
MS. ALEXANDRA REICH	MEMBER	Proprietary

% of proprietary directors	20
% of independent directors	80
% of other external directors	

Remarks

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the bylaws or in other corporate resolutions.

SEE EXPLANATORY NOTE TO SECTION C.2.1.

NOMINATIONS COMMITTEE

Name	Position	Current

% of proprietary directors	
% of independent directors	
% of other external directors	

Remarks

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the bylaws or in other corporate resolutions.

REMUNERATIONS COMMITTEE

Name	Position	Current

% of proprietary directors	
% of independent directors	
% of other external directors	

Remarks

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the bylaws or in other corporate resolutions.

______COMMITTEE

Name	Position	Current

% of executive directors	
% of proprietary directors	
% of independent directors	
% of other external directors	

Remarks

Explain the functions assigned to this committee and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the bylaws or in other corporate resolutions.

C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors			
	Year n Number %	Year n-1 Number %	Year n-2 Number %	Year n-3 Number %
Executive committee				
Audit and Risk Management committee	1-25%	2-50%	2-50%	0-0%
Nominations and Remunerations committee	3-60%	2-40%	2-40%	1-25%
Nominations committee				
Remunerations committee				
_____ committee				

Remarks

C.2.3 Indicate, where applicable, the existence of any regulations governing Board committees, where these regulations are to be found, and any amendments made to them during the year. Also indicate whether any annual reports on the activities of each committee have been voluntarily prepared.

The Board Committees do not have their own regulations; their operation is regulated in the Board of Directors Regulations, which are available on the Company's website.
Each of these Committees has prepared a report on its 2020 activities, which is available on the Company's website.

D RELATED PARTY AND INTRAGROUP TRANSACTIONS

D.1 Describe, if applicable, the procedure and competent bodies for the approval of related party and intragroup transactions.

Article 4 of the Board of Directors Regulations states that the Board, following a report from the Audit and Risk Management Committee, is responsible for approving transactions that the Company carries out with directors, significant shareholders or shareholders represented on the Board of Directors, or with a related person to them, unless such transactions meet the following three conditions:

1) They are governed by standard form agreements applied on an across-the-board basis to a large number of customers. 2) They are carried out at prices or rates generally established. 3) The amount is no more than 1% of the consolidated annual revenue of the Company. Likewise, article 32 of the aforementioned Regulations stetes that: The Board of Directors formally reserves knowledge of any relevant transaction of the Company with a significant shareholder. In the case of ordinary transactions, a general authorisation of the line of operations and its execution conditions will be sufficient.

D.2 Describe any transactions that are significant, either because of the amount involved or the subject matter, entered into between the company or entities within its group and the company's significant shareholders:

Name or company name of significant shareholder	Name or company name of the company or entity within its group	Nature of the relationship	Type of transaction	Amount (thousands of euros)
EDIZIONE S.P.A.	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	4,219
GIC PRIVATE LIMITED	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	2,059
ABU DHABI INVESTMENT AUTHORITY	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	2,041
CRITERIA CAIXA, S.A.U.	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	1,425
WELLINGTON MANAGEMENT GROUP LLP	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	1,252
BLACKROCK INC	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	1,252
GQG PARTNERS, LLC	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	562
CANADA PENSION PLAN INVESTMENT BOARD	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	924
FMR, LLC	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	532

NORGES BANK	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	528
CAPITAL RESEARCH AND MANAGEMENT COMPANY	CELLNEX TELECOM, S.A.	Corporate	Dividends and other profits distributed	885

Remarks

D.3 Describe any transactions that are significant, either because of their amount or the subject matter, entered into between the company or entities within its group and directors or managers of the company:

Name or company name of director(s) or manager(s)	Name or company name of the company or entity within its group	Relationship	Nature of the transaction	Amount (thousands of euros)
No data				N.A.

Remarks
See Note 24.a) of the Consolidated Financial Statements for the year 2020.

D.4 Report any material transactions carried out by the company with other entities belonging to the same group, provided that these are not eliminated in the consolidation process and do not form part of the company's ordinary business activities in terms of their purpose and conditions.

In any case, report any intragroup transaction conducted with entities established in countries or territories considered as tax havens:

Name of the group company	Brief description of the transaction	Amount (thousands of euros)

Remarks
At 31 December 2020, the Group has no significant assets and liabilities with companies associated with the Cellnex Group. In turn, no transactions of significant amount have been carried out with associated companies during 2020.

D.5 Report any material transactions carried out by the company or entities belonging to its group with other related parties that have not been reported in the previous sections.

Company name of the related party	Brief description of the transaction	Amount (thousands of euros)
ATLANTIA S.P.A.	Agreement under which the Group may locate certain assets to provide telecommunications infrastructure services on Italian highways that are under Autoestrade per l'Italia SpA until 2038.	4

Remarks
In addition to the contracts indicated above, there were no transactions of significant amount with related entities during the periods ended 31 December 2020.

D.6 List the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management or significant shareholders.

According to the Board of Directors Regulations, these conflicts must be declared by the directors and executives and entail the duty to abstain from attending and participating in the matters in which they are involved. The directors (article 27 c) of the Regulations) (currently article 26), must abstain from participating in deliberation and voting on resolutions or decisions in which the director or a related person has a direct or indirect conflict of interest. Excluded from the foregoing prohibition are the resolutions or decisions that affect the director in its status as such, such as the director's appointment or removal from positions on the administration body or others of a comparable kind.

In addition, art. 27 e) of the Board of Directors Regulations states that the board members must adopt the necessary measures to avoid situations in which their interests, on their own behalf or on behalf of another, can be in conflict with the Company's interests and their duties to it. Exceptions are those cases in which the company has granted its consent in accordance with the terms set forth in article 230 of the Spanish Companies Law.

The directors (art. 28 of the aforesaid Regulations) (currently article 27), must notify the Board of Directors of any conflict situation, direct or indirect, that they or persons related to them may have with the interest of the company. The affected director will abstain to intervene in the resolutions or decisions regarding the transaction to which the conflict relates. The votes of the directors affected by the conflict and who are required to abstain will be deducted for the purposes of calculating the majority of votes that is necessary. In particular, the duty to avoid situations of conflict of interest requires the director to abstain from:

a) Engaging in transactions with the Company, unless they are ordinary transactions, on terms that are standard for customers and of little importance, with such transactions being understood to be those the reporting of which is not

necessary to accurately reflect the net worth, financial situation and results of the Company.
b) Using the company's name or their status as directors to unlawfully influence the execution of private transactions.
c) Using the corporate assets, including the confidential information of the company, for private purposes.
d) Using the company's business opportunities for their own benefit.
e) Obtaining benefits or remuneration from third parties, other than the company and its group related to the performance of the director's duties, except in the case of mere courtesies.
f) Carrying on activities for their own account or on behalf of others that actually or potentially bring them into competition with the Company or that in any other way place them in permanent conflict with the interests of the Company.

The Board of Directors of Cellnex in July 2016 approved an Internal Code of Conduct adapted to the requirements of the European Market Abuse Regulation establishes the following:

Principles of action
In any case in which a "Conflict of Interest" exists (Conflict of Interest will mean the collision of the interests of the Company and the personal interests of the Affected Person), the Affected Persons will act in accordance with the following principles:

(i) Independence.
They at all times must act with loyalty to the Company, regardless of their own or other people's interests.
(ii) Abstention.
They must refrain from participating in or influencing decision-making on matters affected by the conflict.
(iii) Confidentiality.
They must refrain from accessing confidential information affecting such conflict.

Communication of Conflicts of Interest
The Affected Persons will notify the Secretary of the Board of any possible Conflicts of Interest to which they are subject due to their family relationships, their personal assets, their activities outside the Company, or for any other reason.
A Conflict of Interest will not be deemed to arise due to family relationships when the relationship exceeds the fourth degree of consanguinity or second degree of affinity.

A possible Conflict of Interest derived from personal assets will be deemed to exist when it arises in relation to a company in which the Affected Person holds an executive position or when he/she holds a significant shareholding (understood as any direct or indirect shareholding exceeding twenty percent of its issued share capital).

Affected Persons must keep the information updated, reporting any modification or cessation of the situations previously reported, as well as the emergence of new possible Conflicts of Interest.

Communications must be made as soon as possible once the current or possible situation of Conflict of Interest is noticed and, in any case, before taking a decision that could be affected by the possible Conflict of Interest.

D.7 Indicate whether the company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through any of its subsidiaries, business relationships with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them.

Yes ☐ **No** ☐X

Indicate whether the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries have been defined publicly and precisely:

Yes ☐ **No** ☐X

Report the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries, and identify where these aspects have been publicly reported

Identify the mechanisms in place to resolve potential conflicts of interest between the parent of the listed company and the other group companies:

Mechanisms for resolving possible conflicts of interest

E RISK MANAGEMENT AND CONTROL SYSTEMS

E.1 Explain the scope of the company's Risk Management and Control System, including tax risk.

The Risk Management System operates in an integral, continuous manner, consolidating such management for each Business Unit. It is currently implemented in Corporation, Spain, France, Holland, Ireland, Italy, Portugal, United Kingdom and Switzerland. The newly acquired companies are expected to be included in the scope in the coming months.

Following the risk culture at Cellnex and with the commitment to strengthen global risk management, the Board of Directors approved the methodology of the three lines of defence risk model, which mainly consists of the following:

- 1st Line: functional areas that are responsible for assessing, controlling and mitigating risks along with maintaining effective internal controls.
- 2nd Line: facilitates and monitors the implementation of effective risk management practices.
- 3rd Line: evaluates and manages risks by validating the performance of the first and second lines, providing independent assurance of the risk model.

During 2020, two initiatives were launched in connection with this commitment to integrated risk management:

- The creation of the Global Risk Committee, the objective of which is to deploy risk management in the Cellnex Group and validate the risks and action plans defined in each risk map.
- Creation of the risk management department, which aims to promote a common risk culture within Cellnex.

In addition, the new Global Risk Management Policy and the Global Risk Management Model were approved in 2020.

- The policy establishes the essential principles and commitments in the area of Risk Management, its communication to stakeholders and its progressive integration into all operational processes of the Cellnex Group. The principles and commitments set forth in this Policy are of general application and must be taken into account in each of the projects, businesses and activities carried out by the company. This Policy is mandatory for all companies controlled by Cellnex Telecom.
- The model defines the methodology for Global Risk Management in the Cellnex Group. It establishes the governance model, roles and responsibilities, risk life cycle, risk taxonomy, and risk assessment and monitoring

E.2 Identify the bodies within the company responsible for preparing and executing the Risk Management and Control System, including tax risk.

The bodies responsible for definition, execution and supervision are the following:

- *Board of Directors:* is the highest authority responsible for approving the risk control strategy and policy as well as for defining the company's risk appetite.
- *Audit and Risk Management Committee*: as a function entrusted by the Board of Directors, it supervises the effectiveness of the risk management model, ensuring that the risk management model adequately identifies, prioritises, controls, monitors and discloses all risks.
- *Chief Executive Officer:* has ultimate responsibility for the organisation's risk management and control framework providing leadership and oversight of risk management activities.
- *Senior Management:* responsible for risk management, which includes the definition and implementation of defined risk policies, validation of risk maps, assignment of responsibilities, implementation of control activities and action plans, as well as monitoring of existing risks in its area of responsibility.
- *Function Managers*: each person responsible for an area is in charge of identifying, evaluating and implementing control activities aimed at mitigating risks.
- *Global Risk Committee:* its purpose is to deploy risk management in the Cellnex Group and validate the risks and action plans defined in each risk map, and to properly formalise the Three Lines of Defence in Cellnex.
- *Risk Management*: responsible for preparing and updating risk management policies, establishing the mechanisms and methodology for identifying and assessing risks, updating risk maps, implementing a monitoring system, and communicating with the highest governance bodies.

- *Internal* Audit: provides assurance to the Board of Directors, the Audit and Risk Management Committee and Senior Management that risks are adequately understood and managed, and proposes solutions to improve the risk control and management structure

E.3 Indicate the main risks, including tax risks, and those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant, which may affect the achievement of business objectives.

Risks at Cellnex can be classified into the following types:

- Strategic: risks that affect the business strategy or strategic objectives of any company.
- Operational: risks of potential losses resulting from the inadequacy of key operations processes as well as the people, equipment and systems that support these processes.

Risks are also classified according to the functional area of their main impact, and the functional areas defined are as follows:

- Legal / Regulatory / Compliance: the possibility of incurring legal or administrative sanctions, significant financial losses or loss of reputation due to non-compliance with laws, regulations, internal rules and codes of conduct applicable to the business.
- Financial: risk of loss of value or earnings as a result of adverse movements in financial variables and the company's inability to meet its obligations or build its assets.
- Business: any risk that may affect the company's core business in its provision of services to customers, either directly or indirectly.
- Operations: risks associated with the execution of operational processes, including, among others, technological risks, dependence on suppliers, etc.
- Environment and climate change: risks involving potential damage to the environment such as natural disasters, climate change, etc.
- People: risks related to people, such as: culture, talent, etc.
- Systems: those risks that may affect Cellnex's information systems infrastructure.

E.4 Indicate whether the entity has risk tolerance levels, including for tax risk.

- Tolerance levels are defined in the risk assessment matrix.
- For the risks identified, each manager evaluates the potential impact of the risk if it materialises, differentiating among four levels: low, medium, important and critical, taking into account the economic impact, ramification in the organisation and reputational impact. The likelihood of the risk occurring is then assessed. This probability is classified among the four defined levels: remote, possible, probable and almost certain. The combination of impact and probability leads to risk prioritisation

E.5 Indicate which risks, including tax risks, have materialised during the year.

We highlight the most relevant risks that materialised during the year:

- A portion of the Group's revenues is derived from a small number of customers. In the Infrastructure Services for Mobile Telecommunications

Operations segment, the main customers are telecommunications operators (mostly MNOs); in the Broadcasting Infrastructure segment, its main customers are the broadcast media (TV channels and radio stations); and in the Other Network Services segment, its main customers are (i) a small number of public administrations, at the national, regional and/or local level, (ii) security and emergency response organisations, (iii) companies operating in the utilities sector, and (iv) certain telecommunications operators.

- Increased competition in the acquisition of assets and companies in the context of the Group's business expansion.
- In the renewal of relevant contracts in the broadcasting business in Spain, there has been a reduction in revenues with respect to the previous renewal cycle.
- The existing pandemic situation has led to a slowdown in economic activity that affects employee mobility and has had a slight impact on the execution of certain operations, on some business processes, etc.

E.6 Explain the response and oversight plans for the company's main risks, including tax risks, as well as the procedures followed by the company in order to ensure that the Board of Directors responds to any new challenges that arise

The implemented risk management model establishes the response and supervision plans for the main risks based on their assessment.

The risk maps as well as those risks considered to be priority risks are reviewed by the Audit and Control Committee, which in turn reports to the Board of Directors, as well as if there is any variation in the risks not defined as priority risks. In addition, the areas perform risk management.

In order to reduce exposure to risks such as infrastructure sharing, regulatory changes, technological advances and development of alternative technologies not currently used, increased competition, among others, the Group continues with a policy of internationalisation, diversification and selective growth, promotes understanding with the Public Administrations for the development of infrastructure and continues with the efficiency plan for the optimisation of operating expenses and investments. In addition, in response to the health crisis resulting from the COVID 19 pandemic, Cellnex deployed business contingency and recovery plans in all countries. This has allowed the continuity of all critical services of our customers, preserving the safety of people. Practically all of our activities have been and continue to be carried out remotely.

We are currently immersed in the process of designing and updating the global business continuity model, starting with the most critical processes

F INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATING TO THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (ICFR)

Describe the mechanisms forming your company's Internal Control over Financial Reporting (ICFR) system.

F.1 **The entity's control environment**

Report on at least the following, describing their principal features:

F.1.1. The bodies and/or departments that are responsible for: (i) the existence and maintenance of an adequate and effective ICFR system; (ii) its implementation; and (iii) its supervision.

The Financial Reporting Internal Control System (hereinafter "FRICS") of Cellnex is part of its general internal control system and is configured as the set of processes that the Board of Directors, the Audit and Risk Management Committee, the Management and the Company's personnel carry out to provide reasonable assurance regarding the reliability of the financial information published in the markets.

Cellnex's "FRICS Organisational and Supervisory Model" (hereinafter "FRICS Organisational Model") establishes that the Board of Directors is ultimately responsible for the supervision of internal reporting systems, as well as the Risk Control and Management Policy. In addition, the Bylaws and the Board of Directors Regulations establish, among others, the following powers and responsibilities:

- The determination of the Company's general policies and strategies, as well as the Company's corporate governance policy.
- The formulation and approval of the annual accounts and any other report or information required by law.
- The approval of the financial information listed companies must periodically disclose.
  The determination of the Risk Control and Management Policy, including tax risks, and the supervision of internal information and control systems.
- The supervision of the effective functioning and performance of the delegated bodies, including the Audit and Risk Management Committee, and designated executives.

Based on the Board of Directors Regulations (art. 15), the basic responsibilities of the Audit and Risk Management Committee (hereinafter "ARMC") include:

- The supervision and evaluation of the process of preparation and presentation of the mandatory financial and non-financial information of the Company, as well as its integrity.
- The supervision and evaluation of the internal control and risk management systems, financial and non-financial of Cellnex and, where appropriate, of the group, including operational, technological, legal, social, environmental, political and reputational systems or those related to corruption, reviewing the compliance with regulatory requirements, the adequate delimitation of the consolidation perimeter and the correct application of accounting criteria.
- Discussion with the auditor of significant weaknesses in the internal control system detected during the audit.
- Supervision of the internal audit services, ensuring their independence, and verification that the recommendations and corrective measures recommended by them are considered by Management.

Cellnex's Internal Audit function is responsible for supervising the FRICS by delegation from the ARMC, with the Global Finance & M&A Department being responsible for its design, maintenance and implementation.

F.1.2. Indicate whether the following exist, especially in relation to the drawing up of financial information:

- Departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) clear definition of lines of responsibility and authority with an appropriate distribution of tasks and functions; and (iii) ensuring that adequate procedures exist for their proper dissemination throughout the entity.

The Board of Directors of Cellnex assigns responsibility for the design and review of the organisational structure related to the preparation of financial information to the Global Organisation & Processes Department and the Global Finance & M&A Department. These departments define the general lines of the structure and distribution of responsibilities, as well as the procedure for the design, review, updating and dissemination thereof, a procedure that is documented in the organisational charts (organisational structure) and the process model and its associated regulations that form part of the Cellnex policy catalogue.

Cellnex has an internal organisation chart, which covers all areas, and which is fundamentally divided by department (including those departments involved in the preparation, analysis and supervision of financial information). This organisation chart indicates responsibilities up to a certain management level and is complemented by more detailed ones distributed at the department level.

With regard to the process of preparing financial information, in addition to detailed organisation charts, for the purpose of assigning responsibilities there is the FRICS Organisational Model, developed by the Global Finance & M&A Department and approved by the ARMC.

- Code of conduct, the body approving this, degree of dissemination and instruction, principles and values covered (stating whether there is specific mention of record keeping and preparation of financial information), body charged with analysing breaches and proposing corrective actions and sanctions.

Cellnex has a Code of Conduct (Code of Ethics), approved by the Ethics and Compliance Committee, which has been communicated to employees and is available on the corporate intranet. The current composition of the Ethics and Compliance Committee is as follows:

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

In order to maintain the independence of the Cellnex Group's Ethics and Compliance Committee, it maintains its functional and organic dependence on the Nominations, Remunerations and Sustainability Committee of the Board of Directors of Cellnex Telecom.

The main values and principles contained in the Code of Ethics are: integrity, honesty, transparency and good faith. Likewise, the Code of Ethics includes the commitment to offer economic and financial information that faithfully reflects its economic, financial and equity reality, in accordance with generally accepted accounting principles and applicable international financial reporting standards, as well as the responsibility of its employees and managers to ensure that this is so, both through the correct performance of their duties and by informing the governing bodies of any circumstance that may affect this commitment.

The body responsible for analysing noncompliance and proposing corrective action and sanctions is the Ethics and Compliance Committee.

- Whistle blower channel allowing notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organisation, indicating whether this channel is confidential and whether anonymous notifications can be made, protecting the rights of the whistle blower and the person reported.

Cellnex has and promotes the use of communication channels on possible breaches of the Code of Ethics and other irregular activities in the organisation, especially financial and accounting, reporting in any case to the Ethics and Compliance Committee.

As indicated in the Cellnex Ethics Channel Policy, a document that regulates the procedure, scope and application of such reports, they can be communicated using a form, either by mail or email, respecting confidentiality.

Communications are received, analysed and followed up by the Ethics and Compliance Committee and subsequently reported periodically to the Nominations, Remunerations and Sustainability Committee and the Audit and Risk Management Committee. Periodically, the Ethics and Compliance Committee will report to both the Nominations, Remunerations and Sustainability Committee and the Audit and Risk Management Committee on the operation of the ethics channel.

If reports have been received during the year, the Ethics and Compliance Committee develops an Annual Report to facilitate the analysis of the functioning of the whistle-blower channel.

- Training and periodic refresher programmes for personnel involved in the preparation and revision of financial information, as well as in the assessment of the ICFR system, covering at least accounting standards, auditing, internal control and risk management.

In relation to training and periodic updating programmes on aspects that may affect the preparation and publication of financial information, Cellnex believes that the development and continuous training of its employees and executives is key. In this regard, Cellnex also believes that in-depth and updated training in accounting regulations and standards for the preparation of financial information, capital market regulations, taxation and internal control is necessary to ensure that the information reported to the markets is reliable and complies with the regulations in force.

With respect to the preparation and review of financial information, during the 2020 financial year Cellnex carried out training based on the needs identified by the Consolidation and Corporate Management Control departments, in relation to:

- New accounting, tax, capital markets and internal control regulations, adopted by the European Union and applicable to Cellnex.
- Changes in the methodology for reporting to the Regulator (ESEF Reporting) and/or in the information systems.
- Individual initiative of team members.

As a result of the identification of needs in the aforementioned areas, appropriate training activities are designed and implemented to meet the annual training objectives in these areas.

Cellnex carried out training activities during the 2020 financial year by external experts and internal training sessions, covering personnel involved in the preparation and review of financial information. The training areas on which most emphasis was placed in 2020, in line with the previous year, are related to the accounting, tax and financial areas that may have a greater impact on the preparation of Cellnex's consolidated financial information, especially with changes in national and international tax and accounting regulations and with the new developments of the year related to EU-IFRS.

In this regard, the Consolidation, Corporate Management Control and Global Accounting Policy departments subscribe to various accounting/financial publications and journals, as well as to the IASB website, which periodically sends news and other communications of interest, which are analysed and duly disseminated, ensuring that they are taken into consideration in the preparation of Cellnex's financial information. For its part, Cellnex has an e-learning platform, where training can be provided, both technical, for certain groups, and other more general training on a voluntary and, in some cases, mandatory basis.

Finally, during the 2020 financial year, it is important to highlight the dedication of the various areas of the Global Finance & M&A and Corporate & Public Affairs Departments in responding to the new requirement of the CNMV and ESMA to present the Consolidated

Financial Statements for the 2020 financial year in XBRL format, in accordance with the transparency requirements imposed by the Regulator. To this end, Cellnex has relied on a team of experts and a technological platform of recognised prestige, which has allowed us to transform and automate the process of compliance and presentation of regulated financial information through this platform.

We believe that in the coming years this collaborative platform will allow users a considerable improvement in productivity, as well as greater control over the processes of preparing regulated financial information.

F.2 **Assessment of risks in financial reporting**

Report on at least the following:

F.2.1. The main characteristics of the risk identification process, including risks of error and fraud, as regards:

- Whether the process exists and is documented.
- Whether the process covers all the objectives of financial reporting, (existence and occurrence; completeness; valuation; presentation; disclosure and comparability; and rights and obligations), whether it is updated and if so how often.
- The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex corporate structures or special purpose vehicles.
- Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements.
- The governing body within the company that supervises the process.

Cellnex has a Risk Control and Management Policy with the aim of establishing the basic principles and general framework of action for the control and management of the risks of all kinds that it faces. In this way, Cellnex identifies and updates the main risks, organising the appropriate internal control and information systems and regularly monitoring them.

Likewise, the Internal Control and Risk Management Manual of the FRICS (hereinafter, "Risk Management Manual") describes and formalises Cellnex's internal control and risk management model with respect to its Financial Reporting Internal Control System and establishes the mechanisms used to determine the risks in this area, the key business processes, as well as the practical and operational documentation of this internal control model.

The process for preparing and issuing financial information establishes the financial information to which it refers, as well as the methodology for defining materiality. Additionally, guidelines are established to determine whether the process covers all the objectives of the financial information (existence and occurrence; completeness; valuation; presentation, disclosure and comparability; and rights and obligations), whether it is updated and the frequency.

Cellnex has identified the relevant business processes, as well as the risks inherent to each one, and has designed a Risk and Control Matrix that aims to identify the main risks, based on which control activities have been designed, in such a way as to ensure that, from their proper fulfilment, full and reliable financial information is obtained.

The process of identifying risks of error in financial information is carried out and documented by the Consolidation department, a process that is complemented by the Internal Audit function, considering them in relation to Cellnex's general Risk Map (which includes both financial and non-financial risks). The entire process is ultimately supervised by the Audit and Risk Management Committee.

The Cellnex Audit and Risk Management Committee is responsible for supervising the internal control and risk management system with the support of Internal Audit.

During the second half of the 2020 financial year, a project was carried out to redefine and re-evaluate Cellnex's FRICS Model with the main purpose of adapting the current model to the current situation of exponential growth of the Group through the incorporation of new subsidiaries and assets. The aim of this project is to ensure that the FRICS model is based on standardised, homogeneous and global processes applicable to the entire Cellnex Group, which had recently been finalised by the organisation. The new approach to the FRICS model is expected to be rolled out in the second quarter of 2021.

F.3 **Control activities**

Report on whether the company has at least the following, describing their main characteristics:

F.3.1. Review and authorisation procedures for financial information and a description of the ICFR, to be disclosed to the securities markets, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including accounting closing procedures and the specific review of significant judgements, estimates, valuations and projections.

Cellnex has a Manual for Issuing Regulated Information, duly approved by the Audit and Risk Management Committee, which details the procedure for preparing and approving financial information and the description of the FRICS to be published in the securities and investment markets. This manual also establishes the criteria for identifying relevant public financial information, which is classified as follows:

- Issuers' Periodic Public Reporting (PPR) obligations:
  - Quarterly Financial Report.
  - Semi-annual Financial Report.
  - Annual Financial Report and Annual Corporate Governance Report (ACGR).

- Annual Directors Remuneration Report (ARR).
- CIP/OIR.

Cellnex's Regulated Information Issuance Manual also establishes the departments involved in the process of preparing, reviewing and authorising financial information and their respective responsibilities, from the accounting close to the publication of the CIP/OIRs. In particular, for each set of relevant regulated financial information to be published in the market, there is a preparation and review procedure, which involves the completion of internal control questionnaires on the communication of regulated information, in order to obtain reasonable assurance on the reliability of the entity's financial statements.

Compliance with the Regulated Information Issuance Manual and the completion of specific internal control questionnaires are mandatory and are subject to review by Cellnex's internal auditor.

With regard to the documentation describing the flows of activities and controls of the different types of transactions that may materially affect the financial statements, Cellnex has a FRICS Organisational Model, which structures the specific mechanisms that have been set up to maintain an internal control environment conducive to the generation of complete, reliable and timely financial information, which contemplates the possible existence of irregularities and the ways to detect and remedy them. Cellnex has developed procedures for those processes that are considered material and relevant in terms of their potential impact on the financial information to be disclosed, as follows:

- Revenue recognition and accounts receivable
- Fixed assets and investments
- Purchases and accounts payable
- Staff
- Opinions and estimates
- Closing of accounts, consolidation (determination of scope) and reporting
- Treasury and debt
- Taxes

The individual and consolidated annual accounts, the semi-annual financial reports and the financial information contained in Cellnex's quarterly interim statements are prepared and reviewed by the Global Finance & M&A Department prior to their submission to the Audit and Risk Management Committee. The latter applies the procedures included in the Regulated

Information Issuance Manual as a step prior to submitting the information to the Cellnex Board of Directors for final approval.

Regarding activities and controls directly related to transactions that may materially affect the financial statements, Cellnex has descriptions of controls in place to mitigate the risk of material misstatement in the information reported to the markets. These descriptions are also documented in the Risk and Control Matrix and contain information on what the control activity should consist of, what it is performed for, who should perform it, how often, as well as other information on which information systems or which activities performed by third parties are relevant to the effectiveness of the respective control activity. The controls cover areas such as revenue generation, investments and expenses in concessions, acquisitions and subsequent valuation of other fixed assets, analysis of the recoverability of investments, recording of taxes on profits or the correct presentation of financial instruments and Cellnex's financing operations.

In relation to the relevant opinions and estimates made, Cellnex reports in its consolidated financial statements those areas of a degree of uncertainty that it considers particularly relevant. The specific review and approval of the relevant opinions, estimates, valuations and projections, as well as the key assumptions used in their calculation, with a material impact on the consolidated financial statements, is performed by the Global Finance & M&A Department and, if applicable, by the Managing Director. The most significant issues, such as asset value monitoring and hedging policies, are discussed and reviewed by the Audit and Risk Management Committee prior to approval by the Board of Directors.

F.3.2. Internal IT control policies and procedures (access security, control of changes, system operation, operational continuity and segregation of duties, among others) which support significant processes within the company relating to the preparation and publication of financial information.

Cellnex uses information systems to maintain an adequate record and control of its operations and, therefore, their correct functioning is a key element of special emphasis for Cellnex.

The Systems function, reporting to the Organisation and Efficiency Department, which in turn reports directly to the Resources Department, is responsible for establishing the internal control model for information systems in aspects related to access security, segregation of duties (in coordination with the business and support operating areas) and change control, in addition to carrying out risk monitoring activities and controls derived from the outsourcing of the systems.

F.3.3. Internal control policies and procedures for overseeing the management of activities subcontracted to third parties, as well as of those aspects of assessment, calculation or valuation entrusted to independent experts, which may materially affect financial statements.

Cellnex regularly uses reports from independent experts for the valuation of its financial instruments, employee benefit commitments and acquisition price allocation processes in business combinations, among others. In addition, Cellnex maintains certain activities associated with the economic, personnel and operation and maintenance administration of its corporate information systems outsourced to an external provider.

Cellnex has formalised guidelines regarding the treatment of activities with third parties in both contracting and results. These guidelines are included in the internal procurement procedures.

The Global Finance & M&A Department carries out checks on the work of these experts, aimed at verifying:

- The competence, training, accreditation and independence of the experts.
- The validity of the data and methods used.
- The reasonableness of the assumptions used, if applicable.

In this regard, certain control and risk management mechanisms have been established with the supplier to ensure the integrity and quality of the financial information derived from these activities, such as a contract Management and Monitoring Committee, service level agreements, risk indicators, service reports, technological security measures, external audits, as well as contingency and continuity plans, among others.

F.4 **Information and communication**

Report on whether the company has at least the following, describing their main characteristics:

F.4.1. A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organisation, as well as an up-to-date accounting policy manual distributed to the business units through which the company operates.

Responsibility for defining, maintaining and updating Cellnex's accounting policies lies with the Global Accounting Policy department, which is part of the Global Finance & M&A Department.

One of the functions of this department is to respond to any accounting queries that may be raised by the different business units or other corporate departments of Cellnex.

Cellnex has an accounting policy manual, Group Reporting and Accounting Principles Handbook (GRAPH) for the purposes of preparing the financial statements prepared under EU-IFRS, which is prepared by the Global Accounting Policy department and updated periodically (at least annually) and incorporates the standards applicable in the year. The Audit Instructions that the external auditor sends to the auditors of the different companies for the limited review or audit at each semi-annual and annual closing, respectively, indicate that the accounting principles on which they must perform their work are those contained in the Cellnex GRAPH.

Any changes that may be made are communicated to the subsidiaries by e-mail. It was last updated in 2020 and, in any case, it is reviewed to ensure that in the most recent quarter there have been no significant new modifications that could affect the preparation of the consolidated financial information for the year.

F.4.2. Mechanisms for capturing and preparing financial information in standardised formats for application and use by all units of the entity or group, and support its main financial statements and notes, as well as disclosures concerning ICFR.

Cellnex has a single integrated environment for the preparation of consolidated financial information, through two platforms: Planning and Budgeting Cloud Service (hereinafter "PBCS") and Financial Consolidation and Close Service (hereinafter "FCCS"), both from Oracle. The integrity and reliability of these information systems is validated by means of the general controls indicated in section F.3.2.

The consolidated and regulated financial information of the Cellnex Group and the individual financial statements of Cellnex Telecom, S.A. (Controlling Company) are prepared by the Global Finance & M&A Department. in order to ensure uniformity in their preparation.

On a monthly basis, the Corporate Management Control and Consolidation departments receive the monthly Reporting Package (under IFRS) from all subsidiaries included in the scope of consolidation. This Reporting Package includes all the financial information necessary for the preparation of the Group's consolidated financial information and, in turn, guarantees the homogeneity of the information received, by means of the following characteristics:

- It is homogeneous and consistent for all countries and businesses.
- It is prepared on the basis of the Cellnex accounting manual, which is the same for all subsidiaries.
- It incorporates the applicable legal, tax, commercial and regulatory requirements.

The monthly Reporting Package (under IFRS) is loaded directly into the tools indicated above by the Finance Department of each country.

It should be noted that as of the second half of 2020, the Go Live to the new Consolidation tool, "FCCS" of Oracle, from which the consolidated financial statements of the Cellnex Group are obtained, under international IFRS standards, has become effective. The new tool allows the homogenisation and maximum interconnection with the current Corporate Management Control tool, Oracle's "PBCS" (implemented in all countries) in order to obtain a single and homogeneous reporting that responds to the needs of both departments. With this migration, the synergies of having both areas (Planning & Control and

Consolidation) in an interconnected financial information flow environment have become effective. In addition, the new tool provides the advantages of a current, advanced system that is up to date with the latest Cloud technological advances.

F.5 Supervision of the functioning of the system

Report on at least the following, describing their principal features:

F.5.1. The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function one of the responsibilities of which is to provide support to the committee in its task of supervising the internal control system, including ICFR. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible for performing the assessment communicates its results, whether the company has an action plan detailing possible corrective measures, and whether their impact on financial reporting has been considered.

In line with the previous year, the Audit and Risk Management Committee has carried out the following specific activities in relation to the FRICS in fiscal year 2020:

- Monitoring of the degree of implementation and possible changes to Cellnex's FRICS model.
- Review of the information related to the FRICS included in the Annual Corporate Governance Report.
- Review of the financial information released by Cellnex to the market.
- Periodic monitoring and analysis of the evolution of the operational implementation of the FRICS, taking account of its degree of implementation and its effectiveness.
- Follow-up of the work performed by the Company's external auditors in order to be aware of the internal control weaknesses detected in the performance of their work, as well as the relevant aspects or incidents thereof.

At present, the Audit and Risk Management Committee has already approved the Internal Audit Plan for the year 2020, which includes the necessary actions to ensure adequate supervision and evaluation throughout the year, regularly reporting the incidents detected and the necessary improvement actions once contrasted with the audited areas.

Cellnex has an Internal Audit Department that reports functionally to the Audit and Risk Management, and whose main function, as indicated in the Board of Directors Regulations of Cellnex, and specifically, the section corresponding to the powers of the Audit and Risk Management Committee, is to supervise the effectiveness of internal control of the Company, the internal audit services, checking the adequacy and integrity thereof and reviewing the appointment and replacement of those responsible, to supervise the surveillance and control measures suitable for preventing the commission of criminal offences, the risk management systems, including tax risks, the systems for managing compliance with all applicable regulations, and to discuss with the auditors any significant weaknesses in the internal control system detected during the course of the audit.

During the 2020 financial year, the Internal Audit function has carried out several activities to review the key business processes from which no significant weaknesses have arisen, all of which were reported in due time and form to the ACC, which could have a material impact on Cellnex's financial information for the 2020 financial year, and the necessary corrective actions have been established to resolve any other weaknesses in the future.

Likewise, the external auditor, as mentioned in section F.7.1. above, has issued an agreed procedures report on the description of the FRICS carried out by Cellnex in which no noteworthy matters have been highlighted.

F.5.2. Whether there is a discussion procedure whereby the auditor (as defined in the Spanish Technical Audit Standards), the internal auditor and other experts can report to senior management and the audit committee or directors of the company any significant weaknesses in internal control identified during the review of the annual financial statements or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses detected.

The procedure for discussing significant internal control weaknesses identified is based, in general terms, on periodic meetings held by the various parties involved. In this regard, the Internal Audit function periodically informs the Global Finance & M&A Department and the Audit and Risk Management Committee of the conclusions regarding internal control identified in the FRICS reviews and in the internal audits of processes carried out during the year, as well as the status of implementation of the action plans established for their mitigation.

With regard to relations with the external auditors, as indicated in article 39 of Cellnex's Board of Directors Regulations, these are channelled through the Audit and Control Committee. In this regard, the Audit and Risk Management Committee regularly meets with the external auditor in order to fulfil its responsibilities to supervise its actions, as well as to receive, where appropriate, communications on potential internal control weaknesses detected in the course of its professional activities. These communications are documented in the minutes of the Audit and Risk Management Committee and are followed up through the Internal Audit function.

In addition, Cellnex's auditor has direct contact with the Global Finance & M&A Department, holding regular meetings both to obtain the necessary information for the development of its work and to communicate the control weaknesses detected in the development thereof.

F.6 **Other relevant information**

No additional matters to be discussed have been identified.

F.7 **External auditor's report**

Report:

F.7.1. Whether the ICFR information sent to the markets has been subjected to review by the external auditor, in which case the entity should include the corresponding report as an attachment. If not, reasons why should be given.

Cellnex has submitted the FRICS information sent to the markets for the 2020 financial year for review by the external auditor. The scope of the auditor's review procedures has been carried out in accordance with Circular E14/2013 of 19 July 2013 of the Spanish Institute of Chartered Accountants (*Instituto de Censores Jurados de Cuentas de España*), which publishes the Guidelines and auditor's report model referring to the information related to the financial reporting internal control system (FRICS) of listed entities.

G DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company's degree of compliance with recommendations of the Good Governance Code for listed companies.

In the event that a recommendation is not followed or only partially followed, a detailed explanation of the reasons must be included so that shareholders, investors and the market in general have enough information to assess the company´s conduct. General explanations are not acceptable.

1. **That the bylaws of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.**

Complies ☐X Explain ☐

2. **That when the listed company is controlled by another entity in the meaning of article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:**

   a) **The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.**

   b) **The mechanisms in place to resolve any conflicts of interest that may arise.**

Complies ☐ Complies partially ☐ Explain ☐ Not applicable ☐X

3. **That, during the ordinary General Shareholders' Meeting, as a complement to the distribution of the written annual corporate governance report, the chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:**

   a) **Changes that have occurred since the last General Shareholders' Meeting.**

   b) **Specific reasons why the company has not followed one or more of the recommendations of the Corporate Governance Code and the alternative rules applied, if any.**

Complies ☐X Complies partially ☐ Explain ☐

4. **That the company should define and promote a policy on the communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.**

   And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the

dissemination and quality of information available to the market, investors and other stakeholders.

Complies Complies partially X Explain

The Company complies with the definition and promotion of a policy on the communication and contacts with shareholders, institutional investors, as well as with proxy advisors, in the terms of the first paragraph of the recommendation, coinciding with recommendation 4 of the Good Governance Code as drafted prior to the amendment of the aforementioned Code made in June 2020. And on 19 February 2021, the Board of Directors approved the General Policy on the communication of financial, non-financial and corporate information, under the terms of the second paragraph of the recommendation.

5. **That the Board of Directors should not submit to the General Shareholders' Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of pre-emptive rights in an amount exceeding 20% of the capital at the time of delegation.**

   And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of pre-emptive rights, the company should immediately publish the reports referred to by company law on its website.

   Complies X Complies partially Explain

6. **That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website with sufficient time before the General Shareholders' Meeting, even if their publication is not mandatory:**

   a) **Report on the auditor's independence.**

   b) **Reports on the workings of the audit and nominations and remunerations committees.**

   c) **Report by the audit committee on related party transactions.**

   Complies X Complies partially Explain

7. **That the company should transmit in real time, through its website, the proceedings of the General Shareholders' Meetings.**

   And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

   Complies X Complies partially Explain

8. **That the audit committee should ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports.**

   Complies X Complies partially Explain

9. **That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.**

   And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies X Complies partially Explain

10. **That when a duly authenticated shareholder has exercised his or her right to complete the agenda or to make new proposals for resolutions in advance of the General Shareholders' Meeting, the company:**

    a) Should immediately distribute such complementary points and new proposals for resolutions.

    b) Should publish the attendance, proxy and remote voting card specimen with the necessary changes such that the new agenda items and alternative proposals can be voted on in the same terms as those proposed by the Board of Directors.

    c) Should submits all these points or alternative proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors including, in particular, assumptions or default positions regarding votes for or against.

    d) That after the General Shareholders' Meeting, a breakdown of the voting on said additions or alternative proposals be communicated.

Complies Complies partially Explain Not applicable X

11. **That if the company intends to pay premiums for attending the General Shareholders' Meeting, it should establish in advance a general policy on such premiums and this policy should be stable.**

Complies Complies partially Explain Not applicable X

12. **That the Board of Directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.**

    And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment.

Complies X Complies partially Explain

13. **That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.**

Complies X Explain

14. **That the Board of Directors should approve a policy aimed at favouring an appropriate composition of the Board and that:**

a) Is concrete and verifiable;

b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and

c) Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.

That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the nominations committee published upon calling the General Shareholders' Meeting to which the ratification, appointment or re-election of each director is submitted.

The nominations committee will annually verify compliance with this policy and explain its findings in the annual corporate governance report.

Complies ☐X Complies partially ☐ Explain ☐

15. That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.

And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and no less 30% prior to that date.

Complies ☐X Complies partially ☐ Explain ☐

16. That the number of proprietary directors as a percentage of the total number of non-executive directors not be greater than the proportion of the company's share capital represented by those directors and the rest of the capital.

This criterion may be relaxed:

a) In large-cap companies where very few shareholdings are legally considered significant.

b) In the case of companies where a plurality of shareholders is represented on the Board of Directors without ties among them.

Complies ☐ Explain ☐X

As of 31 December 2020 the Board of Directors had 11 members, out of which 1 was an executive director, 7 independent directors and 3 proprietary directors. Although the percentage of share capital represented by the shareholders represented in the Board of Directors is lower than the percentage of proprietary directors over non-executive directors, we draw your attention to the fact that no other shareholder (relevant shareholder or not) has requested to appoint a director and, even, the director appointed by ADIA resigned during 2020. Consequently, and taking into account that the free float is approximately 42%, it is considered to be an adequate balance between independent and proprietary directors. Lastly, we draw your attention to the fact that at the date of this report the number of proprietary directors has decreased to 2 and there are two vacancies in the Board of Directors.

17. That the number of independent directors should represent at least half of the total number of directors.

That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies X Explain

18. **That companies should publish the following information on its directors on their website, and keep it up to date:**

    a) **Professional profile and biography.**

    b) **Any other Boards to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities engaged in, regardless of type.**

    c) **Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.**

    d) **Date of their first appointment as a director of the company's Board of Directors, and any subsequent re-elections.**

    e) **Company shares and share options that they own.**

Complies X Complies partially Explain

19. **That the annual corporate governance report, after verification by the nominations committee, should explain the reasons for the appointment of any proprietary directors at the proposal of shareholders whose holding is less than 3%. It should also explain, if applicable, why formal requests from shareholders for presence on the Board were not honoured, when their shareholding was equal to or exceeded that of other shareholders whose proposal for proprietary directors was honoured.**

Complies Complies partially Explain Not applicable X

20. **That proprietary directors representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors.**

Complies X Complies partially Explain Not applicable

21. **That the Board of Directors should not propose the dismissal of any independent director before the completion of the director's term provided for in the bylaws unless the Board of Directors finds just cause and a prior report has been prepared by the nominations committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her post as a director, fails to complete the tasks inherent to his or her post, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.**

    The dismissal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the

shareholder structure of the company, provided that such changes in the structure of the Board are the result of application of the proportionate representation criterion provided in Recommendation 16.

Complies □X Explain □

22. **That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.**

    And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the nominations and remunerations committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented.

    Complies □X Complies partially □ Explain □

23. **That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.**

    Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

    This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

    Complies □X Complies partially □ Explain □ Not applicable □

24. **That whenever, due to resignation or resolution of the General Shareholders' Meeting, a director leaves before the completion of his or her term of office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board of Directors.**

    And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

    Complies □X Complies partially □ Explain □ Not applicable □

25. **That the nominations committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.**

    And that the Board regulations establish the maximum number of company Boards on which directors may sit.

Complies ☐X Complies partially ☐ Explain ☐

26. **That the Board of Directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.**

Complies ☐X Complies partially ☐ Explain ☐

27. **That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a proxy with instructions.**

Complies ☐X Complies partially ☐ Explain ☐

28. **That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes at the request of the director expressing them.**

Complies ☐X Complies partially ☐ Explain ☐ Not applicable ☐

29. **That the company should establishes adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.**

Complies ☐X Complies partially ☐ Explain ☐

30. **That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.**

Complies ☐X Explain☐ Not applicable ☐

31. **That the agenda for meetings should clearly indicate those matters on which the Board of Directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.**

    When, in exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Complies ☐X Complies partially ☐ Explain ☐

32. **That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.**

Complies ☐X Complies partially ☐ Explain ☐

33. **That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out the duties assigned by law and the bylaws, should prepare and submit to the Board of Directors a schedule of dates and matters to be**

considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances make this advisable.

Complies □X Complies partially □ Explain □

34. That when there is a coordinating director, the bylaws or Board regulations should confer upon him or her the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the chairman.

Complies □X Complies partially □ Explain □ Not applicable □

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account such recommendations regarding good governance contained in this Good Governance Code as may be applicable to the company.

Complies □X. Explain □

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

a) The quality and efficiency of the Board of Directors' work.

b) The workings and composition of its committees.

c) Diversity in the composition and skills of the Board of Directors.

d) Performance of the chairman of the Board of Directors and of the chief executive officer of the company.

e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the nominations committee.

Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence shall be verified by the nominations committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

Complies □X Complies partially □ Explain □

37. **That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.**

Complies Complies partially Explain Not applicable X

38. **That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.**

Complies Complies partially Explain Not applicable X

39. **All members of the audit committee, in particular its chairman, should be appointed taking into consideration their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.**

Complies X. Complies partially E Explain

40. **That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.**

Complies X Complies partially Explain

41. **That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.**

Complies X Complies partially Explain Not applicable

42. **That in addition to the provisions of applicable law, the audit committee should be responsible for the following:**

1. With regard to information systems and internal control:

a) Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable, the group - including operational , technological, legal, social, environmental, political and reputational risk, or risk related to corruption - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.

b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.

c) Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities,

especially those of a financial or accounting nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.

d) Generally ensuring that internal control policies and systems are effectively applied in practice.

2. With regard to the external auditor:

a) In the event that the external auditor resigns, examining the circumstances leading to such resignation.

b) Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.

c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.

d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.

e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditors' independence.

Complies X Complies partially Explain

43. That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appear without the presence of any other member of management.

Complies X Complies partially Explain

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies X. Complies partially Explain Not applicable

45. That the risk management and control policy identify or determine, as a minimum:

a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.

b) A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.

c) The level of risk that the company considers to be acceptable.

d) Measures in place to mitigate the impact of the risks identified in the event that they should materialised.

e) Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.

Complies ☐X Complies partially ☐ Explain ☐

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal risk control and management function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:

a) **Ensuring the proper functioning of the risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.**

b) **Actively participating in drawing up the risk strategy and in important decisions regarding risk management.**

c) **Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.**

Complies ☐X Complies partially ☐ Explain ☐

47. That in designating the members of the nominations and remunerations committee – or of the nominations committee and the remunerations committee if they are separate – care be taken to ensure that they have the knowledge, aptitudes and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.

Complies ☐X Complies partially ☐ Explain ☐

48. That large-cap companies have separate nominations and remunerations committees.

Complies ☐ Explain ☐X Not applicable ☐

For the time being there is no need to have separate Committees because the current Nominations, Remunerations and Sustainability Committee is capable to address both topics altogether. Additionally, the size of Cellnex's Board of Directors, which is smaller than that of other listed companies with similar capitalization, makes it advisable not to duplicate the presence of directors on mandatory committees, thus maintaining the concentration in the Nominations, Remunerations and Sustainability Committee.

49. That the nominations committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director be able to ask the nominations committee to consider potential candidates that he or she considers suitable to fill a vacancy on the Board of Directors.

Complies ☐X Complies partially ☐ Explain ☐

50. That the remunerations committee exercise its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

a) Proposing the basic conditions of employment for senior management to the

Board of Directors.

b) Verifying compliance with the company's remuneration policy.

c) Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.

d) Making sure that potential conflicts of interest do not undermine the independence of external advice given to the committee.

e) Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.

Complies ☐X Complies partially ☐ Explain ☐

51. That the remunerations committee should consult with the chairman and the chief executive of the company, especially on matters relating to executive directors and senior management.

Complies ☐X Complies partially ☐ Explain ☐

52. That the rules regarding the composition and workings of the supervision and control committees should appear in the regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:

a) That they be composed exclusively of non-executive directors, with a majority of independent directors.

b) That their chairpersons be independent directors.

c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.

d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.

e) That their meetings be recorded and their minutes be made available to all directors.

Complies ☐X Complies partially ☐ Explain ☐

53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the nominations committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee as the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.

Complies ☐ Complies partially ☐X **Explain ☐**

The Corporate Social Responsibility Policy of Cellnex has been recognizing the desire to implement its basic principles in the area of Human Rights and Stakeholders. And its development and execution is specified in the 2016-2020 Master Plan, whose strategic axes are: ethical management and good governance, development of people, sustainable development of the business, the contribution of value to the company, the communication and reporting and governance of Corporate Social Responsibility, under monitoring and control of the Nominations and Remunerations Committee. As a result of the review of the Good Governance Code on June 2020 and, specifically, of the new wording of this recommendation, the Company has incorporated on 19 February 2021, sustainability to the functions of the Nominations and Remunerations Committee, which has been renamed the Nominations, Remunerations and Sustainability Committee. Likewise, the Company has approved on the same date an ESG, Environmental, Sustainability and Governance Policy. Consequently, Cellnex as of the date of this report already complies with this recommendation.

54. The minimum functions referred to in the foregoing recommendation are the following:

a) Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.

b) Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.

c) The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.

d) Supervision of the company's environmental and social practices to ensure that they are in alignment with the established strategy and policy.

e) Supervision and evaluation of the way in which relations with the various stakeholders are handled.

Complies Complies partially X Explain

55. That environmental and social sustainability policies identify and include at least the following:

a) The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct

b) Means or systems for monitoring compliance with these policies, their associated risks, and management.

c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.

d) Channels of communication, participation and dialogue with stakeholders.

e) **Responsible communication practices that impede the manipulation of data and protect integrity and honour.**

Complies Complies partially X Explain

The explanation of recommendation 53 is also useful for this one.

56. **That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.**

Complies X Explain

57. **That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other provident schemes.**

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

Complies X Complies partially Explain

58. **That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that such remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.**

And, in particular, that variable remuneration components:

a) **Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk incurred to achieve a given result.**

b) **Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.**

c) **Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, such that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.**

Complies X Complies partially Explain Not applicable

59. **That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.**

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that

would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Complies ☐ Complies partially ☐X Explain ☐ Not applicable ☐

The Company complies with the first part of this recommendation, while the payment of the variable components of remuneration are subject to sufficient verification by the Nominations, Remunerations and Sustainability Committee that the previously established conditions have been met. Likewise, these conditions are explained in detail in the Annual Report on the Remuneration of Directors. However, although the Company has assessed the implementation of a "malus" clause (understood as being applied ex-ante, that is, it entails the reduction of variable remuneration to the point of not receiving an amount accrued and not paid), has decided not to implement it. Instead, the Company has implemented the clawback clause (applicable ex post, that is, it allows the company to recover a payment already made in the past) and has extended its application to 1 year in the case of the annual bonus. In relation to the LTIP, the clawback clause is maintained for 3 years.

60. That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results.

Complies ☐X Complies partially ☐ Explain ☐ Not applicable ☐

61. That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.

Complies ☐X Complies partially ☐ Explain ☐ Not applicable ☐

62. That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The forgoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the nominations and remunerations committee, to deal with such extraordinary situations as may arise and so require.

Complies ☐X Complies partially ☐ Explain ☐ Not applicable ☐

63. That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

Complies ☐X Complies partially ☐ Explain ☐ Not applicable ☐

64. That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Complies ☐ Complies partially ☐ Explain ☐X Not applicable ☐

The Company does not comply exactly with the recommendation since, although the payments to which the Managing Director is entitled as indemnification consist of the equivalent of two years of his total annual remuneration, the Managing Director has additionally established a post-contractual non-competition covenant for a period of one year, with economic consideration compensating such restriction of one year of his fixed remuneration, in such a manner that if the Managing Director breaches the obligation not to compete, he or she must return the amount received and pay an additional amount equivalent to another year of fixed remuneration.

H FURTHER INFORMATION OF INTEREST

1. If there is any significant aspect regarding corporate governance in the company or other companies in the group that has not been included in other sections of this report, but which it is necessary to include in order to provide a more comprehensive and reasoned picture of the structure and governance practices in the company or its group, describe them briefly below.

2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not repetitive.

   Specifically, indicate whether the company is subject to any corporate governance legislation other than that of Spain and, if so, include any information required under this legislation that differs from the data required in this report.

3. The company may also indicate whether it has voluntarily subscribed to other ethical or best practice codes, whether international, sector-based, or other. In such case, name the code in question and the date on which the company subscribed to it. Specific mention must be made as to whether the company adheres to the Code of Good Tax Practices of 20 July 2010.

Cellnex in 2020 adhered to the Spanish Tax Agency's Code of Best Tax Practices, which contains recommendations voluntarily assumed by companies, aimed at improving the application of the Spanish tax system by increasing legal certainty, reciprocal cooperation based on good faith and legitimate trust between the Spanish Tax Agency and the companies themselves, and the application of responsible tax policies in companies with the knowledge of the Board of Directors.

<u>Cellnex's participation in Sustainability indexes and initiatives</u>

Dow Jones Sustainability Index
Cellnex participates annually in the DJSI index as an invited company, obtains good results and is above the sector average in the three areas evaluated: economic, environmental and social. While in 2020 the average score for the sector fell in all areas, Cellnex's score increased in all of them.

In addition, in 2020 Cellnex improved its score in all three areas compared to the results obtained in 2019. In short, Cellnex has increased its sustainability score two years in a row, reaching an overall score of 66 points (6 more than in 2019, 9 more than in 2018 and 14 more than in 2017). This result has allowed Cellnex to remain ahead of the sector average by 24 points (14 more than in 2019). Cellnex has improved in all areas: Environmental (12 more than in 2019), Social (7 more than in 2019) and Economic (2 more than in 2019).

CDP
The CDP is one of the world's benchmark indices for measuring and rating corporate transparency in environmental and sustainability issues. CDP's annual environmental disclosure and rating process is recognised by many as the gold standard for corporate environmental transparency, and the organisation prepares the ratings based on information provided by companies.

CDP uses a thorough and independent methodology to evaluate these companies, assigning a score from A to D- based on completeness of reporting, awareness and management of environmental risks, as well as demonstration of best practices associated with green leadership, such as setting serious and ambitious targets. Companies that do not disclose information or provide insufficient information are graded with an F.

Cellnex has received an A for the second consecutive year, signifying that it continues to be a Leadership Brand. The score obtained is significantly higher than the average for the sector and is among the 20% of the companies that achieved the Leadership level in the Activity Group.

In 2020, Cellnex improved its scores in "Value Chain Commitment" and "Emission Reduction Initiatives" from a B (2019) to an A in both categories, and in "Energy" from a C (2019) to a B-. However, the score obtained in the "Objectives" category has worsened, equalling the average score for the sector (a C in 2020).

United Nations Global Compact
Since November 2015 Cellnex has adhered to the United Nations Global Compact as an expression of its commitment to internalising the concept of corporate responsibility in its operational strategy and organisational culture. Every year, the company publishes its Communication on Progress (CoP) on the official Global Compact website.

The 2020 Communication on Progress includes:

- A statement from the highest management with a commitment to abide by the 10 principles of the Global Compact.

- A detailed report on the entity's commitment to support and respect the protection of human rights. For example, information is provided on employee training on or awareness of human rights issues, with a special focus on employees who are directly affected by human rights issues or who work in countries considered to be at risk in this regard. In addition, it is specified that the company has a whistle-blower channel where anyone can report cases of human rights violations.

- An indication of the projects and activities with which the company contributes to local development, through actions to promote employment, economic growth and relations with other stakeholders in the environment.

- Information on supply chain impact assessment is incorporated.

- The report details policies and practices to achieve effective equality between women and men, as well as measures related to balancing family life and employment.

- The measures created by the company to address climate change are communicated. For example, CO_2 emissions, measures related to the circular economy and the sustainable use of resources.

- The entity details the values, principles, standards and rules of conduct of the organisation, paying special attention to those focused on identifying unethical or illegal conduct through the creation of a whistle-blower channel.

- The report includes the entity's commitment to contribute to the SDGs, as well as the identification of the SDGs that are priorities for the company.

FTSE4GOOD.

The FTSE4GOOD index series is designed to measure the degree of compliance of companies that demonstrate a high level of competence in their environmental, social and governance practices. These are indices used by many financial market players in the creation and evaluation of so-called responsible investment funds and other products that integrate environmental, social and corporate governance factors into their investment decisions.

In January 2017 Cellnex was selected to join this index. In terms of the overall ESG rating, Cellnex scored slightly lower than in 2019 (4.2 in 2020, down 0.2 from 2019). However, it should be noted that this has been a general trend, as both sub-sector and industry averages have followed a similar trend.

Furthermore, Cellnex's overall score far exceeds the average for the telecommunications sector and the mobile telecommunications subsector, both with 2.8 out of 5. Cellnex also outperformed the average of Spanish companies in the selective index (3.2 out of 5).

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

Standard Ethics

The Standard Ethics indices are a benchmark in the measurement over time of the financial markets' assessment of the principles and guidelines of the European Union, the OECD and the United Nations in matters of sustainability, corporate governance and corporate social responsibility.

Cellnex has been participating in the Standard Ethics sustainability index since 2017, and this year obtained an "EE-", the same classification as last year, which is equivalent to an adequate level for good compliance with governance, sustainability and social responsibility.

Sustainalytics

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

This year Cellnex has made a qualitative leap in the Sustainalytics evaluation, as it has moved up a category in "Market capitalisation" (from 6 billion dollars to 12-15 billion dollars), as well as in the evaluation level (from average to outstanding performance). This has placed the company in seventh place in the Global Telecommunications Ranking.

This year, its average score was 76 points, up from 70 in 2019. In this sense, Cellnex has improved its overall score in all three areas, especially in the social area, due to the actions undertaken in Diversity Programmes, Health and Safety Certifications and Community Involvement Programmes, and also in Environment, with the Environmental Policy and the new eco-design requirements.

MSCI Europe

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

Cellnex joined the MSCI Europe index in 2019. In 2020, Cellnex obtained a "BBB" ESG rating, improving its assessment from the previous year (BB). The company has undertaken initiatives to improve its labour and ethics management policies over the past two years, however, there is still progress to be made in adopting industry best practices. Within the Rating, Cellnex ranks in the highest score range in the Corporate Governance area relative to its global peers, reflecting that the company's corporate governance practices are generally well aligned with investor interests.

Social Contribution

Cellnex has a strong commitment to contributing to society, collaborating with charitable organisations, funding projects, volunteering, etc. In this sense, many Cellnex projects aim to make its knowledge and technology available to society.

Due to the large number of social projects that Cellnex develops in each of the areas in which it operates, Cellnex has been working for a long time to establish its own foundation to organise and give visibility to all social initiatives undertaken by the company.

Cellnex COVID-19 Relief Initiative

As in previous years, Cellnex has shown its commitment to the welfare of society through various donations. However, due to the public health crisis generated by the COVID-19 pandemic, in 2020 Cellnex has taken unprecedented decisions, aware of the magnitude of this crisis worldwide. The company has created several collaborative projects in the countries where it operates grouped under the project "Cellnex COVID-19 Relief Initiative" and the donation of 10 million euros for the years 2020-2021.

On the one hand, Cellnex with 5 million euros over two years is financing a research project involving cutting-edge European research teams in the field of immunotherapy to detect and obtain T cells to combat SARS-CoV-2 infection.

The other 5 million of the total 10 million euros to combat COVID-19 has been earmarked for social action projects with non-governmental organisations to help individuals and groups in vulnerable situations, fund the purchase of protective equipment for healthcare personnel and provide resources to the most vulnerable groups.

Inclusive Connectivity
The COVID-19 crisis has highlighted more than ever how vital it is for everyone to have access to good connectivity and digital tools to stay connected to the rest of the world in this digital society. The absence of these elements only accentuates the isolation and sense of exclusion of people experiencing difficulties.

Against this backdrop, Cellnex, as a telecommunications infrastructure operator, is doing everything possible to bring 5G connectivity even to rural areas at no great cost.

In addition to promoting the connectivity of the territories, Cellnex wants to connect people, especially people and groups at risk of social exclusion. One of the most relevant projects in this regard, the Casa Bloc project, provides connectivity to subsidised housing.

Quality education and digitalisation
Cellnex not only promotes internal training, contributing its knowledge and skills, but also supports academic institutions and public administrations to provide quality education for all. In this sense, Cellnex has collaborated in different projects with the ESADE Foundation, the BEST Foundation, IESE and the universities UAB, UdL, URV and UdG.

Youth Challenge Project
During the 2019-2020 academic year, a group of 66 volunteers participated as instructors in the Youth Challenge project, an initiative with young people at very high risk of social exclusion in Barcelona that aims to reduce school dropout rates and promote the employability of young people

Collaboration with various entities
SERES Foundation
The company has collaborated with the SERES Foundation, the objective of which is "to build a healthier, stronger society with competitive companies that are sustainable over time". The purpose of the foundation is to encourage and promote strategic business activities that contribute to the overall improvement of social reality. Cellnex has signed an agreement through which it undertakes to collaborate with the SERES Foundation, publicise the collaboration between both entities, share its knowledge of good practices in social matters and participate in meetings between partners and other entities with social purposes.
Barcelona Climate Plan
Participation in the co-production, together with the Barcelona City Council, of the Barcelona Climate Plan, which brings together all ongoing and planned actions related to climate change in the city. Cellnex prepares proposals at the company level and participates in the discussion of all the proposals received by the participants.
Marató de TV3
Cellnex has been collaborating with Fundació La Marató de TV3 for more than 10 years. The Foundation aims to encourage and promote biomedical research and social awareness in relation to diseases for which there is still no cure. All proceeds go to research to discover new methods of prevention, diagnosis and treatments for rare diseases.

In 2020, due to the exceptional situation and in view of the need to advance research on COVID-19, the Fundació's Board took the exceptional decision to change the theme it had planned for the 2020 Marató and dedicate it to COVID-19, postponing the edition on mental disorders to 2021.

Cellnex Foundation

In December 2020 the Board of Directors approved the creation of the Cellnex Foundation, in response to Cellnex Telecom's firm desire to take a further step in its contribution to a more connected and socially responsible environment, as a comprehensive initiative that will complement the company's Corporate Social Responsibility.

The creation of the Foundation is aimed at promoting actions aimed at people and entities through technology and telecommunications, such as innovation, connectivity, reduction of the digital divide / gap, promotion of mobility and the Internet of Things (IoT), among others. To this end, the Foundation will focus on the challenges brought about by the three divides: digital, territorial and social.

REVIEW OF THE INTERNAL CORPORATE GOVERNANCE RULES FEBRUARY 2021:

Cellnex has decided to implement a strong Corporate Governance regime, in line with the Company's growth. To this end, it has taken into account the different legal or regulatory initiatives, in force or about to be approved, as well as adopting the best Corporate Governance practices, through the By-Laws, the Shareholders Meeting Regulations, the Board of Directors Regulations, the Internal Code of Conduct and several related corporate policies/codes.

The review has primarily considered the matters arising from the following regulatory milestones:

1.1. Corporate Governance for Listed Companies

In June 2020, the Comisión Nacional del Mercado de Valores (Spanish National Securities Market Commission; hereinafter, "**CNMV**") reviewed its Code of Good Governance for listed companies dated 18 February 2015 ("**CGG**") and made significant changes. Hence the need for a review of the Company's Corporate Documents to ensure that they are aligned with the new principles and recommendations of the CGG, as these Corporate Documents often include the previous version of the CGG verbatim.

1.2. The Rules on Inside Information

Royal Decree-Law 19/2018 of 23 November 2009 on Payment Services and Other Urgent Measures in Financial Matters amended the Restated Text of the Securities Market Law (Ley del Mercado de Valores; "**LMV**") approved by Royal Legislative Decree 4/2015 of 23 October 2015 which adapted Spanish legislation on inside information to the provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

The Internal Code of Conduct has been adapted to the legislation and to its interpretation and application made by the CNMV in relation to the safeguarding, treatment, deferral and dissemination of inside or relevant information.

1.3. La información no financiera

Law 11/2018 of 28 December 2018 amended the Commercial Code (Código de Comercio), the Spanish Companies Law (Ley de Sociedades de Capital) and the Law on Accounting Audits (Ley de Auditoría de Cuentas) with the aim of disclosing non-financial information and diversity, adapting the guidelines of Directive 2014/95/EU to Spanish law, as the prior legislative background for the Spanish regulator's commitment to sustainability.

The Board of Directors Regulations and certain policies (for example, the policy on relations with investors) have been reviewed to include the requisite references to non-financial information.

1.4. Promoting Long-Term Engagement of Shareholders

On 14 July 2020, the Council of Ministers approved the Draft Law amending the LSC and other financial provisions regarding the promotion of long-term engagement of shareholders of listed companies (the "**Draft Law**"), in order to implement the provisions of the European Directive 828/2017.

The Draft Law aims to improve our corporate governance system along two main lines: on the one hand, the improvement of the long-term financing received by listed companies through capital markets; and, on the other, to increase the transparency in relation to the actions of players in capital markets and in connection to directors' remuneration and the execution of transactions between the company and its related parties.

EXPLANATORY NOTE TO SECTION C.2.1. – AUDIT AND RISK MANAGEMENT COMMITTEE

a) Responsibilities

The rules of organization and operation of the Committee are described in the applicable legislation, the Company's By-laws and in the Company's Board of Directors Regulations and, without prejudice to the other tasks assigned to the Committee by the applicable legislation, the Board of Directors or the regulations governing the auditing of accounts, the Committee will have at least the following responsibilities:

a) To inform the General Shareholders' Meeting on questions that may arise regarding its competences, and in particular, on the result of the audit, explaining how it has contributed to the integrity of the financial and non-financial information and the role that the Committee has taken in this process.

b) To propose to the Board of Directors, for submission to the General Shareholders' Meeting, proposals for the selection, appointment, re-election and replacement of the statutory auditors or audit firms, taking responsibility for the selection process, the conditions of employment, the scope of professional mandate and, where appropriate, the revocation or non-renewal, all in accordance with the applicable regulations, as well as to regularly collect from the aforesaid information on the audit plan and the implementation thereof, and to maintain their independence in the exercise of their duties.

c) To monitor and evaluate the process of preparation and presentation of financial and non-financial information as well as the control and management systems of financial and non-financial risks related to the Company and, where appropriate, the group, including operational, technological, legal, social, environmental, political and reputational or related to corruption, reviewing compliance with regulatory requirements, the adequate delimitation of the consolidation perimeter and the correct application of accounting criteria.

d) To establish the appropriate relations with the statutory auditors or external audit firms to receive information on issues which may threaten their independence, to be analyzed by the Committee, and any other issues related to the process of account auditing, and where appropriate, the authorization of services other than those prohibited in the terms contemplated in the applicable regulations, in relation to the independence regime as well as any other requirements set out in legislation and regulations on the auditing of accounts. In all cases, an annual statement must be received from the statutory auditors or audit firms, regarding their independence with regards to their relationship with the entity or directly or indirectly related entities, in addition to detailed information on an individual basis about any type of additional services provided and the corresponding payments received from these entities by the external auditors or audit firms or by persons or entities related to them, pursuant to the regulations on auditing activities.

e) In the event of the resignation of the external auditor, to examine the circumstances that gave rise to it.

f) To ensure that the remuneration of the external auditor does not compromise its quality or independence.

g) Ensure that the Company communicates the change of external auditor through the Spanish Securities Market Commission, accompanied by a statement of any disagreements arising with the existing auditor and the reasons of the same.

h) Ensure that the external auditor has a yearly meeting with the Board of Directors in full to inform about the work undertaken and developments in the Company's risk and accounting positions.

i) To ensure that the Company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other regulations concerning auditor independence.

j) To issue, on an annual basis, prior to the issuance of the Audit Report, a report containing an opinion regarding whether the independence of the statutory auditors or audit firms has been compromised. This report must contain, in all cases, a reasoned evaluation of the provision of each and every additional service referenced in the previous paragraph, considering each service individually and jointly, other than the legal audit, and in relation to the independence regime or the regulations governing audit activities.

k) To inform the Board of Directors in advance on all matters provided for by the Law, the Corporate Bylaws and in these Regulations and, in particular, regarding the financial information that the Company must publish periodically, on the creation or acquisition of shares in special purpose entities or that are registered in countries or territories considered tax havens and on transactions with related parties.

l) To provide information in relation to situations and transactions that involve or could involve situations of conflicts of interest, and in general, on the matters contemplated in Chapter IX of these Regulations, as well as periodically review situations of potential conflicts of interest.

m) To monitor the independence of the unit handling the internal audit function; propose the selection, appointment and removal of the head of the internal audit service; propose the service's budget; approve or make a proposal for approval to the Board of Directors of the priorities and annual work program of the internal audit unit, ensuring that it focuses primarily on the main risks the company is exposed to; receive regular information on its activities; and verify that senior management are acting upon the conclusions and recommendations of its reports.

n) To monitor the effectiveness of the Company's internal control, , the internal audit, and the risk management systems, as well as discussing with the statutory auditors any significant weaknesses of the internal control system detected during the audit, without compromising their independence. For these purposes, and where appropriate, they may submit recommendations or proposals to the management body and the corresponding deadline for their monitoring.

o) To establish and supervise a mechanism that allows employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors to report, confidentially, irregularities of potential significance related to the Company, including especially financial and accounting irregularities, as well as those which may involve criminal responsibility for the Company.

p) To analyse and report to the Board of Directors on the economic conditions of the structural and corporate modification operations that the Company plans, and its accounting impact and, especially, where applicable, on the proposed exchange ratio.

The above responsibilities are stated by way of example, without prejudice to any others that may be conferred upon the Committee by the applicable legislation, the Board of Directors or which may be attributed thereto by the regulations governing the auditing of accounts.

b) Operation

The applicable legislation, the Company's By-laws and the Company's Board of Directors Regulations shall define the skills of the Committee and its scheme of organization and operation.

The members of the Committee will be appointed for a maximum term of four (4) years, may be re-elected, and will cease when they do so in their capacity as directors or when so agreed by the Board of Directors, following a report from the Nominations, Remunerations and Sustainability Committee. The Board of Directors will likewise determine who will hold the position of Chairperson from among the independent directors, who will be substituted every four (4) years, being able to be re-elected once a period of one (1) year has elapsed since his/her cessation. The Committee itself will appoint a Secretary and may also appoint a Vice Secretary, neither needing to be members thereof. The Committee will meet as many times as necessary for the execution of its functions and will be convened by its Chairperson, either on his/her own initiative or at the request of the Chairperson of the Board of Directors or of two Committee members.

The Committee will be validly constituted when the majority of its members attend the meeting, either present or represented. The resolutions will be adopted by a majority of the members in attendance, present or represented.

Any member of the Company's management team or of the Company's personnel who is required to do so, will be obliged to attend the Committee's sessions and to collaborate and provide access to the information in his/her possession. The Committee can also request that the Company's external auditor or external auditing company attend its sessions.

Activities

During 2020, the Committee held eight meetings and carried out the activities listed below. The Committee has been fully updated by the management team on the topics of its competence (during the formal meetings, by means of other informal meetings or by correspondence and conference calls) and has been provided with the relevant supporting documentation.

a) Review of financial information

- 2019 financial statements:

- On 24 February 2020, the Committee supervised and evaluated the preparation process and the integrity of the financial and non-financial information 2019, the 2019 Consolidated Financial Statements and the 2019 Integrated Annual Report, including the external Auditors' Report, with the finance team and the external auditors who presented the main aspects and their conclusions. The Committee provided a favourable recommendation to the Board of Directors to approve (i) the 2019 Integrated Annual Report and the 2019 Financial Statements (including the Management Report and the Annual Corporate Governance Report) and (ii) the application of the 2019 results.

- 2020 financial statements and 2021 budget:

  - On 6 May 2020, the Committee reviewed the financial results for the first quarter of the year, the Covid-19 forecast 2020 and the Covid-19 3-years projections. This information was discussed with the members of the management team responsible for their preparation who presented the main aspects and their conclusions. The Committee unanimously agreed to provide a favourable recommendation to the Board of Directors to approve the first quarter results.
  - On 20 July 2020, the Committee reviewed the half-yearly financial statements and the relevant external Auditors' Report. This information was discussed with the members of the management team responsible for their preparation and with the external auditors who presented the main aspects and their conclusions. The Committee unanimously agreed to provide a favourable recommendation to the Board of Directors to approve these interim financial statements that have been audited.

  - On 22 September 2020, the Committee reviewed the August 2020 results and a first draft of the 2021 budget with the finance team who presented the main aspects and its conclusions.

  - On 2 November 2020, the Committee reviewed the financial results for the third quarter of the year. This information was discussed with the members of the management team responsible for their preparation who presented the main aspects and their conclusions. The Committee unanimously agreed to provide a favourable recommendation to the Board of Directors to approve the third quarter results.

  - On 2 November 2020, the Committee reviewed the 2021 budget with the finance team who presented the main aspects and its conclusions. The Committee unanimously agreed to provide a favourable recommendation to the Board of Directors to approve the 2021 budget.

b) External auditors

- On 24 February 2020, the external auditors attended the Committee to review the 2019 Consolidated Financial Statements (including the Management Report and the Annual Corporate Governance Report) and the 2019 Integrated Annual Report, including the external Auditors' Report, and presented the main aspects and their conclusions.

- On 20 July 2020, the external auditors attended the Committee to present the report of the 2020 half-yearly financial statements.

c) Corporate Governance

- On 11 February 2020, the Committee reviewed and unanimously approved the following reports for year 2019 in connection with the Annual Accounts, the Management Report and the Annual Corporate Governance Report, namely: (i) the 2019 Report on the Functions and Activities of the Committee; and (ii) the Report on Related Party Transactions. On 24 February, the Committee reviewed and unanimously approved also the Report on the Independence of the Auditor.

- On 2 November 2020, the Internal Audit Manager proposed to review and approve the Global Risk Management Policy, with the determination of the different types of risk and a Global Risk Management Model based on different levels. The Committee unanimously approved the Global Risk Management Model and provided a favourable recommendation to the Board of Directors to approve the Global Risk Management Policy.

d) Capital markets

- On 24 February 2020, the finance team presented to the Committee an update on the recent bond issuances, explained the hedging policy and proposed a new GBP bond issuance. The finance team presented the main aspects and its conclusions. The Committee provided a favourable recommendation to the Board of Directors to:

    - Approve one of the following alternatives for a bond issuance under the EMTN programme, with execution from Q1 2020 onwards and subject to market conditions, and subject to the terms agreed:

        a) One or several issuances of pound sterling (£) denominated senior unsecured bonds for a maximum aggregate amount of up to £1,000,000,000; or
        b) One or several issuances of euro (€) denominated senior unsecured bonds for a maximum aggregate amount equivalent to up to £1,000,000,000 and execution of any hedging financial instruments that are necessary or advisable.

- On 1 April 2020, the finance team provided the Committee with an overview of the work undertaken internally, as a consequence of the Covid-19 crisis, regarding the review and analysis of any potential impact on the ability to draw the current committed credit lines.

- On 6 May 2020, the Committee discussed the renewal of the European Medium Term Note (**EMTN**) and the multi-currency European Commercial Paper (**ECP**). The finance team presented the main aspects and its conclusions. The Committee provided a favourable recommendation to the Board of Directors to approve (i) the renewal of the existing EMTN Programme for one year (i.e., until mid-2021) and the increase of its limit to €10,000 million (or the equivalent amount in other currencies); and (ii) the renewal of the existing ECP Programme for one year (i.e., until mid-2021) for an amount of €500 million (or the equivalent amount in other currencies) and the capacity to drawdown the full amount.

- On 6 May 2020, the finance team also presented the currency hedging and proposed to the Committee to fix the LIBOR to which the existing GBP credit facilities are subject. After due consideration, the Committee provided a favourable recommendation to the Board of Directors to approve (i) a fix floating rate (LIBOR) through the entry into an interest rate SWAP of the current GBP credit facilities and term loan for up to GBP 1bn or the issuance of GBP bonds in accordance with the current approvals; and (ii) the acquisition of GBP currency both at spot rates and/or forward contracts up to GBP 1bn.

- On 1 April, 6 May, 9 June, 20 July, 22 September and 2 November 2020, the Corporate Finance Director, together with the CFO, provided to the meeting a capital markets and financing update (including the liquidity and bond market assessment).

- On 22 September 2020, the Committee discussed the issuance of new bonds in order to take advantage of market opportunities. The finance team presented the main aspects and its conclusions. The Committee provided a favourable recommendation to the Board of Directors to approve the issuance of bonds for a total amount of €3.5Bn, out of which up to €1,000Mn to be approved by the Board on the terms agreed, and to delegate to the CEO the power to issue bonds, having to previously inform the ACC each time, for the remaining amount, on the terms agreed.

- On 22 September 2020, the Committee also discussed the repurchasing of the convertible bond 2026 by issuing a new convertible bond of up to €800Mn on the terms agreed. The finance team presented the main aspects and its conclusions.

- On 2 November 2020, the Committee discussed the issuance of a convertible bond. The finance team presented the main aspects, characteristics and its conclusions. The Committee provided a favourable recommendation to the Board of Directors to approve the issuance of a convertible bond for a total amount of up to €1,500Mn on the terms agreed.

- On 2 November 2020, the Committee also discussed the execution of a Facilities Agreement. The finance team presented the main aspects, characteristics and its conclusions. The Committee provided a favourable recommendation to the Board of Directors to approve the execution of a Facilities Agreement which would include (i) a bridge to bonds for an amount of up to €7,500Mn, (ii) a 3-year term loan, and (iii) a 5-year term loan, all of them on the terms agreed.

e) Capital structure

- On 24 February, 6 May, 9 June, 20 July and 2 November 2020, the Business Plan and Capital Structure Director, together with the CFO, attended the Committee to:

    - Provide an update on the current situation with rating agencies (including MSA and IFRS 16 updates) and the different aspects affecting the Company's credit rating;

    - Review the M&A projects pipeline and the Company's financial firepower to execute said pipeline; and

    - Provide a capital structure assessment, including financing considerations, details on the financial and debt structure of the Company and its group and strategic and key considerations and all the information necessary regarding the August Company's capital increase.

- On 9 June and 20 July 2020, a Spanish law firm and external financial advisors attended the Committee to present their views and strategic and key considerations on the Company's

August capital increase. They explained the strong rationale for the Company to pursue the rights issue on the terms described and provided a favourable recommendation to go ahead with such capital increase.

- On 22 September 2020, the finance team presented to the Committee an update after the execution of the Company's August capital increase focusing mainly on investors and market feedback and on relevant financial aspects.

- On 22 September 2020, two legal firms attended the Committee to present their views on some of the M&A projects in the Company's pipeline and their impact on Cellnex's structuring chart.

f) Tax

- On 24 February 2020, the Head of Corporate Tax, together with PwC, presented to the Committee an update of the tax audit process. They explained that the Company has been able to mitigate the main tax risks and obtain a good final assessment after hard negotiations.

- On 24 February and 1 April 2020, the Head of Corporate Tax, together with the Spanish law firm Garrigues presented to the Committee the financial structure noting that the proposed evolution of the group's financial model entails consequences in terms of VAT deductions and explained the 5 possible solutions. They also explained that there were business reasons to justify adapting the current financial structure by partially reallocating the Company's debt through intercompany loans to the different subsidiaries within the countries.

- On 24 February and 1 April 2020 the Head of Corporate Tax, together with PwC provided an update to the Committee on the merger of Cellnex Italia into Galata, which was still under assessment.

- On 1 April 2020 the Tax Governance and Control responsible explained the evolution of the Tax Control Framework and the main objectives for 2020. He also presented the Tax Technology, noting that the Company was looking into different IT solutions to automatize the processes and reduce the errors risk. The International Tax responsible provided an overview of the Tax Audits in Ireland and Switzerland and PwC provided an update on the Tax Audits in Spain. Likewise, the International Tax responsible provided an overview of the Real Estate Transfer Tax in two countries (France and The Netherlands). The Head of Corporate Tax provided an overview of the tax cash evolution since 2014 and the main measures of the tax planning until 2025 and explained the local taxation at the countries' level. Deloitte also attended the Committee to present their views on the transfer pricing.

- On 2 November 2020 the Head of Global Tax, together with PwC provided the Committee with an update on (i) the Company's position regarding the adhesion to the Code of Good Tax Practice (CGTP), (ii) the adoption of a standard, the UNE 19602, and (iii) the creation of the Tax Compliance Officer function. The Committee discussed these issues and after due consideration provided a favourable recommendation to the Board of Directors to approve the adhesion of Cellnex to the Code of Good Tax Practices and the new Tax Policy. The Committee also discussed the new Tax Risk Control and Management Standard and, after due consideration, provided a favourable recommendation to the Board of Directors to approve it.

- On 2 November the Head of Global Tax, together with KPMG, also explained the proposal to create a FinanceCo to isolate the financing activity of the group. The finance team presented the main aspects, characteristics and its conclusions. After due consideration, the Committee provided a favourable recommendation to the Board of Directors to approve the incorporation of a new entity, Cellnex Finance Company, S.A.U. (FinanceCo), fully owned by Cellnex Telecom, S.A.

g) Other information

- IFRS 16: The finance team has kept the Committee updated on the main aspects of this topic during all the year.

- Analysis of the internal audit function: On 24 February 2020, the Committee discussed this topic. The Internal Audit Manager explained the key points of the first report prepared together with an external advisor aimed at reinforcing the area.

- Non-audit services: On 11 June 2020 the Committee approved unanimously Deloitte's fees in relation to the Company's August capital increase. The scope of work undertaken as well as the details of the fees and the key justifications regarding the level of fees were explained to the Committee.

- Re-appointment of auditor: On 24 February 2020, the Head of Consolidation & Corporate Finance Reporting, together with the CFO, proposed to the Committee the re-appointment of the Company's group external auditors for three financial years. After due consideration, the Committee provided a favourable recommendation to the Board of Directors, for its submission to the General Shareholders' Meeting, for the re-appointment of the external auditors of the Company's group for financial years, 2021, 2022 and 2023.

- Corporate matters:

    - Shareholder Remuneration Assessment: On 24 February 2020 the Investor Relations Director provided an overview of the Shareholder Remuneration Policy. After due consideration, the Committee provided a favourable recommendation to the Board of Directors to approve the Shareholder Remuneration Policy.

    - Derogation of Cellnex's Treasury Stock Policy: On 24 February 2020 the Secretary of the Committee explained to its members that Cellnex's Treasury Stock Policy was based on certain guidelines issued by the CNMV which had been derogated for not complying with the regulations on market abuse and proposed the derogation of this policy. The Committee provided a favourable recommendation to the Board of Directors to derogate the Cellnex's Treasury Stock Policy.

    - NewCos Incorporation/acquisitions: On 6 May 2020 the Secretary of the Committee explained that two M&A transactions required the incorporation of a special purpose vehicle in Spain and Ireland. The Committee provided a favourable recommendation to the Board of Directors to incorporate or acquire these special purpose vehicles.

    - On 9 June 2020, the Secretary of the Committee explained that an M&A transaction required the setting up of a corporate structure in a new country, Finland. The Committee provided a favourable recommendation to the Board of Directors to, should the transaction be approved by the Board, set up this corporate structure.

    - On 2 November 2020 the finance team presented to the Committee two internal projects, one about how to standardize the administrative function in finance and the other about the digitalization of the cash variations and the banking relationships.

- On 2 November 2020, the Global Commercial Director explained that a business development transaction required the incorporation of a new subsidiary of Cellnex in a new country, Sweden. The Committee approved unanimously the incorporation of this subsidiary. The Committee provided a favourable recommendation to the Board of Directors to set up this corporate structure.

- Investor relations update: On 24 February, 6 May, 9 June, 20 July and 2 November 2020, the Investor Relations Director, together with the CFO, provided to the Committee an update on this topic, focusing mainly on the share price performance, the relation with investors and analysts and the status of short positions.

h) Internal audit

- Functions: The main internal audit functions are:

  - Perform the auditing activities as defined in the annual audit plan, and report directly to the Committee on its execution, submitting an activity report at the end of each year, based on reasonable and established criteria, especially in the risk level assessment and focusing on the main organizational activities, giving priority to those that are considered to be more exposed to risk, and those that are requested by the Committee and / or by the Senior Management.

  - Maintain an adequate coordination with the external auditors for the exchange of information regarding the audits carried out with the aim of minimizing duplication and in order to track the audits performed as well as any weaknesses in the internal control identified.

  - Report to the Committee and Senior Management of the Company's group regarding the key recommendations in each company of the group, as well as to provide them with the action plan to be performed by such companies.

  - Propose budget for the service.

- Activities: The main activities carried out by internal audit and supervised by the Committee are:

  - Audits:

    - The performance of those audits included in the 2020 audit plan and of those audits not originally included in the audit plan but requested by the Committee and / or by the Senior Management.

    - The monitoring of the recommendations and action plans proposed for the different audits. While carrying out its audit work, if internal audit detects that improvements can be made to the internal controls, it reports the main recommendations and the action plans defined by the area responsible that includes the implementation date of the action plan, with the aim of strengthening the existing control or implementing a new control.

    - The review of the defined processes and controls related to financial reporting which are included in the annual internal audit plan.

- Audit Plan: Prepare the audit plan for the next year. On 2 November 2020, the Responsible of the unit presented its annual work plan, the Committee reviewed and unanimously approved the audit plan for 2021 based upon:

  - Assessing the risk level and focusing on the main organization's activities, giving priority to those that are considered to be more exposed to risk, and those that are requested by the Committee and / or by the Senior Management.

  - Defining the activities to be reviewed, i.e., basic processes (sales, treasury, etc.), other processes (rentals, health&safety, etc.) or compliance (ICFR, others).

i) Risk control

This function is carried out by internal audit, which participates in the internal Risk and Management Committee made up of different departments.

The activities carried out in this regard by internal audit and supervised by the Committee in 2020 were:

- The review of the risk maps (including likelihood and impact) at corporate level and by country, including France, Ireland, Italy, the Netherlands, Portugal, Spain, Switzerland and UK.

- The review of the action plans associated to the risks in these countries.

EXPLANATORY NOTE TO SECTION C.2.1. – NOMINATIONS, REMUNERATIONS AND SUSTAINABILITY COMMITTEE

A) Operation

In accordance with the provisions of the Board of Directors Regulations, the Board of Directors will appoint a Chairperson of the Committee from among the independent directors. The Committee will appoint a Secretary and may also appoint a Vice Secretary, neither needing to be members thereof.
The Committee will meet each time the Company's Board of Directors or its Chairperson requests the submission of a report or the adoption of proposals and, in any case, whenever it is convenient for the proper execution of its duties. It will be convened by the Chairperson of the Committee, either on his/her own initiative or at the request of the Chairperson of the Board of Directors or of two members of the Committee.
It will be validly constituted when the majority of its members attend the meeting, either present or represented. The resolutions will be adopted by a majority of the members in attendance, present or represented.

B) Responsibilities

Without prejudice to other functions assigned to it by the Board of Directors or the applicable legislation, the Committee will have the following basic responsibilities:

a) To evaluate the skills, knowledge and experience necessary in the Board of Directors. To this end, it shall define the duties and skills required from candidates to fill each vacancy, and it shall evaluate the time and dedication required for them to effectively perform their duties.

b) To establish a target to increase the less represented gender on the Board of Directors and to prepare guidelines on how to attain said target.

c) To present to the Board of Directors proposals for the appointment of independent directors for their appointment by co-optation or for their submission to the decision of the General Shareholders' Meeting, as well as proposals for the re-election or dismissal of the aforesaid directors by the General Shareholders' Meeting.

d) To report on proposals for the appointment of the other directors for their appointment by co-optation or for the submission to the decision of the General Shareholders' Meeting, as well as proposals for the re-election or dismissal of the aforesaid directors by the General Shareholders' Meeting.

e) To report to the Board of Directors proposals for the appointment and dismissal of senior management positions.

f) To report, in advance, on the appointment by the Board of Directors of the position of Chairperson and, where applicable, of one (1) or more Vice Chairpersons, as well as the appointments to the position of the Secretary and, where applicable, of one (1) or more Vice Secretaries. The same procedure shall be followed to agree on the dismissal of the Secretary and, where applicable, of each Vice Secretary.

g) To examine and organize the succession of the Chairperson of the Board of Directors and the Company's CEO and, if appropriate, to submit proposals to the Board of Directors to ensure that such succession is conducted in an orderly and planned manner.

h) To propose to the Board of Directors the members that should be part of each of the Committees.

i) To coordinate the performance assessment of the Board of Directors and its Committees, and raise the results of the aforementioned assessment to the plenary session, together with a proposal for an action plan or with recommendations to correct any deficiencies detected.

j) To report to the Board of Directors on the non-financial information that the Company must disclose periodically.

k) To supervise compliance with corporate governance rules and internal codes of conduct.

l) To monitor the implementation of the general policy regarding the communication of economic, financial, non-financial, and corporate information, as well as communication and contacts with shareholders, investors, proxy advisors and other interest groups.

m) To evaluate and periodically review the corporate governance system and the environmental and social policy of the Company, in order to comply with their mission of promoting corporate interest and take into account, as appropriate, the legitimate interests of the remaining interest groups.

n) To monitor that the Company's practices in environmental and social matters comply with the strategy and policies established.

o) To supervise and evaluate the relationship processes with the different interest groups.

p) To review and inform on the Annual Sustainability Report prior to its presentation to the Board of Directors.

q) To recommend the strategy regarding the contributions to the Cellnex Foundation and affect them in compliance with the Sustainability programs adopted by the Company.

r) To propose to the Board of Directors the remuneration policy for directors and senior management, or for those individuals who perform their senior management functions reporting directly to the Board of Directors, executive committees or CEOs, as well as the individual remuneration and other contractual conditions for executive directors.

s) To verify observance of the remuneration policy established by the Company.

t) To review periodically the directors and senior managers remunerations policy including the remuneration systems with shares and their application, as well as guarantee that their individual remuneration is proportionate to that paid to other directors and senior managers of the Company.

u) To ensure that conflicts of interest do not affect the independence of the external advice provided to the Committee.

v) To verify the information on directors and senior managers remunerations contained in the various corporate documents, including the annual report on directors' remunerations and propose to the Board of Directors, for submission to a consultative vote at the General Shareholders' Meeting the preparation of the aforementioned annual report.

Activities

(A) Corporate Governance

- The Corporate Governance Annual Report and the Annual Report on Remunerations were reported on.
- The corresponding report was issued assessing the competence, experience and merits of the independent director Ms. Marieta del Rivero, as well as the proprietary directors Mr. Franco Bernabé and Mr. Mamoun Jamai for the purpose of their ratification and re-election by the General Meeting.
- A report was prepared on the composition and number of members of the Board of Directors.
- The corresponding report was issued assessing the competence, experience and merits of proprietary director Mr. Christian Coco, for the purpose of his appointment by co-optation and his incorporation to the Audit and Control Committee (now renamed Audit and Risk Management Committee). The corresponding report was also issued for the purpose of his ratification and re-election.
- The corresponding report was issued assessing the competence, experience and merits of the proprietary director Ms. Alexandra Reich, for the purpose of her appointment by cooptation and her incorporation to the Nominations and Remunerations Committee (now renamed as the Nominations, Remunerations and Sustainability Committee). The corresponding report was also issued for the purpose of her ratification and re-election.
- An external evaluation of the functioning of the Board and Committees for the 2020 financial year was carried out, valuing the independence of the advisor and proposing improvements to the Board through an Action Plan.
- The Secretary of the Board was commissioned to prepare a review of the Corporate Governance structure and two sessions were held to review the Bylaws, Regulations of the General Meeting, Regulations of the Board and Internal Code of Conduct, as well as the ESG Policy, the composition of the Board of Directors, communication of financial, non-financial and corporate information and contacts with shareholders, institutional investors and proxy advisors, and the Policy on Equity, Equality and Diversity. All of this in order to adapt

to best corporate governance practices, to legal modifications and to the review of the recommendations of the National Securities Market Commission (CNMV).

- A calendar of meetings of the governing bodies for the financial year 2021 was drawn up, with a proposed agenda for each meeting.

(B) Remuneration-related activities

- The degree of achievement of the CEO's objectives in 2019 and the performance appraisal were analysed. The CEO's objectives for 2020 were also analysed and the corresponding proposals were made to the Board.
- The remuneration of the CEO and key executives (reporting directly to the CEO) for 2020 was reviewed and the corresponding proposal was made for approval by the Board.
- The final assessment of the achievement of the objectives set for the ILP 2017-2019 (phase II) was made and the approval of the Long Term Incentive Plan 2021-2023, applicable to the CEO and certain key personnel of the company, as well as the corresponding contracts, was prepared and proposed to the Board.
- It was proposed to present all employees with company shares in recognition of the great performance in 2020.

(C) Activities related to Corporate Social Responsibility

- The Corporate Responsibility Master Plan for the period 2016-2020 was monitored, which is the instrument that integrates all the company's ethical, environmental and social initiatives and whose information on annual progress is included in the Integrated Annual Report.
- The Corporate Responsibility Master Plan for the period 2021-2025 was reviewed and submitted for approval.
- The Equity, Diversity and Inclusion Plan was monitored.
- The incorporation of the Cellnex Foundation was reported on.

(D) Activities related to the Ethics/RIC Code

- Potential conflicts of interest were analysed and appropriate measures were adopted. Specifically, declarations of non-conflict of interest by members of the Committee were reviewed and approved.
- A certificate of independence of the Secretary of the Board was issued.
- The Crime Prevention and Detection Model and the Anti-Corruption Policy were reviewed and submitted for approval.

(E) Talent Management

- Commissioned an update of the company's Succession Plan for key positions (Senior Management and Country Managing Directors), and extended its scope as an Executive Development Programme for a group of more than 50 directors), with the help of an external consultant of recognised prestige.
- Organisational and talent development proposals were reviewed and approved, including new senior management appointments.

This Annual Corporate Governance Report was approved by the Board of Directors of the company in its meeting held on 25 February 2021.

Indicate whether any director voted against or abstained from approving this report.

Yes ☐ No ☐**X**

Name or company name of the member of the Board of Directors who has not voted for the approval of this report	Reasons (against, abstention, non attendance)	Explain the reasons
Remarks		