02

2018 Cellnex: Milestones and main magnitudes

European leader in telecommunications infrastructures

Cellnex was founded in 2015 with the goal of becoming Europe's leading telecommunications infrastructure manager by providing a secure, high-quality service tailored to the needs of its customers. As such, Cellnex conducts its business in three main areas of service: Telecommunications Infrastructure Services, Broadcasting Infrastructure and Other Network Services.

Cellnex's business model focuses on the provision of services to mobile network operators (MNOs), broadcasters and other public and private companies acting as a neutral(1) infrastructure provider. This business model is based on innovative, efficient, sustainable, independent and quality management to create value for its shareholders, customers, employees and all stakeholders.

As of 31 December 2018, Cellnex has successfully become the leading European telecommunications infrastructure operator with more than 25,032 infrastructures located in Italy, Spain, France, the Netherlands, the UK and Switzerland, including sites and nodes. Cellnex thus provides services, through its customers, to more than 200 million people throughout Europe.

EUROPEAN LEADER

25,032

Infraestructures located in Italy, Spain, France, Netherlands, United Kingdom and Switzerland, including sites and nodes

(1) Neutral: without 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.

GRI: 102-4, 102-6, 102-7, 102-10

2018: Growth, consolidation and transformation

Growth

Income from operations for the period ended on 31 December 2018 reached EUR 898 million, which represents a 14% increase over the same period in 2017. This increase was mainly due to the expansion of the above-mentioned telecom infrastructure services for mobile network operators.

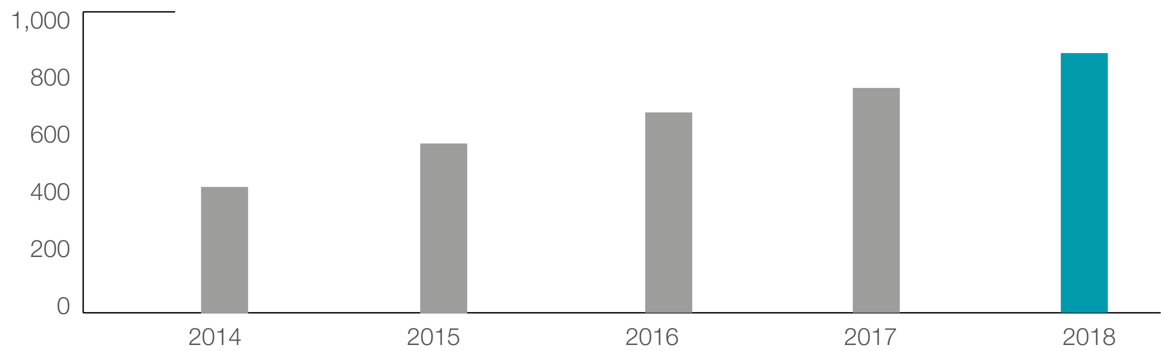
Telecom Infrastructure Services' income increased by 24% to EUR 583 million due to both the organic growth achieved and the acquisitions performed in 2017 and 2018. This business segment is characterised by solid growth driven by increasing demand for wireless data communication services, and by the growing interest of mobile network operators (MNOs) in developing high quality networks that fulfil their consumers' needs in terms of uninterrupted coverage and availability of wireless bandwidth (based on new Long-Term Evolution "LTE" technologies), in the most efficient way. In recent years the Group consolidated its infrastructure network and long-term strategic relationships with its main customers, the mobile network operators. In addition to its current portfolio the Group's Management has identified several potential acquisitions which are currently being analysed following its demanding capital deployment criteria. The Group owns a high-quality asset portfolio, which is made up of selective assets in Spain, Italy, the Netherlands, France, the United Kingdom and Switzerland and performs the subsequent streamlining and optimisation of the tower infrastructure for Telecom Infrastructure Services. Its main added value proposals in this line of business consist of providing services to additional mobile network operators in its towers and therefore streamlining the customer's network. By increasing the ratio of customers to infrastructures, the Group will generate additional income with very little additional costs. This network streamlining may generate significant efficiencies for the Group and for the MNOs.

With regard to the Broadcasting Infrastructure business, income amounted to EUR 233 million, which represents a 2% decrease compared with the same period in 2017.

Broadcasting Infrastructure activities are characterised by predictable, recurring and stable cash flows. Although this is a mature business in Spain, broadcasting activities have shown considerable resilience to adverse economic conditions, such as those experienced in Spain in recent years, this is due to the fact that the Group's income does not depend directly on macroeconomic factors, but rather on the demand for radio and television broadcasting services by broadcasting companies.

Other Network Services increased its income by 2%, to EUR 82 million. This constitutes a specialised business that generates stable cash flows with attractive potential for growth. Taking into account the critical nature of the services in which the Group collaborates, its customers require in-depth technical know-how that is reflected in the demanding service

TOTAL INCOME (MILLIONS OF EUROS)



GRI: 102-4, 102-6, 102-7, 102-10

level agreements. The Group considers that it has a privileged market presence and geographical distribution, established relationships with government agencies and excellent infrastructure for emergencies and public services. The Group's aim is to maintain long-term relationships with its customers maximise the renewal rate of its contracts and expand its business through new contracts. The Group classifies Other Network Services into five groups: (i) connectivity services; (ii) PPDR services; (iii) operation and maintenance; (iv) Smart Cities/IoT ("Internet of Things"); and (v) other services.

In relation to this business segment, during 2018, Cellnex incorporated the XOC, a concessionary company dedicated to the management, maintenance and construction of the fiber optic network of the Generalitat de Catalunya (see Note 2.h of the accompanying consolidated financial statements).

All of the above has helped boost operating income and operating profit, with the latter also being impacted by the measures to improve efficiency and optimise operating costs.

In line with the increase in revenue, Adjusted EBITDA was 18% higher than the same period in 2017, as a result of the assets acquired during 2018 as well as organic growth, which reflects the Group's capacity to generate cash flows on a continuous basis.

The aforementioned figures reflect the positive evolution of the main Group's financial and business indicators. As a result of the Reorganisation Plan agreed during the first quarter of 2018, in order to adjust the workforce in its Spanish subsidiaries Tradia and Retevisión, which manage the terrestrial television infrastructure network (as detailed in Note 18.b) of the accompanying consolidated financial statements), the financial reporting period ended on 31 December 2018, closed with a EUR 15 million consolidated net loss attributable to shareholders.

GRI: 102-4, 102-6, 102-7, 102-10

01
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Consolidation in Europe

Internationalising via mergers and acquisitions is a basic pillar of the Cellnex strategy.

In 2018, Cellnex continued expanding its presence in Europe, and by the end of the year 56% of Adjusted EBITDA was generated outside Spain.

The six countries (Spain, Italy, France, the Netherlands, United Kingdom and Switzerland) in which the company operates share certain of the Group's main customers and therefore Cellnex can capitalise on commercial synergies.

The Group's business presents significant barriers to entry into its main markets, mainly due to its difficult-to-replicate total asset base of 23,440 sites and 1,592 nodes, which make a total of 25,032 infrastructures.

The main changes in the consolidation perimeter, together with assets purchased during financial year 2018 are as follows:

France

Agreements reached during 2016 and 2017

At 31 December 2018, in accordance with the agreements reached with Bouygues during 2016 and 2017, Cellnex, through its subsidiary Cellnex France, has committed to acquire and build up to 5,100 sites that will be gradually transferred to Cellnex until 2022 (see Note 6 of the 2017 consolidated financial statements). Of the proceeding 5,100 sites, a total of 2,803 sites have been transferred to Cellnex as at 31 December 2018.

During 2018, 1,205 sites were acquired in relation to the aforementioned agreements, for an amount of approximately EUR 350 million. In addition, the fixed assets in progress corresponding to those sites which are under construction at the end of 2018, amounted to EUR 44 million. Thus, the total investment in France in 2018, amounted to EUR 400 million, approximately.

Extension of the partnership during 2018

On 10 December 2018, Cellnex Telecom announced that it has reached an additional agreement with Bouygues that will reinforce and extend the cooperation and partnership started in 2016, as detailed in Note 6 of the 2017 Consolidated Financial Statements. Under the terms of this new agreement, Cellnex Telecom will commit up to EUR 250 million over five years for the construction of up to 88 strategic telecom centers, also called 'Central Offices' and 'Metropolitan Offices', with capacity to house data processing capabilities. Such deployment is expected to be carried out until 2024, with the execution expected to be primarily backloaded. In addition, under this agreement, Cellnex may also acquire up to 62 additional 'Mobile Switching Centers' and 'Metropolitan Offices', which would be gradually transferred to Cellnex from 2020 to 2021. Therefore, will play a key role in the future deployment of 5G networks, as they will also provide processing capabilities in order to reduce data latency.

These new assets, once all have been built, will contribute an estimated up to EUR 39 million of additional Adjusted EBITDA [1]

Bouygues Telecom will be the main customer of these assets and thus, both companies, Cellnex and Bouygues Telecom, have also signed an agreement for the provision of services (Master Service Agreement) in line with the existing contracts between the companies.

In relation to the aforementioned contract, no sites have been transferred to Cellnex as at 31 December 2018.

As a result to the above, at 31 December 2018, in accordance with the agreements reached with Bouygues during 2016, 2017 and 2018, Cellnex, through its subsidiaries Cellnex France and Towerlink France, has committed to acquire and build up to 5,250 sites that will be gradually transferred to Cellnex until 2024.

Spain

Acquisition of Xarxa Oberta de Catalunya

During the second half of 2018, Cellnex reached an agreement for the acquisition of 100% of the share capital of Xarxa Oberta de Comunicació i Tecnologia de Catalunya, S.A. (the "XOC") from Imagina, a subsidiary of the Mediapro Group. The acquisition price of the shares has amounted to approximately EUR 33 million. Additionally, through this agreement, Cellnex acquires a set of assets for an amount of EUR 3 million, which, until the aforementioned date of acquisition, were owned by companies of the group to which Imagina belongs, and on the terms agreed by both parties.

As a result of the above, the total acquisition price of the transaction, amounted to EUR 36 million. The actual cash outflow in relation to this transaction (Enterprise Value) has been EUR 34 million following the incorporation of EUR 2 million of cash balances on the balance sheet of the acquired company (see Note 6 of the accompanying consolidated financial statements).

The XOC is a concessionary company dedicated to the management, maintenance and construction of the fiber optic network of the Generalitat de Catalunya, and the expiration date of the concession is 2031.

(1) Note that Bouygues transactions have a common characteristic "up to" as Bouygues has not the obligation to reach the highest number of sites.

GRI: 102-4, 102-6, 102-7, 102-10

Other new agreements

On 18 December 2018, Cellnex Telecom have acquired to MNOs, 375 sites in 2018 for an amount of EUR 45 million, which have been totally transferred to Cellnex as of 31 December 2018.

In addition, on 31 January 2018, Cellnex reached a new agreement with MASMOVIL by which the Group acquired 85 sites in Spain for an amount of EUR 3.4 million, approximately.

Switzerland

On 19 December 2018, the agreement with Sunrise dated 24 May 2017 was extended, as detailed below:

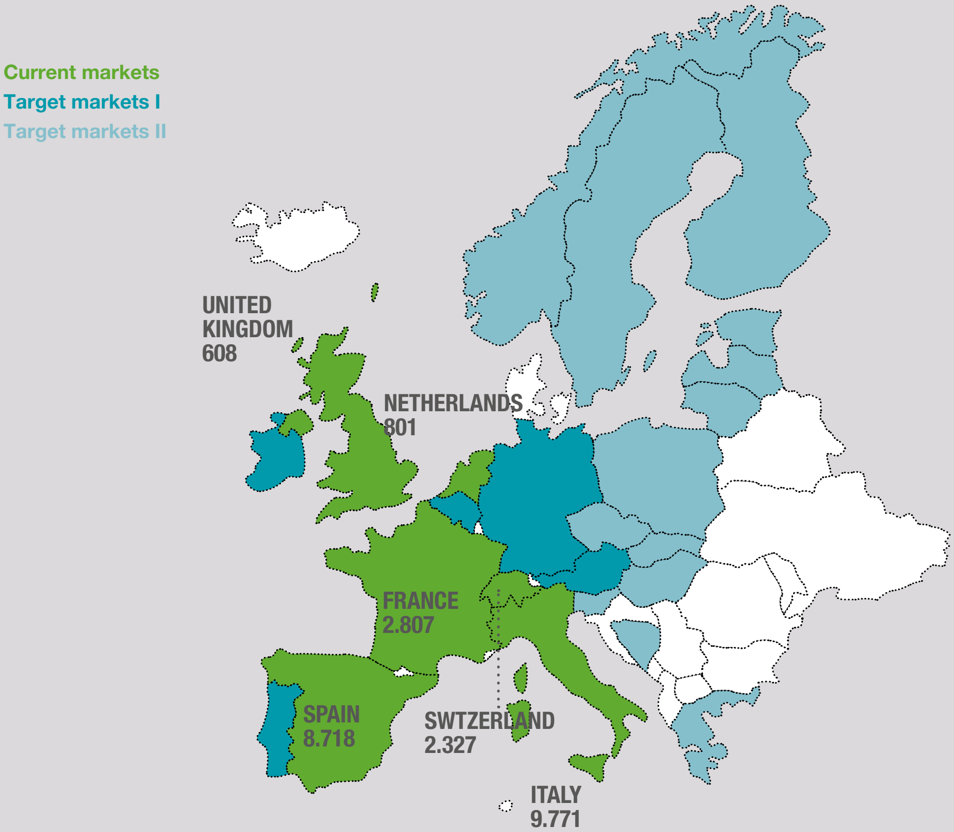
- An additional acquisition of 133 sites in Switzerland for an amount of CHF 39 million (EUR 34 million), which are to be transferred to Swiss Towers on 1 January 2019.

- An extension to the build-to-suit project with Sunrise agreed in the following terms: i) up to 75 additional sites to be build (increasing the agreement to build sites from up to 400 to up to 475 sites).

These new assets will contribute an estimated up to EUR 3 million of additional Adjusted EBITDA.

At 31 December 2018, the total number of Cellnex infrastructures acquired and build (sites and nodes) in Europe was as follows:

CELLNEX INFRASTRUCTURES IN EUROPE 31/12/2018



GRI: 102-4, 102-6, 102-7, 102-10

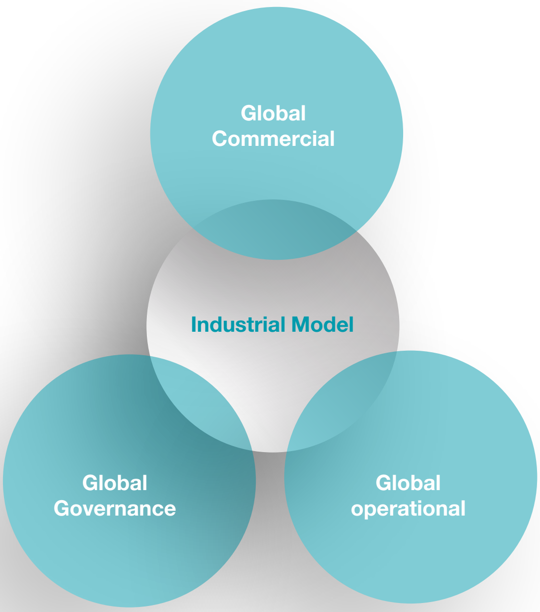
Leadership, culture and transformation. Towards a new industrial model

SIGNIFICANT MILESTONES IN 2018 AND MAIN CHALLENGES FOR 2019

Significant milestones in 2018	Main challenges for 2019
Defining the new 2018 Transformation Programmes based on the company's new Industrial Model	Continuing the 2018 Transformation initiatives, and defining and developing the transformational contents for 2019
Amending the Objectives Model to encourage sales in the new Commercial Model	Spreading the Objectives Model to commercial staff in all the countries, with overall reporting provided by them
Updating the methodology for the acquisition and integration of companies, and integration of the businesses in Switzerland and France	Applying the roll-out standard developed in the incorporation and integration of new companies and countries
Incorporating countries into The HUB digital platform Designing the Look & Feel of the new corporate intranet	Designing and implementing a Digital Workplace project (with a far greater scope than that of a new corporate intranet) for employees in all countries, combining all the digital resources available to the employee within the same platform, with the principal objective of improving knowledge-sharing and collaboration
Starting to define a corporate culture study	Developing and launching the Culture study, and identifying measures to achieve the desired culture

From the outset, Cellnex has been characterised by promoting activities of a transformational nature, in search of excellence. Thus, each year the company re-evaluates the status of its ongoing initiatives, draws conclusions and lessons learned, and uses them to implement improvements in the various areas.

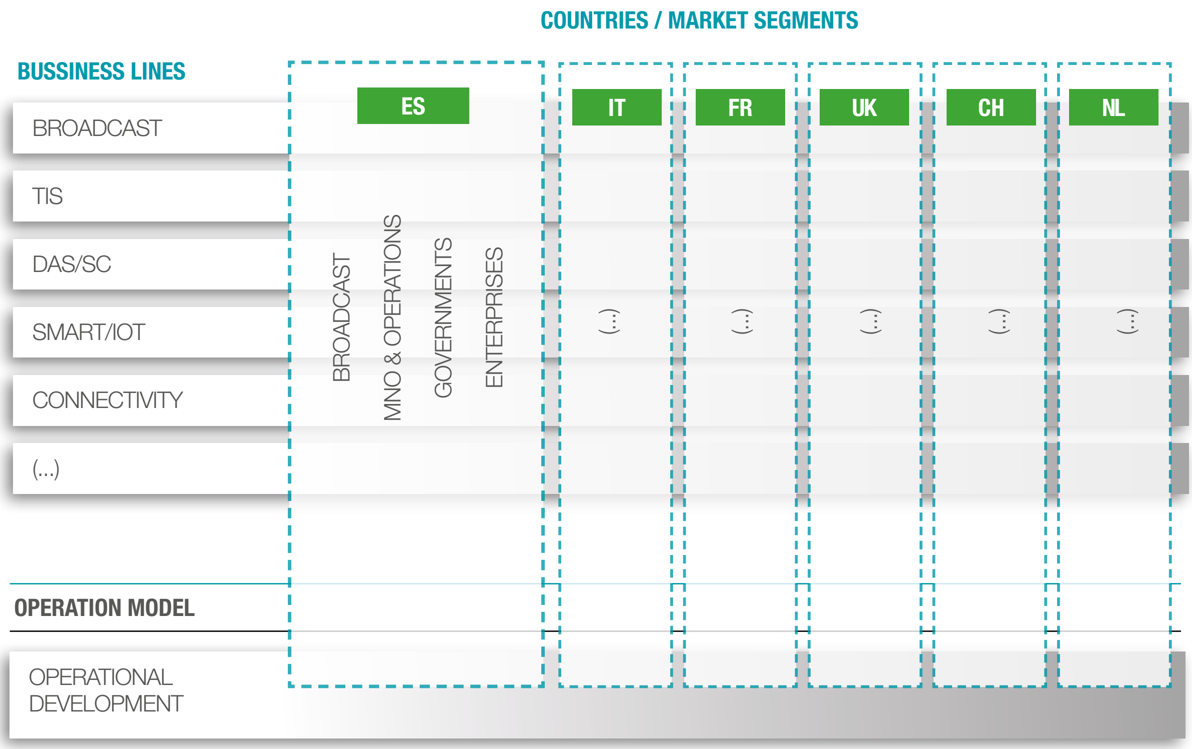
Along these lines, publishing the new Industrial Model in 2018 meant redefining the company's Transformation Programme to adjust to the levers of the model, which was structured into 16 initiatives grouped into 3 axes: Global Commercial, Global Operational and Global Governance:



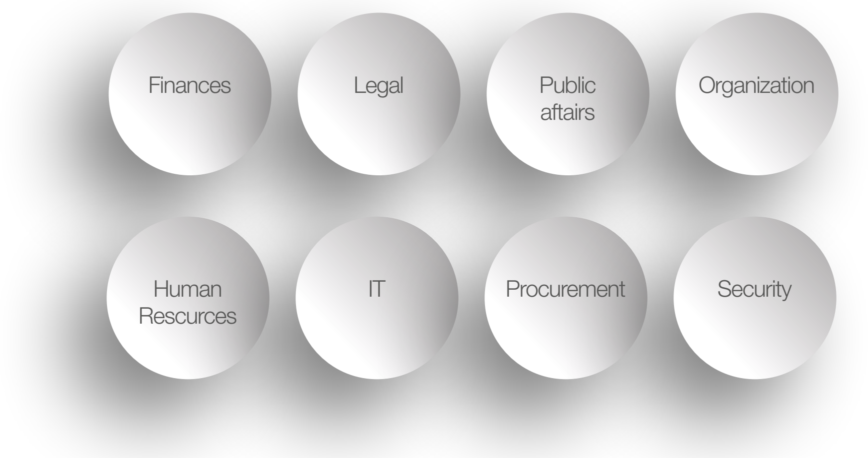
GRI: 102-4, 102-6, 102-7, 102-9, 102-10

The commercial axis consists of two initiatives: the Innovation Model (explained in the section on An innovative and transformational business) and the New Commercial Model, known as the Trinity Project, which is based on the following principles: business segment orientation, support for the Business Lines, new commercial roles for sales efficiency, and effectiveness.

COMMERCIAL MODEL



CORPORATIVE SERVICES



The Operational axis comprises the initiatives related to operational excellence, the digital agenda and improving information systems to consolidate and improve IT services.

Finally, the third axis of the Transformation Plan, Governance, has three subprogrammes: Balanced Scorecard (measuring strategic indicators), Revenue Assurance (checking movements for services rendered) and Shared Services (consolidating the relationship model between corporation and countries).

At the end of 2018, the overall progress achieved by the Transformation programmes was about 80% of the original planned.

The activities that remained outstanding, as well as those planned for 2019, will be performed during this year, which will also include a series of new lines of action identified with all areas of the company, to define new transformational ideas.

The redesign of the Commercial Area during 2018 also showed up the need to review the Objectives Model of the business commercial agents to align them with the new sales goals. This process, which was rolled-out in Spain in 2018, will be spread to the remaining countries with the progressive implementation of the new business model within these countries, to make available integrated reporting on them to assess performance with respect to the commercial objectives set.

The methodology of acquisition and integration of companies was revised and redefined in 2018 to optimise the process of incorporating new companies and countries into the Cellnex universe, allowing the French and Swiss businesses to be integrated. This standard of incorporation and roll-out will help to integrate new businesses more swiftly and efficiently during 2019.

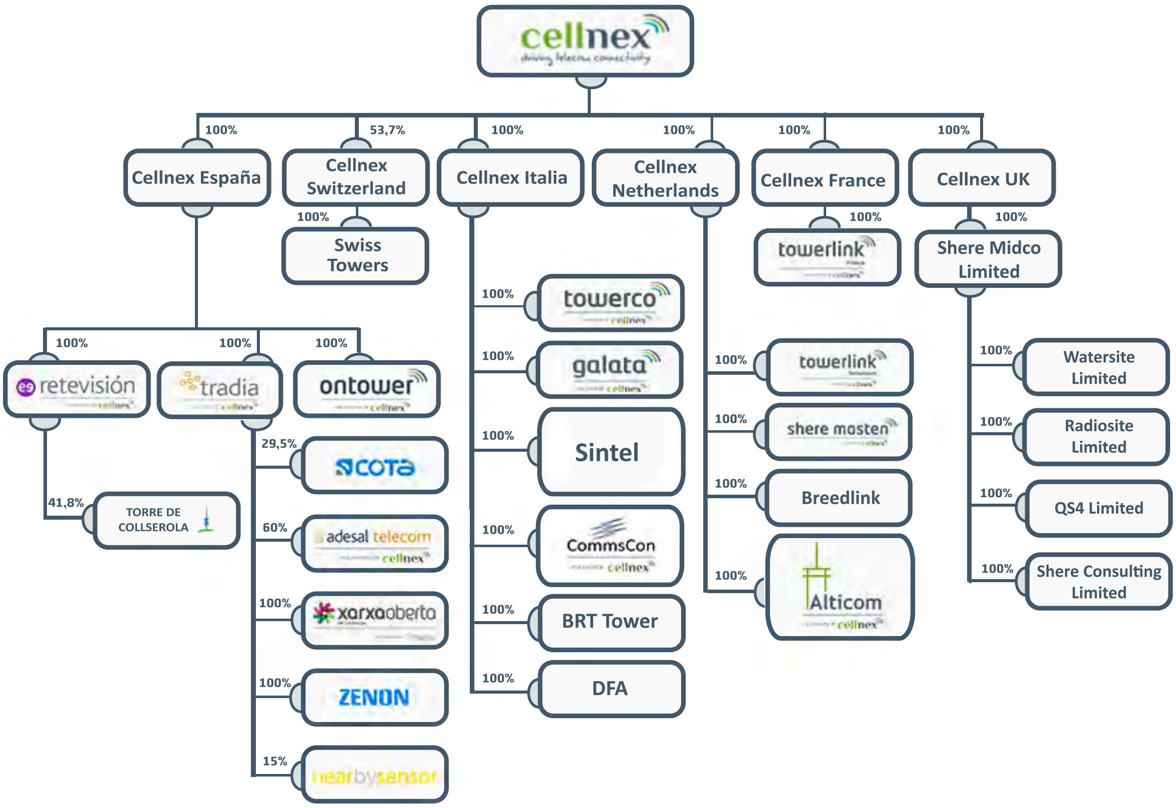
In the digital sphere, 2018 saw the progressive incorporation of countries into The Hub Platform (which brings together various talent and training elements that are available for employees), which will complete its roll-out in 2019 with the incorporation of the Netherlands. At the same time, work has been ongoing to design the new corporate intranet.

At the end of last year, the intranet development project underwent a change in scope, as it was extended to a Digital Work Place, which aims to gather all the digital elements available to employee on the Cellnex intranet. Likewise, as this project is developed, from 2019 up to launch in the countries, we will work to analyse the company's various internal communication channels, as well as the development of a corporate internal communication policy.

As regards culture, work began to define the scope of a study on corporate culture at the end of 2018 to update the Group culture, in response to significant changes - fundamentally in terms of both the business model and the diversity of the markets and countries in which it operates-, analyse employee perception and determine lines of action to fill the gaps identified. The study will be launched in 2019 and conclusions drawn, while the measures identified will be implemented.

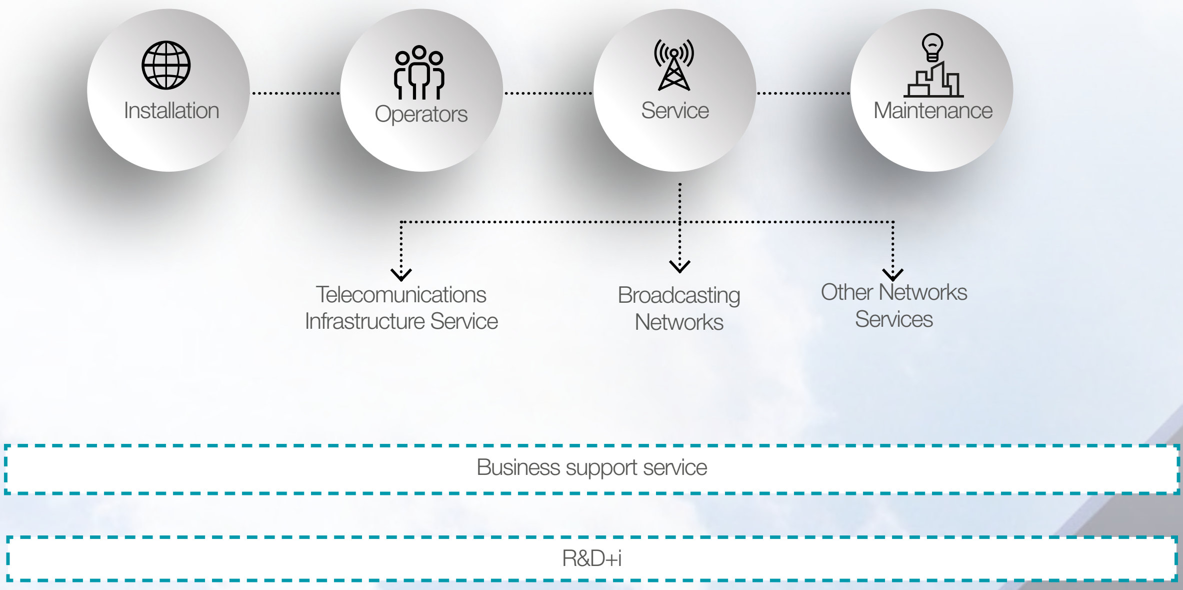
GRI: 102-6, 102-7, 102-9, 102-10

AS OF 31 DECEMBER 2018, THE ORGANISATIONAL STRUCTURE OF THE CELLNEX GROUP IS AS FOLLOWS:



Details of the Group's subsidiaries and associated companies as of 31 December 2018, together with the percentages of stakeholding, are shown in Appendices I and II respectively of the accompanying consolidated annual accounts.

CELINEX'S VALUE CHAIN



GRI: 102-9

XLS

View of 2018

cellnex
driving telecom connectivity
2018

CONSISTENT AND SUSTAINABLE ORGANIC GROWTH
+5% new PoPs year on year
+c.20% DAS nodes
Continued commercial drive to secure future organic growth

SOLID FINANCIAL PERFORMANCE

Revenues +c.15% vs. FY 2017
Adjusted EBITDA +c.20%
RLFCF +c.10%
Strong backlog of c.€18Bn

IFRS 16[1] A GAME CHANGER
Sector debt increases as leases capitalized
Cellnex's MSA avoids capitalization of leases[2]
Credit agencies removing the accounting benefit from selling minority stakes in TowerCos

BECOMING OUR CLIENTS' PARTNER OF TRUST
Initial agreements create a precedent for a more progressive relationship
Increased scope with existing clients

COMPELLING PIPELINE OF OPPORTUNITIES IN EUROPE
Discussions with key European players with a strong industrial rationale
Owners of large portfolios of telecom sites considering divestments

2018 FINANCIAL OUTLOOK BEATEN

2019 outlook under IFRS 16, effective from January 1st

(1) Mandatory from January 1st 2019
(2) Cellnex's approach validated by all four major auditing firms; for more information please see "Frequently Asked Questions section" of the December 2018 Results (Cellnex webpage).

GRI: 102-7, 102-9

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 +50% - is a recommendation to buy.

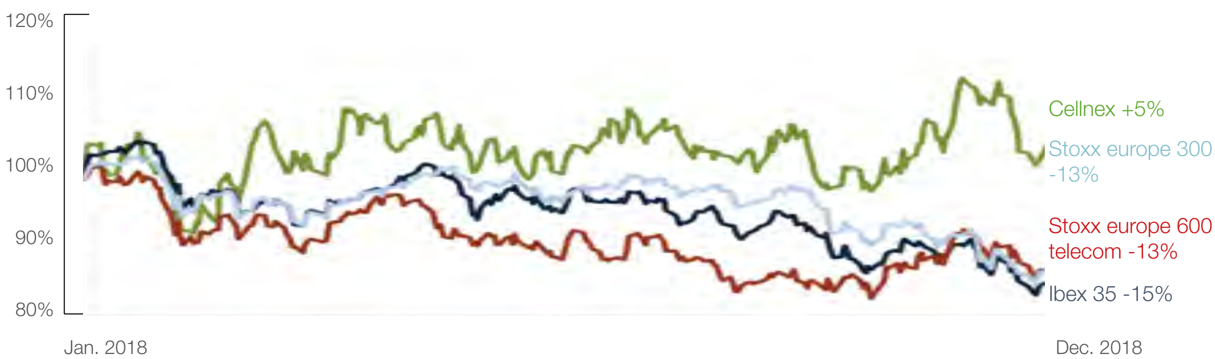
Cellnex's share capital amounts to EUR 57,921 thousand and is divided into 231,683,240 ordinary shares with a nominal value of EUR 0.25 each, of a single class and series, fully subscribed and paid up. Each share carries one vote.

Cellnex's share price experienced a 5% increase during 2018, closing at EUR 22.4 per share. The average volume traded has been approximately 770 thousand shares a day. The IBEX 35, the STOXX Europe 600 and the STOXX Europe 600 Telecom decreased by 15%, 13% and 13% respectively during the same period.

Cellnex's market capitalization stood at EUR 5,187 million at the period ended on 31 December 2018, 60% higher than at start of trading on 7 May 2015, compared to a 23% drop in the IBEX 35 in the same period.

The evolution of Cellnex shares during 2018, compared to the evolution of IBEX 35, STOXX Europe 600 and STOXX Europe 600 Telecom, is as follows:

PROGRESSION OF CELLNEX SHARES



THE DETAIL OF THE MAIN STOCK MARKET INDICATORS OF CELLNEX AT 31 DECEMBER 2018 AND 2017 IS AS FOLLOWS:

	31 December 2018	31 December 2017 restarted
Number of shares	231,683,240	231,683,240
Stock market capitalisation at period/year end (millions of euros)	5,187	4,946
Share price at close (EUR/share)	22.39	21.35
Maximum share price for the period (EUR/share)	24.52	21.77
Date	29/11/2018	19/12/2017
Minimum share price for the period (EUR/share)	19.7	13.16
Date	13/02/2018	31/01/2017
Average share price for the period (EUR/share)	22.26	17.76
Average daily volume (shares)	769,574	1,087,014

GRI: 102-7

Treasury shares

In accordance with the authorisation approved by the Board of Directors, at 31 December 2018 the Company held 264 thousand treasury shares (0.11% of its share capital). The use to which the treasury shares will be put has not been decided upon and will depend on such resolutions as might be adopted by the Group's governing bodies.

During 2018, Cellnex carried out discretional purchases of 250,604 treasury shares mainly regarding the Long Term Incentive Plan "2015-2017" (See Note 17 of the accompanying consolidated financial statements), representing 0.11% of the total shares outstanding, of which 54,330 have been transferred to beneficiaries.

The treasury shares transactions carried out during 2018, are disclosed in Note 13.a to the accompanying consolidated financial statements.

TREASURY SHARES

264,000

0.11%

of its share capital

GRI: 102-7

Business performance and results

The year ended on 31 December 2018 highlights the strong alignment between the objectives set and the results achieved, given that the Group considers as a key element the integration of this growth into its management processes, ensuring that it can guarantee and deliver quality service to customers.

Alternative Performance Measures

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

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

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

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

Adjusted EBITDA

Relates to the "Operating profit" before "Depreciation and amortisation charge" (after IFRS 16 adoption) and after adding back (i) certain non-recurring items (such as cost related to acquisitions, contract renegotiation and redundancy provision) or (ii) certain non-cash items (such as advances to customers, prepaid expenses and LTIP remuneration payable in shares).

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

The criteria used to calculate the Adjusted EBITDA is different from the previous year due to the adoption of new accounting standards as detailed in Note 4 of these consolidated financial statements.

The Company presents comparative financial information from previous year as detailed in Note 2.e of these consolidated financial statements.

As at 31 December 2018 and 2017, respectively, the amounts are as follows:

GRI: 102-7

ADJUSTED EBITDA (THOUSANDS OF EUROS)

	31 December 2018	31 December 2017 restated
Broadcasting infrastructure	232,773	237,258
Telecom Infrastructure Services	582,758	471,585
Other Network Services	82,340	80,500
Operating income	**897,871**	**789,343**
Staff costs	(172,650)	(107,354)
Repairs and maintenance	(32,223)	(28,307)
Leases	(11,537)	(11,878)
Utilities	(72,312)	(74,073)
General and other services	(93,773)	(87,487)
Depreciation and amortisation charge	(402,846)	(351,682)
Operating profit	**112,530**	**128,562**
Depreciation and amortisation	402,846	351,682
Non-recurring expenses	72,067	17,014
Advances to customers	3,383	2,771
Adjusted operating profit before depreciation and amortisation charge (Adjusted EBITDA)	**590,826**	**500,029**

Non-recurring expenses and advances to customers are set out below (see in Note 19.d of the accompanying consolidated financial statements):

NON-RECURRING EXPENSES (THOUSANDS OF EUROS)

	31 December 2018	31 December 2017 restated
Costs related to acquisitions (1)	(13,607)	(10,877)
Contract renegotiation (2)	-	(3,825)
Prepaid expenses (3)	-	(2,312)
Advances to customers (4)	(3,383)	(2,771)
Redundancy provision (5)	(56,160)	-
LTIP remuneration payable in shares (6)	(2,300)	-
Total non-recurring expenses and advances to customers	**(75,450)**	**(19,785)**

(1) Mainly includes expenses incurred during acquisition processes)non-recurring item).

(2) This relates to the cancellation expenses concerning the renegotiation of certain contracts with services providers. This renegotiations took place in order to achieve significant savings in costs over the coming years (non-recurring item).

(3) Prior to the adoption of IFRS 16 this item mainly included prepaid ground rental costs, prepaid energy and agency fees incurred to renegotiate rental contracts and which were taken to the consolidated income statement over the life of the corresponding ground lease contract (non-cash item).

(4) Includes the amortization of amounts paid for sites to be dismantled and their corresponding dismantling costs. These costs are treated as advances to customers in relation to the subsequent services agreement entered into with the customer (mobile telecommunications operators). These amounts are deferred over the life of the service contract with the operator as they are expected to generate future economic benefits in existing infrastructures (non-cash item).

(5) Mainly includes the amount recorded as at 31 December 2018 in accordance with the reorganisation plan detailed in Note 18.b of the accompanying consolidated financial statements.

(6) Corresponds to the LTIP remuneration accrued as of 31 December 2018, which is payable in Cellnex shares (See Note 18.b of the accompanying consolidated financial statements).

Adjusted EBITDA Margin

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

The criteria used to calculate the Adjusted EBITDA is different from the previous year due to the adoption of new accounting standards as detailed in Note 4 of these consolidated financial statements.

The Company presents comparative financial information from previous year as detailed in Note 2.e of these consolidated financial statements.

According to the above, the Adjusted EBITDA Margin as at 31 December 2018 and 2017 was 68% and 66%, respectively.

Gross financial debt

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

The criteria used to calculate the Gross financial debt is different from the previous year due to the adoption of new standards as detailed in Note 4 of these consolidated financial statements.

The Company presents comparative financial information from previous year as detailed in Note 2.e of these consolidated financial statements.

According to the above, its value as at 31 December 2018 and 2017, respectively, is as follows:

GROSS FINANCIAL DEBT (THOUSANDS OF EUROS)

	31 December 2018	31 December 2017 restated
Bond issues and other loans (Note 14)	2,510,176	1,898,619
Loans and credit facilities (Note 14)	585,561	633,189
Lease liabilities (Note 15)	526,337	425,982
Gross financial debt	**3,622,074**	**2,957,790**

Net financial debt

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

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

The criteria used to calculate Net financial debt is different from the previous year due to the adoption of new standards as detailed in Note 4 of these consolidated financial statements.

The Company presents comparative financial information from previous year as detailed in Note 2.e of these consolidated financial statements.

The "Net financial debt" at 31 December 2018 and 2017 restated is detailed in Section 1.4. of the accompanying consolidated directors' report for the period ended on 31 December 2018.

Capital expenditures

Maintenance capital expenditures

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

Expansion capital expenditures

Includes site adaptation for new tenants, ground leases (cash advances and land acquisitions), and efficiency measures associated with energy and connectivity, and early site adaptation to increase the capacity of sites. Thus, it corresponds to investments related to business expansion that generates additional adjusted EBITDA.

Expansion capital expenditures (Build to Suit programs)

Includes Build to Suit committed with different MNO's like Bouygues Telecom and Sunrise, at the moment of the closing of the M&A projects or the corresponding new extensions.

M&A capital expenditures

Corresponds to investments in shareholdings of companies as well as significant investments in acquiring portfolios of sites (asset purchases).

The criteria used to calculate the Capital expenditures is the same as the previous year.

Total capital expenditure for the period ended 31 December 2018 and 2017, including property, plant and equipment, intangible assets, advance payments on ground leases and business combinations are summarised as follows:

TOTAL INVESTMENT (THOUSANDS OF EUROS)

	31 December 2018	31 December 2017
Maintenance capital expenditures	30,653	25,348
Expansion capital expenditures	93,764	88,136
Expansion capital expenditures (Build to Suit programs)	147,341	51,749
M&A capital expenditures	395,305	1,017,454
Total investment	**667,063**	**1,182,687**

GRI: 102-7, 203-1

Recurring leveraged free cash flow

The Company considers that the recurring leveraged free cash flow is one of the most important indicators of its ability to generate stable and growing cash flows which allows it to guarantee the creation of value, sustained over time, for its shareholders.

The criteria used to calculate the recurring leveraged free cash flow is different from the previous year due to the adoption of new standards as detailed in Note 4 of these consolidated financial statements.

The Company presents comparative financial information from previous year as detailed in Note 2.e of these consolidated financial statements.

At 31 December 2018 and 2017 the Recurring Leveraged Free Cash Flow ("RLFCF") was calculated as follows:

RECURRING LEVERAGED FREE CASH FLOW (THOUSANDS OF EUROS)

	31 de diciembre 2018	31 de diciembre de 2017 reexpresado
Adjusted EBTIDA [1]	590,826	500,029
Payments of lease instalments in the ordinary course of business and interest payments[2]	(166,493)	(153,001)
Maintenance capital expenditures[3]	(30,653)	(25,348)
Changes in current assets/current liabilities[4]	2,034	10,886
Net payment of interest[5]	(64,503)	(40,941)
Income tax payment[6]	(20,219)	(13,349)
Net dividends to non-controlling interests[7]	(6,274)	(631)
Recurring leveraged free cash flow (RLFCF)	**304,718**	**277,645**
Expansion Capex[8]	(93,764)	(88,136)
Expansion Capex (Build to Suit programs) [9]	(147,341)	(51,749)
M&A Capex (cash only) [10]	(392,125)	(829,961)
Non-Recurrent Items (cash only)([11]	(45,048)	(14,702)
Net Cash Flow from Financing Activities[12]	553,370	807,280
Other Net Cash Out Flows [13]	(19,113)	1,945
Net Increase of Cash [14]	**160,697**	**102,322**

(1). Adjusted EBITDA: Profit from operations before D&A (after IFRS 16 adoption) and after adding back (i) certain non-recurring items (such as cost related to acquisitions (€14Mn), and redundancy provisions (€56Mn)) or (ii) certain non-cash items (such as LTIP remuneration payable in shares (€2Mn) and advances to customers (€3Mn) which include the amortisation of amounts paid for sites to be dismantled and their corresponding dismantling costs).
(2). Corresponds to payments of lease instalments in the ordinary course of business (€112Mn) and interest payments on lease liabilities (€54Mn). See Note 15 of the accompanying Consolidated Financial Statements.
(3). Maintenance capital expenditures: investment in existing tangible or intangible assets, such as investment in infrastructure, equipment and information technology systems, and are primarily linked to keeping sites in good working order, but which excludes investment in increasing the capacity of sites.
(4). Changes in current assets/current liabilities (see the relevant section in the Consolidated Statement of Cash Flows for the period ended 31 December 2018), following the same methodology used in 2017.
(5). Net payment of interest corresponds to the net of "Interest paid" and "interest received" in the accompanying Consolidated Statement of Cash Flows for the period ended 31 December 2018), following the same methodology used in 2017. The amount corresponds to net interest payments (€65Mn), which do not include "Interest payments on lease liabilities" (€54Mn) (see Note 15 of the accompanying consolidated financial statements).
(6). Income tax payment (see the relevant section in the accompanying Consolidated Statement of Cash Flows for the period ended 31 December 2018), following the same methodology used in 2017.
(7). Corresponds to the net of "Dividends to non-controlling interests" and "Dividends received" in the accompanying Consolidated Statement of Cash Flows for the period ended 31 December 2018, following the same methodology used in 2017.
(8). Expansion capital expenditures: Ground leases (€52Mn), efficiency measures associated with energy and connectivity (€9Mn), and others (including early site adaptation to increase the capacity of sites), following the same methodology used in 2017. Ground leases includes €40Mn relating to "cash advances to landlords" (See Note 15 of the accompanying Consolidated Financial Statements), with the balance corresponding to land acquisitions. Thus, it corresponds to investments related to business expansion that generates additional adjusted EBITDA.
(9). Build to Suit committed with Bouygues Telecom and Sunrise, at the moment of the closing of the M&A project or the corresponding new extensions; following the same methodology used in 2017.
(10). M&A capital expenditures (cash only): Investments in shareholdings of companies as well as significant investments in acquiring portfolios of sites (asset purchases), after integrating into the consolidated balance sheet mainly the "Cash and cash equivalents" of the acquired companies and the contribution of minority shareholders. The amount resulting from: (3)+(8)+(9)+(10) corresponds to "Total Investment" (see caption "Capital Expenditures" in the accompanying Consolidated Financial Statements for the period ended 31 December 2018), minus the "Cash and cash equivalents" of the acquired companies (€-3Mn) and; also corresponds to "Total net cash flow from investing activities" (see the relevant section in the accompanying Consolidated Statement of Cash Flows for the period ended 31 December 2018), after adding the Cash advances to landlords (€-40Mn) and others (€+1Mn), following the same methodology used in 2017.
(11). Consists of "non-recurring expenses and advances to customers" that have involved cash movements, which correspond to "Costs related to acquisitions" and "Redundancy provisions".
(12). Corresponds to "Total net cash flow from financing activities", which do not include "Net payment of lease liabilities", "Dividends to non-controlling interests" and "Dividends received" (see the relevant section in the Consolidated Statement of Cash Flows for the period ended 31 December 2018), following the same methodology used in 2017.
(13). Mainly corresponds to "Foreign exchange differences" (see the relevant section in the Consolidated Statement of Cash Flows for the period ended 31 December 2018), payment related to the Long Term Incentive Plan (2015-2017) (see Note 18.b of the accompanying Consolidated Financial Statements) and other items, following the same methodology used in 2017.
(14). "Net (decrease)/increase in cash and cash equivalents from continuing operations" (see the relevant section in the Consolidated Statement of Cash Flow for the period ended 31 December 2018), following the same methodology used in 2017.

GRI: 102-7, 203-1

Revenues and Results

Income from operations for the year ended on 31 December 2018 reached EUR 898 million, which represents a 14% increase over the same period in 2017. This increase was mainly due to the expansion of the above-mentioned telecom infrastructure services for mobile network operators.

Telecom Infrastructure Services' income increased by 24% to EUR 583 million due to the acquisitions performed during the second half of 2017 and 2018. This business segment is characterised by solid growth driven by increasing demand for wireless data communication services, and by the growing interest of mobile network operators (MNOs) in developing high quality networks that fulfil their consumers' needs in terms of uninterrupted coverage and availability of wireless bandwidth (based on new Long-Term Evolution "LTE" technologies), in the most efficient way. In recent years the Group consolidated its infrastructure network and long-term strategic relationships with its main customers, the mobile network operators. In addition to its current portfolio Group's Management has identified several potential acquisitions which are currently being analysed following its demanding capital deployment criteria. The Group owns a high-quality asset portfolio which is made up of selective assets in Spain, Italy, the Netherlands, France, the United Kingdom and Switzerland and performs the subsequent streamlining and optimisation of the tower infrastructure for Telecom Infrastructure Services. Its main added value proposals in this line of business consist of providing services to additional mobile network operators in its towers and therefore streamlining the customer's network. By increasing the ratio of customers to infrastructures, the Group will generate additional income with very little additional costs. This network streamlining may generate significant efficiencies for the Group and for the MNOs.

With regard to the Broadcasting Infrastructure business, income amounted to EUR 233 million which represents a 2% decrease compared with the same period in 2017.

Broadcasting Infrastructure activities are characterised by predictable, recurring and stable cash flows. Although this is a mature business in Spain, broadcasting activities have shown considerable resilience to adverse economic conditions, such as those experienced in Spain in recent years, this is due to the fact that the Group's income does not depend directly on macroeconomic factors, but rather on the demand for radio and television broadcasting services by broadcasting companies.

Other Network Services increased its income by 2%, to EUR 82 million. This constitutes a specialised business that generates stable cash flows with attractive potential for growth. Taking into account the critical nature of the services

GRI: 102-7, 203-1

in which the Group collaborates, its customers require in-depth technical know-how that is reflected in the demanding service level agreements. The Group considers that it has a privileged market presence and geographical distribution, established relationships with government agencies and excellent infrastructure for emergencies and public services. The Group's aim is to maintain long-term relationships with its customers maximise the renewal rate of its contracts and expand its business through new contracts. In relation to this business segment, during 2018, Cellnex incorporated the XOC, a concessionary company dedicated to the management, maintenance and construction of the fiber optic network of the Generalitat de Catalunya.

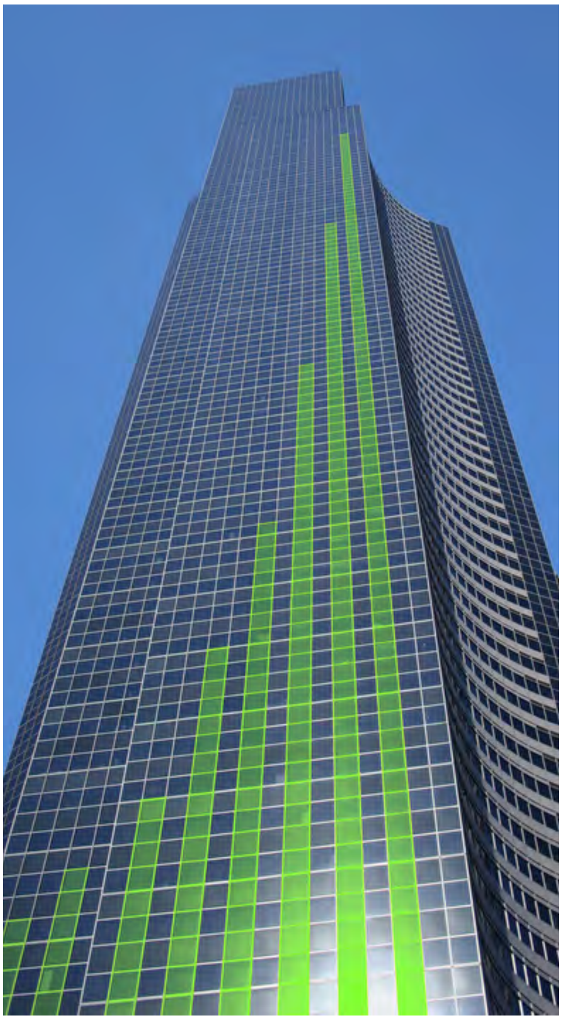
All of the above has helped boost operating income and operating profit, with the latter also being impacted by the measures to improve efficiency and optimise operating costs.

In line with the increase in revenue, Adjusted EBITDA was 18% higher than 2017, as a result of the business combinations and assets acquired during the second half of 2017, and during 2018 as well as organic growth which reflects the Group's capacity to generate cash flows on a continuous basis.

Operating profit decreased by 13% compared with 2017 mainly due to the reorganisation plan agreed during the first quarter of 2018 in order to adjust the workforce in its Spanish subsidiaries Tradia and Retevisión, which manage the terrestrial television infrastructure network (as detailed in Note 18.b) of the accompanying consolidated financial statements).

Taking into account these considerations, the consolidated loss attributable to shareholders on 31 December 2018 stood at EUR 15 million.

Consolidated Balance Sheet



Total assets at 31 December 2018 stood at EUR 5,133 million, a 15% increase compared with the year-end December 2017, as a result of the asset purchases made during the 2018 in France, Switzerland and Spain. Around 63% of total assets relates to property, plant and equipment and other intangible assets, in line with the nature of the Group's business related to the management of terrestrial telecommunications infrastructure. The increase in property, plant and equipment is a result of the above-mentioned acquisitions.

Consolidated net equity amounted to EUR 613 million, in line with 2017 year-end closing. The main impacts during 2018 relates to the consolidated net loss of the year, the final dividend distributed, the acquisition of treasury shares, and the convertible bond issued in January 2018 (as detailed in Note 14 of the accompanying consolidated financial statements).

Consolidated cash flow generation

Net Payment of Interest

The reconciliation of the caption "Net payment of interest" from the consolidated cash flow statement corresponding to the period ended on 31 December 2018 and 2017, with the "net interest expense" in the financial statements is as follows.

(Thousands of Euros)	31 December 2018	31 December 2017 restated
Interest Income (Note 19.g)	**3,461**	**1,397**
Interest Expense (Note 19.g)	**(152,285)**	**(110,474)**
Bond & loan interest accrued not paid	44,582	35,722
Put Options – non-cash	5,676	5,365
Amortised costs – non-cash	15,147	2,119
Interest accrued in prior year paid in current year	(35,538)	(15,987)
Net payment of interest as per the Consolidated Statement of Cashflows	**(118,957)**	**(81,858)**

GRI: 102-7, 203-1

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Income Tax Payment

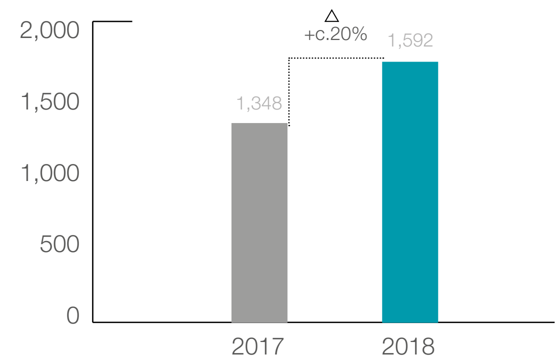
The reconciliation between the payment of income tax according to the consolidated statement of cashflows and the current income tax expense for 2018 and 2017 is as follows:

(Thousands of Euros)	31 Decembere 2018	31 December 2017 restated
Current tax expense (Note 17.c)	(18,290)	(20,273)
Payment of income tax prior year	(5,975)	(1,303)
Receivable of income tax prior year	1,318	458
Income tax (receivable)/payable	5,739	7,289
Others	(3,011)	481
Payment of income tax as per the Consolidated Statement of Cashflows	**(20,219)**	**(13,349)**

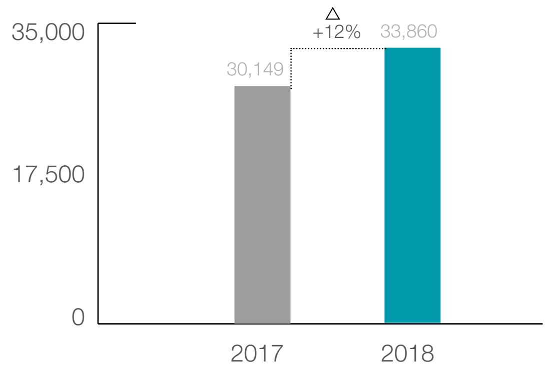
GRI: 102-7, 203-1

Business indicators

DAS NODES (1)



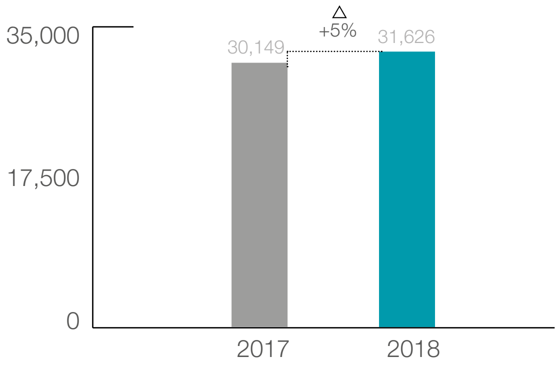
PoPs - Total (2)



(1) DAS: Distributed Antenna System

(2) PoPs: Points of presence

PoPs - Organic Growth (2)



Information relating to the deferment of payments to suppliers. See Note 16 of the accompanying consolidated financial statements.

Use of financial instruments. See Note 5 of the accompanying consolidated financial statements.

GRI: 102-7, management approach for indirect economic impacts (103-1, 103-2, 103-3), 203-1

Sustained value creation

Creating value in the company

Cellnex´s Financial Structure

Cellnex' borrowings are represented by a combination of loans, credit facilities and bonds issues. As at 31 December 2018, the total limit of loans and credit facilities available was EUR 1,606,398 thousand (EUR 1,695,922 thousand as of 31 December 2017), of which EUR 1,287,415 thousand in credit facilities and EUR 318,984 thousand in loans (EUR 1,152,351 thousand in credit facilities and EUR 543,571 thousand in loans as of 31 December 2017).

As at 31 December 2018, Cellnex weighted average cost of debt (considering both the drawn and undrawn borrowings) was 1.9%[(3)] (2.0% as at 31 December 2017) and the weighted average cost of debt (considering only the drawn down borrowings) was 2.2% (2.4% as at 31 December 2017).

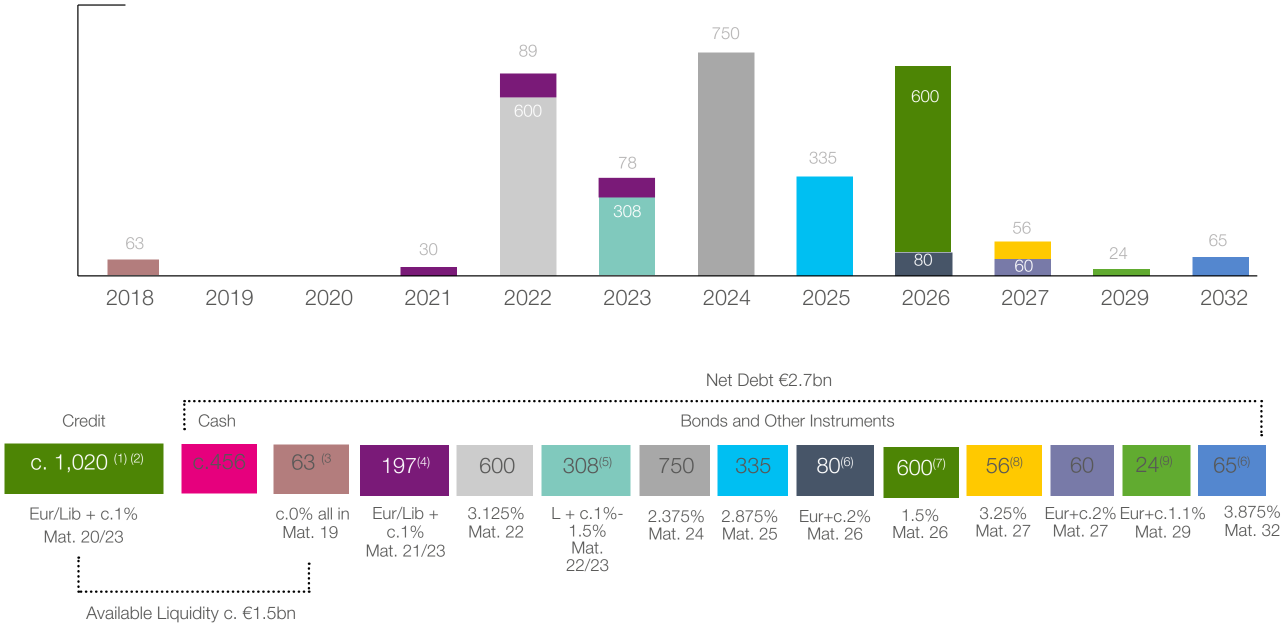
CELLNEX´S FINANCIAL STRUCTURE (THOUSANDS OF EUROS)

	Notional as of 31 December 2018*			Notional as of 31 December 2017*		
	Limit	Drawn	Undrawn	Limit	Drawn	Undrawn
Bond issues and other loans	2,552,835	2,552,835	-	1,890,000	1,890,000	-
Loans and credit facilities	1,606,398	586,471	1,019,927	1,695,922	635,852	1,060,070
Total	**4,159,233**	**3,139,306**	**1,019,927**	**3,585,922**	**2,525,852**	**1,060,070**

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

The following graph sets forth Cellnex's notional contractual obligations in relation to borrowings as of 31 December 2018 (EUR million):

CONTRACTUAL OBLIGATIONS AS OF 31 DECEMBER 2018 (EUR MILLION)



(1) RCF Euribor 1M; Credit facilities Euribor 1M and 3M; floor of 0% applies

(2) Maturity 5 years

(3) Euro Commercial Paper

(4) Includes c.£150Mn debt in GBP; natural hedge investment in Cellnex UK Ltd

(5) EUR169Mn debt in Swiss Francs at corporate level (natural hedge) + EUR139Mn debt in Swiss Francs at local level in Switzerland. No financial covenants or share pledge (Swiss Tower and/or Cellnex Switzerland) in line with all the debt placed at the Parent Company Corporate level

(6) Private placement

(7) Convertible bond into Cellnex shares (conversion price at €38 per share)

(8) Bilateral loan

(9) EIB

The Group's borrowings were arranged under market conditions, therefore their fair value does not differ significantly from their carrying amount.

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

Liquidity and Capital Resources

Net financial debt

The “Net financial debt” at 31 December 2018 and 2017 is as follows:

NET FINANCIAL DEBT (THOUSANDS OF EUROS)

	31 December 2018	31 December 2017 restated
Gross financial debt [(1)]	3,622,074	2,957,790
Cash and cash equivalents (Note 12)	(455,870)	(295,173)
Net financial debt	**3,166,204**	**2,662,617**

(1) As defined in Section “Business performance and results” of the accompanying consolidated management report corresponding to the year ended on 31 December 2018.

At 31 December 2018, the net bank financial debt amounted to EUR 3,166 million (EUR 2,663 million in 2017), including a consolidated cash and cash equivalents position of EUR 456 million (EUR 295 million in 2017). The ratio of net financial debt to Adjusted annualised EBITDA amounts to 4.9x[(29)] (4.6x in 2017 restated).

(29) The ratio is calculated as 12-month forward-looking Adjusted EBITDA (see outlook 2019), divided by net debt 2018.

NET FINANCIAL DEBT EVOLUTION

Net Debt Evolution (including accrued interest) (Thousands of Euros)	31 December 2018	31 December 2017 restated
Beginning of Period	**2,662,617**	**1,844,573**
Recurring leveraged free cash flow	(304,718)	(277,645)
Expansion Capex	93,764	88,136
Expansion Capex (Build to Suit programs)	147,341	51,749
M&A Capex (cash only)	392,125	829,961
Non-Recurrent Items (cash only)	45,048	14,702
Other Net Cash Out Flows	19,113	(1,945)
Payment of Dividends (1)	24,211	20,000
Treasury Stock (2)	5,035	(1,587)
Equity associated with the issuance of convertible bond	(62,480)	-
Net repayment of other borrowings (3)	11,220	1,188
Change in Lease Liabilities (4)	100,355	80,863
Accrued Interest Not Paid and Others (non-cash)	32,573	12,622
End of Period	**3,166,204**	**2,662,617**

(1) "Dividends paid" (see the relevant section in the Consolidated Statement of Cash Flows for the period ended 31 December 2018), following the same methodology used in 2017.

(2). "Acquisition of treasury shares" (see the relevant section in the Consolidated Statement of Cash Flows for the period ended 31 December 2018), following the same methodology used in 2017.

(3). "Net repayment of other borrowings" (see the relevant section in the Consolidated Statement of Cash Flows for the period ended 31 December 2018), following the same methodology used in 2017.

(4). Changes in "Lease liabilities" long and short term of the accompanying Consolidated Balance Sheet as of 31 December 2018. See Note 15 of the accompanying Consolidated Financial Statements.

Liquidity availability

The breakdown of the available liquidity at 31 December 2018 and 2017 is as follows:

(Thousands of Euros)	31 December 2018	31 December 2017 restated
Available in credit facilities (Note 14)	1,019,927	1,060,070
Cash and cash equivalents (Note 12)	455,870	295,173
Available liquidity	**1,475,797**	**1,355,243**

As at 31 December 2018, Cellnex weighted average cost of debt (considering both the drawn and undrawn borrowings) was 1.9% (2.0% as at 31 December 2017)

Regarding the Corporate Rating, at 31 December 2018, Cellnex holds a long term "BBB-" (investment grade) with negative outlook according to the international credit rating agency Fitch Ratings Ltd. and a long-term "BB+" with stable outlook according to the international credit rating agency Standard & Poor's Financial Services LLC.

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Shareholder remuneration

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.

During 2018, 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 dividend charged to the share premium reserve in the amount of EUR 11,816 thousand, which represented EUR 0.0510 per share. In addition, on 8 November 2018, the Board of Directors, approved the distribution of a dividend charged to the share premium reserve in the amount of EUR 12,395 thousand, which represented EUR 0.0535 per share.

Thus, the total dividend distributed for share premium reserve was EUR 0.1045 gross per share, which represents EUR 24,211 thousand.

Along with the final cash dividend of EUR 12 million to be paid in 2019 (pursuant to the corresponding approval by AGM), the total cash dividend distribution against 2018 results or reserves will have increased by 10% in relation to the dividend distributed against 2017 results or reserves.

2017-2019 Dividend Policy

The following Dividend Policy shall be applicable:

- 2017: dividend, which will be distributed against 2017 Net Profit, will be equivalent to that of 2016 (€20Mn against 2016 Net Profit) increased by 10%.
- 2018: dividend, which will be distributed against 2018 Net Profit, will be equivalent to that of 2017, increased by 10%.
- 2019: dividend, which will be distributed against 2019 Net Profit, will be equivalent to that of 2018, increased by 10%.

The payment of the dividends will be made on the specific dates to be determined in each case and will be duly announced.

Notwithstanding the above, the 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 Company's growth strategy. As a result, such circumstances and factors may modify this Dividend Policy. In any case, any future amendment on this policy will be duly announced.

This Dividend Policy aims at keeping the appropriate balance between, shareholder remuneration, Company's profit generation and Company's growth strategy, ensuring an adequate capital structure.

The Cellnex tax contribution

Cellnex's taxation strategy establishes the fundamental guidelines governing the decisions and actions of the Cellnex Group in tax matters. Likewise, the company has established the control and management of tax risks rule, which defines the principles and structure of the control and management framework of these.

During this financial year, the company has sent out the control and management framework for tax risks to the appropriate areas whose functions and responsibilities make them particularly sensitive in the field of taxation. Likewise, to comply even more effectively with the rules on control and management of tax risks, the company has begun to implement a tool that makes it possible to perform recurrent monitoring of its tax situation in Spain and optimises the management of any risks that may be detected. Cellnex plans to push this forward in Spain at the beginning of 2019 and to start implementing this tool in the remaining jurisdictions in the middle of the year.

The Group acts responsibly in tax matters in its business management and meets its tax obligations in all the countries in which it operates - currently Spain, Italy, the Netherlands, Switzerland France and the UK - applying consistent fiscal criteria in accordance with regulations, administrative doctrine and case law and maintaining appropriate relations with the corresponding tax authorities.

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

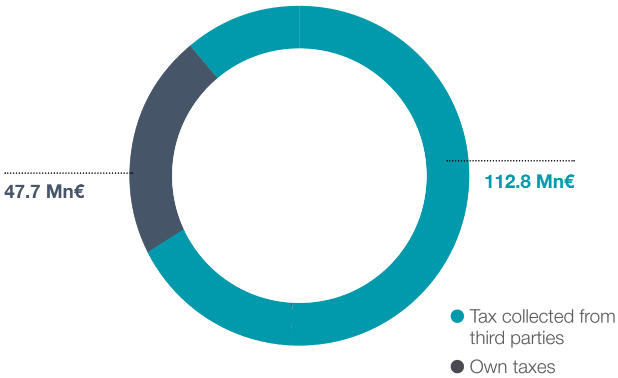
Following OECD methodology on cash basis accounting, Cellnex's total tax contribution in 2018 was € 160.5 million (167.6 in FY 2017). Own taxes are those paid for the company and third-party taxes are those collected and aid into the various tax offices on behalf of such third parties, therefore they are not a cost to the company.

CELLNEX'S TAX CONTRIBUTION IN 2018 (MN €)

	Own taxes (1)	Tax collected from third parties (2)	Total
Spain	24.1	68.1	92.2
Italy	17.6	30.9	48.5
France	0.3	0.8	1.1
Netherlands	0.8	8.4	9.2
United Kingdom	1.2	1.8	3.0
Switzerland	3.7	2.8	6.5
Total	**47.7**	**112.8**	**160.5**

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

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



TAX CONTRIBUTION

160,5 Mn€

GRI: 102-7, 201-1

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Income tax payment

The breakdown of the income tax payment by country for the 2018 financial year is as follows:

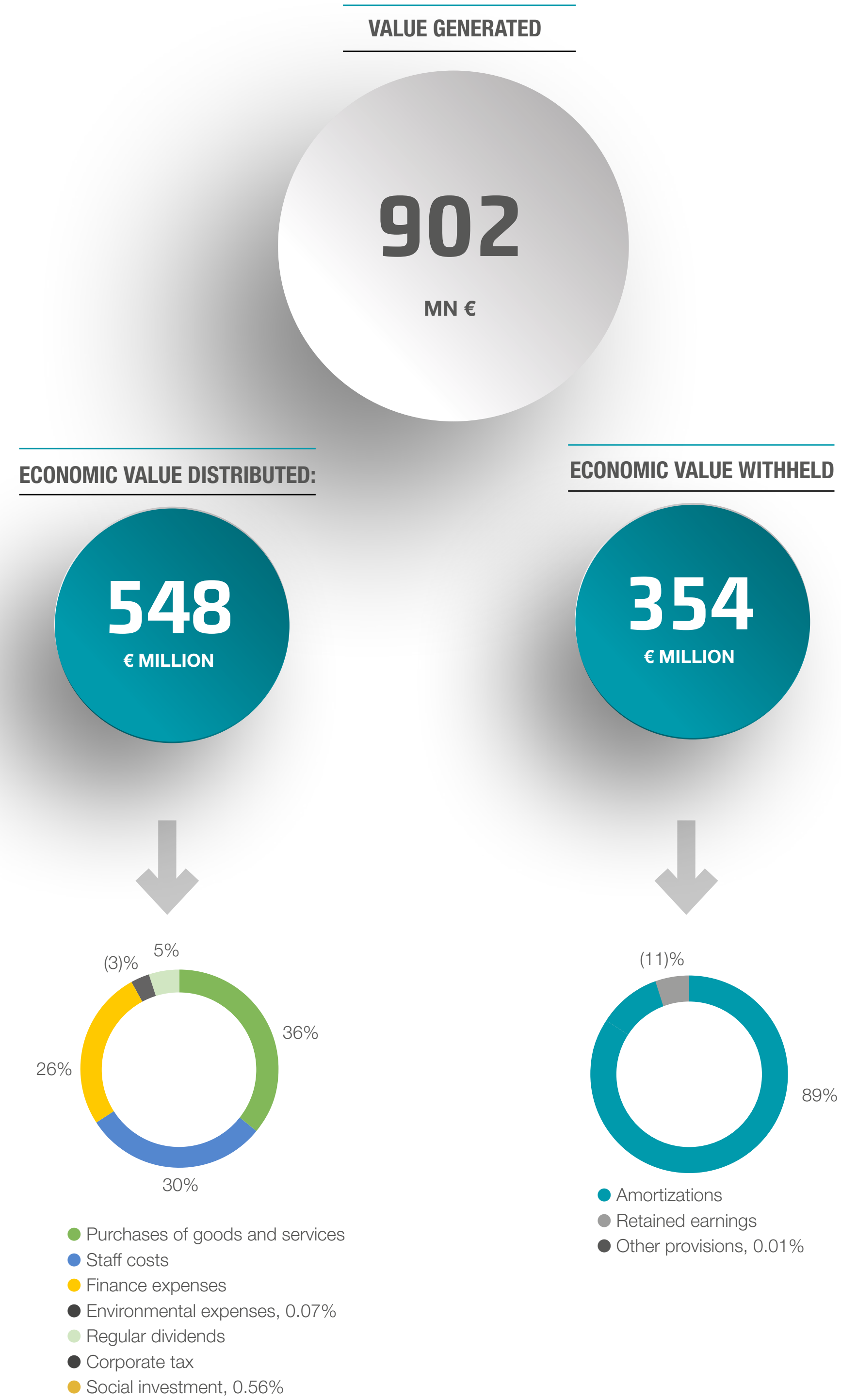
BREAKDOWN OF THE INCOME TAX PAYMENT BY COUNTRY

	Income tax payment (in Thousands Euros)
Spain	1,601
Italy	13,980
France	-
Netherlands	354
United Kingdom	1,069
Switzerland	3,220
Total	**20,224**

GRI: 102-7, 201-1

Value generated and distributed

Value generated in 2018 by Cellnex was € 902 million, distributed mainly to suppliers, employees, shareholders and public administration.



GRI: 201-1

Key Indicators and contribution to Sustainable Development Goals

Cellnex is committed to achieving the Sustainable Development Goals, a UN initiative that aims to eradicate poverty, protect the planet and ensure the prosperity of humanity as part of a new sustainable development agenda. Achieving the SDGs requires the involvement of the entire business sector to contribute through their creativity and innovation to solving the most pressing challenges facing humanity. Through its activity, Cellnex specifically contributes to the following objectives:

1.55X
INFRASTRUCTURE SHARING RATIO

CHECKING THE CARBON FOOTPRINT OF CELLNEX SPAIN, ITALY AND FRANCE

INCORPORATION OF TWO NEW INDEPENDENT DIRECTORS

92% AND 83%
OF CUSTOMERS SATISFIED WITH THE SERVICE PROVIDED BY CELLNEX SPAIN AND ITALY, RESPECTIVELY

PREPARING A POLICY GOVERNING RESPECT FOR HUMAN RIGHTS

PREPARING THE SPONSORSHIP MANUAL ALIGNED WITH THE COMPANY'S STRATEGIC AXES

€1.8MN
IN R&D+I INVESTMENT PROJECTS

RENEWING THE AGREEMENT WITH THE 3RD SECTOR ENTITIES

Post balance sheet

2019 convertible bond

On 8 January 2019, Cellnex Telecom successfully placed EUR 200 million additional senior unsecured convertible bonds due 2026 (the "New Bonds") which was, from the Issue Date (21 January 2019), consolidated and form a single series with the existing EUR 600 million with a coupon of 1.50% senior unsecured convertible bonds due 2026 issued by Cellnex on 16 January 2018 (the "Original Bonds", and together with the New Bonds, the "Bonds").

Each New Bond was issued at EUR 100,270.55 (including interest accrued from, and including, 16 January 2019 to, but excluding 21 January 2019). The New Bonds will carry a coupon of 1.50% (resulting in a implied yield to maturity of c.1.45%) payable annually in arrears and its prevailing conversion price into Cellnex shares was EUR 38.0829, the same as for the Original Bonds (issued in January 2018). The conversion price, which is subject to customary adjustments, represents a premium of c. 60% over the price of Cellnex's shares on the Spanish Stock Exchanges at close of the market at issuance (7 January 2019). The shares underlying the New Bonds are equivalent to c.2.3% of the company's capital, based on the prevailing conversion Price.

As the Original Bonds, the New Bonds will be convertible at the option of the bondholders into ordinary shares of Cellnex.

Cellnex may opt to redeem all (but not some) of the Bonds on or after 18 July 2022 if the market value of the underlying shares per €100,000 principal amount of the Bonds 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 Bonds issued have been converted and/or redeemed and/or purchased and cancelled.

This issuance allows Cellnex to increase its weighted average debt maturity, to improve its weighted average cost of borrowing and to continue to maintain its liquidity position.

The issuance has a rating of BBB- by Fitch, which is the company's current rating.

Strategic challenges

When it was floated in 2015, Cellnex identified four key strategic challenges on which the company aimed to focus, in an attempt to respond to the aim of sustained growth (diversification and internationalisation) and sustainable growth (capability to manage and integrate this growth) to ensure the competitiveness and attractiveness of the project in both the medium and the long term.

Since then, Cellnex has worked to achieve these four key strategic challenges. A series of actions and initiatives were implemented in 2018 to respond to each of these, and are set out in the pages indicated below:

CELLNEX STRATEGIC CHALLENGES

Transform the company from a national single-product company into an international and multi-product one through the challenge of adaptation.

- **Management processes**: see section on "Cellnex Team" on pages 89-99
- **Corporate governance**: see section on "Corporate Governance" on pages 69-74
- **Organisational culture**: see section on "Corporate Culture" on page 68-74
- **Reshuffling and strengthening** teams see section on "People management" on pages 89-99
- **Adopting a model for integration of new acquisitions**: see section on "Growth, consolidation and transformation" on pages 13-21

Maintain the momentum towards internationalisation

Consolidating positions in Spain and Italy and exploring and specifying opportunities in markets such as the UK, Germany and France; they are the vectors of the inorganic growth of Cellnex Telecom, capitalising on the dynamics of mobile operators' outsourcing networks.

- See section on: "Growth, consolidation and transformation" on pages 13-21

Combining growth and consolidation

Conclude new agreements with large and small telecommunications service operators for the provision of mobile broadband connectivity, broadcasting and "Internet of Things" projects. This should translate into sustained growth of the sharing ratio and the number of teams deployed at our network of sites.

- See section on "Business Model" on pages 50-59

Investor confidence

The Cellnex IPO in 2015 was also a "pact" with the shareholders regarding the future performance of the company. Fulfilling this commitment means responding to all the challenges that lie ahead and earning the trust of our investors and their confidence in the Cellnex project

- See section on "Stock figures: Cellnex on the stock market" on pages 23-24

Business outlook

Following an intense period of expansion of Cellnex group in Europe, this year 2018, Cellnex has worked to consolidate its corporate structure and adapt to the experienced growth. In addition, the group has continued to analyze investment and growth opportunities and has maintained its goal of continued growth.

This 2018, the group's growth has been characterized above all by its organic growth path in the countries where the group is present, reaching new agreements with current customers, offering services that allow them to rationalise their network and optimize costs, through the dismantling of duplicate infrastructures and building new infrastructures in strategic sites that can offer service to one or more customers.

In view of the company's business prospects, Cellnex Telecom pursues a growth strategy that has as main objectives, the following: expand its customer base diversify geographically in countries with strong credit ratings, create a European platform to deliver organic growth, be ready for the implementation of 5G networks and, as a result, its improve business risk profile.

In terms of day-to-day operations, Cellnex will continue with the consolidation process of the group, permanent contact with all customers of the three business areas (Telecommunications Infrastructure Services, Diffusion Infrastructure and Other Network Services) with the aim to improve and expand the services currently offered, and ensure the renewal of all contracts.

Future prospects. The great opportunity of the Digital Single Market

The European Commission has been working on the Digital Single Market Strategy since 2015. The objective is to ensure that Europe's economy, industry and society take full advantage of the new digital era, so that citizens can shop online across borders and companies can sell online across the EU. Within the framework of this strategy, Cellnex plays a very important role in achieving its objectives through the deployment of new locations for telecommunications in rural and urban environments, as well as DAS nodes, which are located at points of high demand concentration broadband mobile communications.

One of the objectives of this strategy is to prepare mobile networks for the arrival of 5G so that at least one city in each member state of the EU can offer 5G services by 2020, something for which Cellnex is working with the objective of positioning itself as a leader in the market.

Furthermore, at the end of 2018 came into force the new European Code of Electronic Communications, the regulatory framework for electronic communications for the next decade, including the deployment of 5G networks. The main objective of the Code is to encourage investment and innovation in high capacity networks and services throughout the European Union, including rural and remote areas. Among other measures, the Code recognizes the figure of the independent infrastructure operator endowing it with a specific "light" regulation while proposing measures to promote and accelerate the deployment of the 5G network throughout the territory, providing facilities for the physical deployment of the Small Cells and the densification of the network. On the other hand, it also proposes a better management of the radioelectric spectrum, an improvement in the protection of data from smart phone users, a reduction in the price of European calls.