3

Showing what we are, acting with integrity

Showing what we are, acting with integrity

2020 main highlights

36% of women directors

91% of non-executive directors

64% of independent directors

9% of directors with ESG capabilities and expertise

7 different nationalities in the BoD

__15%__ of the variable remuneration associated with the performance of the company related to ESG issues for the Top Management.

Creation of __Nominations, Remunerations and Sustainability Committee__ (NRSC).

Cellnex updated its __Crime prevention and detection model__ and its __Corruption prevention procedure.__

Cellnex has adhered to the __Code of Best Tax Practices.__

__Global Risk Management Policy__ has been approved.

__Management System__ Department has set up and a __Certifications catalogue__ tool has created.

Cellnex participates in the following Sustainability Indexes

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

2021 main challenges

40% of women directors from 2022.

90% of non-executive directors from 2022.

60% of independent directors from 2022.

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

At least __3 different nationalities__ in the BoD from 2022

__Remuneration associated__ with the performance of the company related to __ESG__ issues in leadership positions, including the CEO by 2022 and beyond.

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

Compliance Plan 2021-2022

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

__Global Risk Compliance (GRC) tool__ will be implemented in 2021.

__Global risk assessment__, including non-financial risks, especially climate-related financial risks (__TCFD__), and __human rights__-related risks (2023).

Economic performance

Milestones and main figures for the year 2020

Business performance and results

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

Alternative Performance Measures

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

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

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

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

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

Adjusted EBITDA

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

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

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

Adjusted EBITDA (Thousands of Euros)

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

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

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

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

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

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

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

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

Adjusted EBITDA Margin

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

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

Gross financial debt

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”.

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

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

Gross financial debt (Thousands of Euros)

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

Net financial debt

Relates to “Gross financial debt” minus “Cash and cash equivalents”

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

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

Capital expenditures

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

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

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

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

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

Capital expenditures (Thousands of Euros)

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

Recurring leveraged free cash flow

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

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

Recurring Leveraged Free Cash Flow (Thousands of Euros)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Revenues and Results

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

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

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

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

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

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

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

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

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

Consolidated Balance Sheet

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

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

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

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

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

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

Consolidated cash flow generation

Net Payment of Interest

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

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

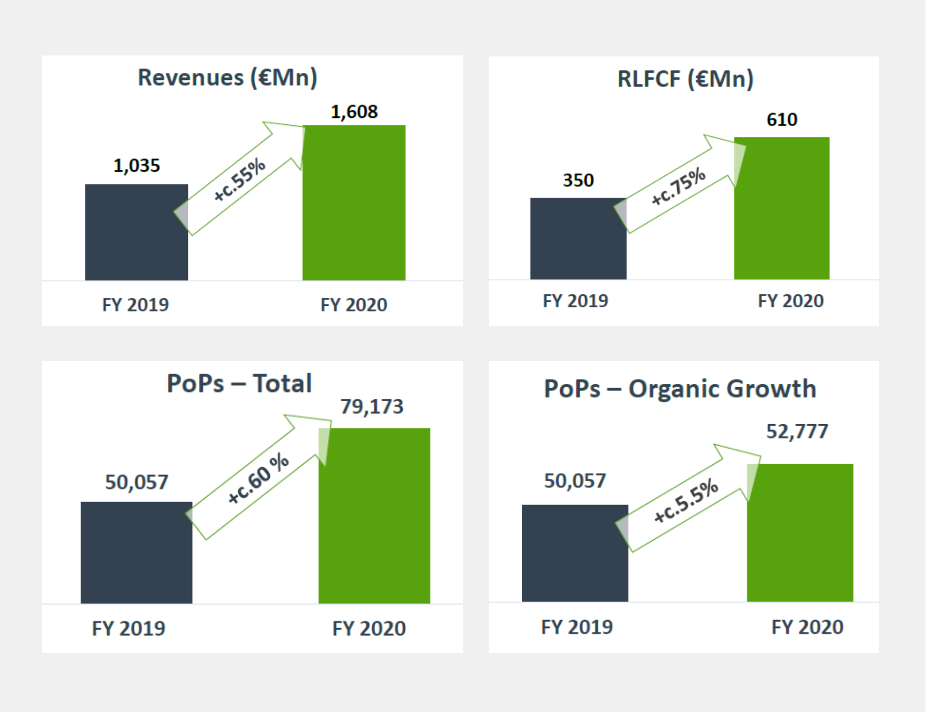
[1] Net payment of interest as per the Consolidated Statement of Cash Flows, which corresponds to i) “interest payments on lease liabilities” for an amount of €142,523 thousand (see Note 16 of the accompanying consolidated financial statements) plus ii) “Net payment of interest (not including interest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

Income Tax Payment

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

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

Business indicators



Information relating to the deferment of payments to suppliers

See Note 17 of the accompanying consolidated financial statements.

Use of financial instruments.

See Note 4 of the accompanying consolidated financial statements.

Sustained value creation

Creating value in the company

Cellnex´s Financial Structure

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

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

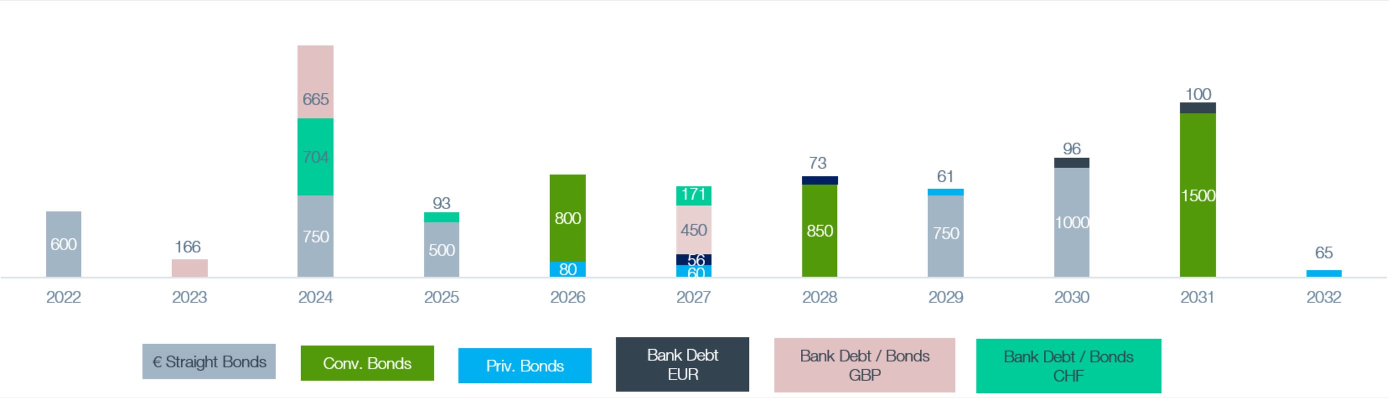
	Notional as of 31 December 2020 (*)			Notional as of 31 December 2019 (*)		
	Limit	Drawn	Undrawn	Limit	Drawn	Undrawn
Bond issues and other loans	7,729,340	7,729,340	-	3,600,500	3,600,500	-
Loans and credit facilities	14,783,431	1,864,215	12,919,216	5,877,303	1,643,971	4,233,332
Total	**22,512,771**	**9,590,901**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

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

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

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

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



Key highlights

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

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

Liquidity and Capital Resources

Net financial debt

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

Net financial debt (Thousands of Euros)

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

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

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

Net financial debt evolution

Net financial debt evolution (Thousands of Euros)

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

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

Liquidity availability

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

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

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

Adhesion to the

Code of Best Tax Practices

of the Spanish Tax Agency in 2020

Cellnex's tax contribution

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

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

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

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

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

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

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

Tax Control Framework

roll-out to the countries in 2021

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

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

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

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

Cellnex's Tax Contribution (Mn €)

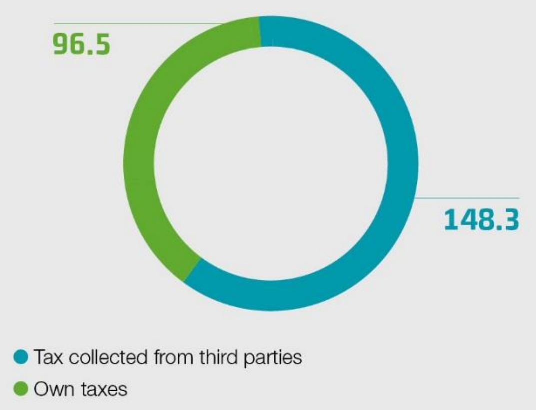
	31 December 2020			31 December 2019		
	Own taxes[1]	Tax collected from third parties [2]	Total	Own taxes[1]	Tax collected from third parties [2]	Total
Spain	33.4	36.3	69.7	25.5	64.2	89.7
Italy	19.2	37.8	57.1	38.7	27.6	66.3
France	7.5	20.0	27.5	2.7	1.0	3.7
Netherlands	7.7	10.4	18.1	4.6	9.9	14.5
United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

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

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

Tax contribution in 2020

€244.81Mn



Income tax payment

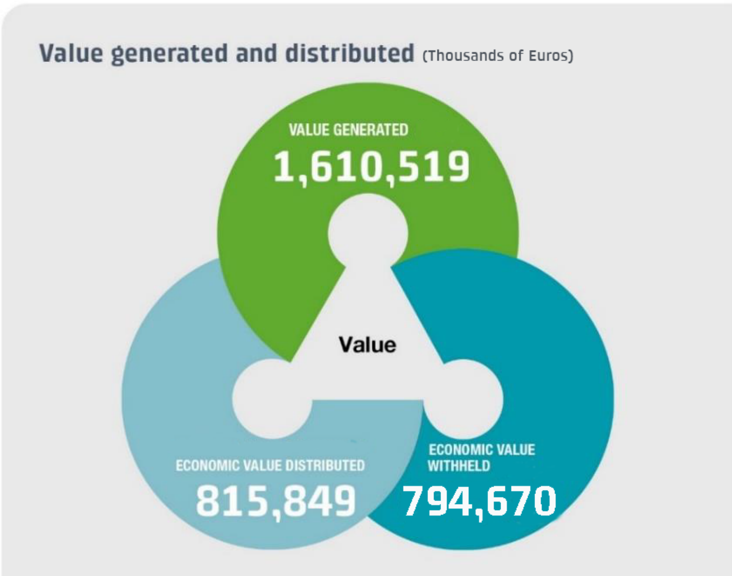
The breakdown of the income tax payment by country for the 2020 financial year is as follows:

Breakdown of the income tax payment by country (Thousands of Euros)

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

Value generated and distributed

Value generated in 2020 by Cellnex was 1,610,519 thousands of Euros (1,302,181 thousands of Euros FY 2019), distributed mainly to suppliers, employees, shareholders and public administration.



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

Post balance sheet events

T-Mobile Infra Acquisition

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

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

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

CK Hutchison Holdings Swedish Transaction

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

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

Hivory Acquisition

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

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

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

New Bond Issuance in 2021

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

Iliad Poland Acquisition

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

Share capital

26%

increase in 2020

Business outlook

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

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

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

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

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

Global Management System and Risk Management

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

Cellnex created a
Global Management System area

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

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

Cellnex is applying a

three-line defence

to strength the global risk management model

Risk management

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

- 1st Line of defence: Operational Management. This concerns all functional areas in Cellnex, both in Corporate and in Business Units, were the management has ownership, responsibility and accountability for assessing, controlling and mitigating risks together with maintaining effective internal controls, as well as reporting to Management.

- 2nd Line of defence: Global Risk Committee and Quality & Risk Management department. This line of defence facilitates and monitors the implementation of effective risk management practices and assists in defining the target risk exposure and reporting risk information through the organisation. They report to Senior Management.

- 3rd Line of defence: Internal Audit department. This line of defence provides independent assurance to the Board and Senior Management on how effectively the organisation assesses and manages its risks, validating how the first and second lines operate.

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

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

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

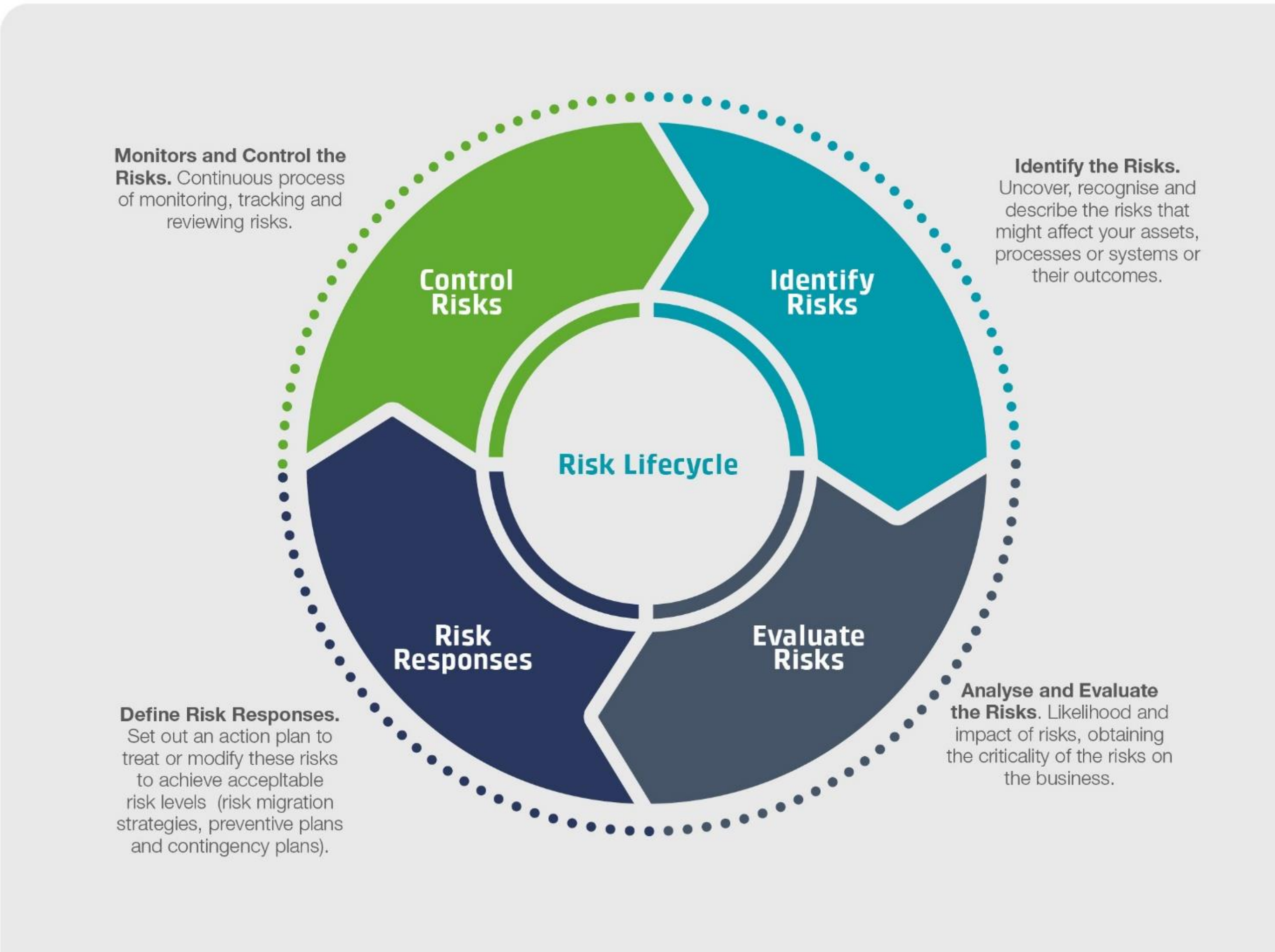
Cellnex approved a new

Global Risk Management Policy

to be applied in all geographical areas

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

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



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

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

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

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

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

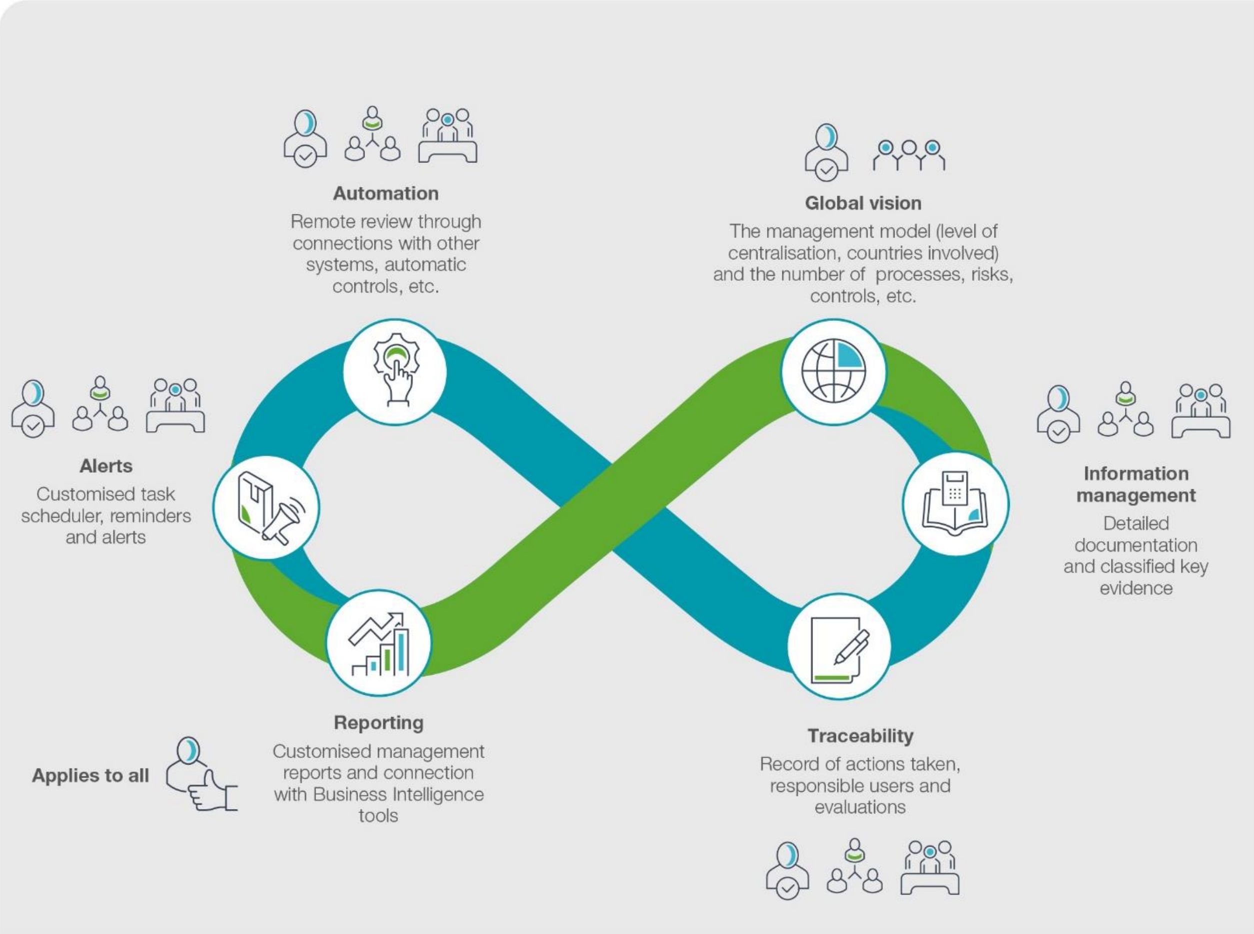
- Integrate the risk and control culture in the business through a 2-year transformation plan.
- Have a comprehensive response capacity to current and potential risks of the company, thereby improving decision-making.
- Have a scalable, industrialisable and digital model that allows us to continue growing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

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

Cellnex will implement a

GRC tool

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



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

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

For detailed information, see Annex 2. Risks.

Integrated Management System

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

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

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

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

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

Therefore, an Integrated Management System and Certifications:

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

Cellnex created a
Certifications catalogue tool
to keep a track of the certification status of each country

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

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

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

Work is being done to consolidate the

Integrated Management System

in each new Cellnex's acquisition

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

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

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

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

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

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

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

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

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

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

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

SA8000 Standard

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

Cellnex approved a

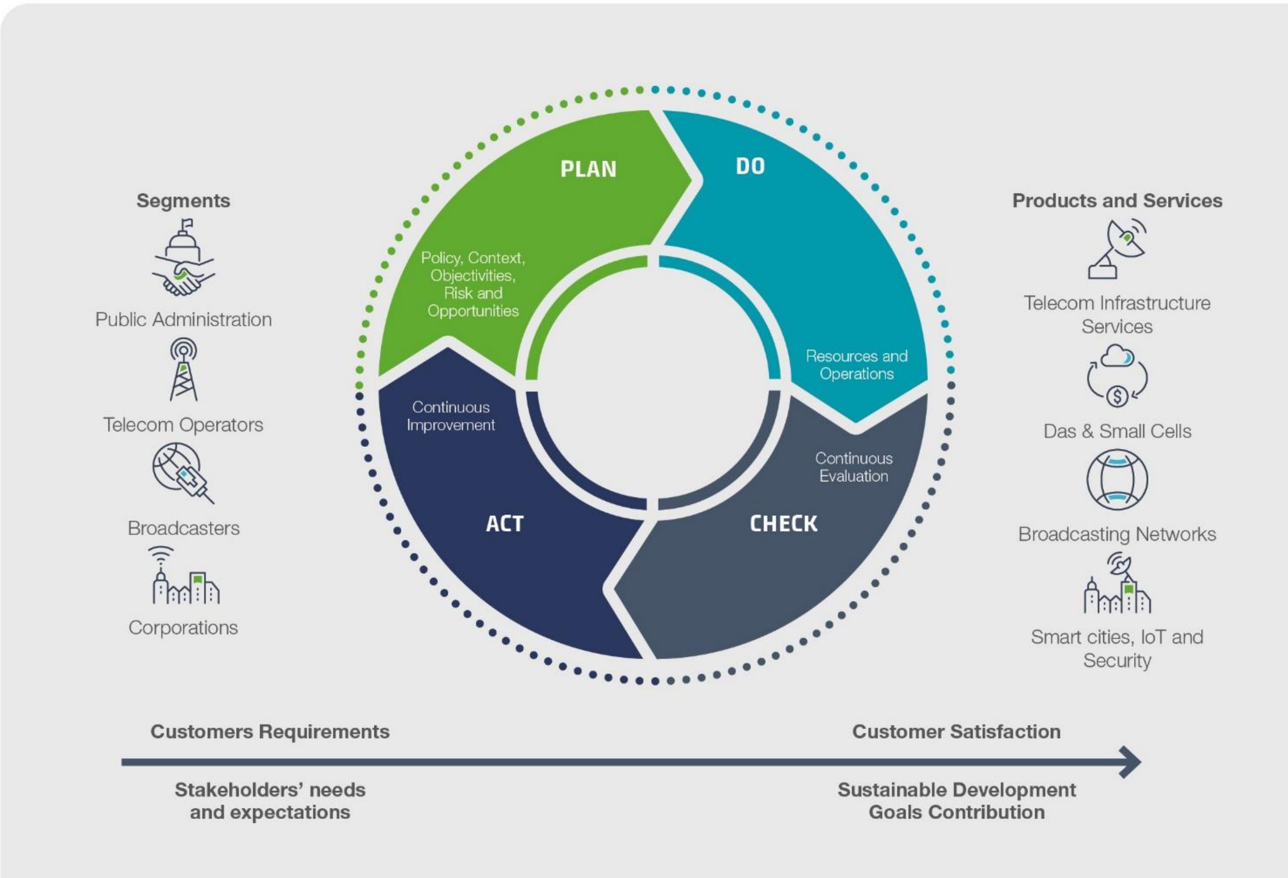
Global Quality Policy

to be applied in all geographies

Quality and continuous improvement

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

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



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

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

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

Cellnex stablished a continuous improvement model to include

best practices

from each geographical area in which Cellnex operates

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

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

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

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

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

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

Security and availability of the services during COVID-19 pandemic

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

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

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

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

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

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

Ethics and compliance

Corporate governance

Cellnex is adapting the corporate documents and procedures to the new

Good Governance Code

published by the CNMV

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

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

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

- The Good Governance Code uses a new format based on selecting and identifying the principles informing each set of specific recommendations.

- A significant number of the 2006 Code's recommendations have since been written into legislation (in cases such as the powers exclusive to the general meeting or the board of directors, separate votes on general meeting items, vote splitting, etc.), and therefore do not form part of the 2020 Good Governance Code.

- A new set of recommendations deals specifically with what is known as Environmental, Social and Governance (ESG), which is increasingly acknowledged, both in Spain and its neighbours, as a key issue which must be addressed by companies' corporate governance systems, and which therefore has a justified place in any code of good corporate governance recommendations.

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

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

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

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

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

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

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

Cellnex stands outs in its

diversity

in their Board of Directors

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

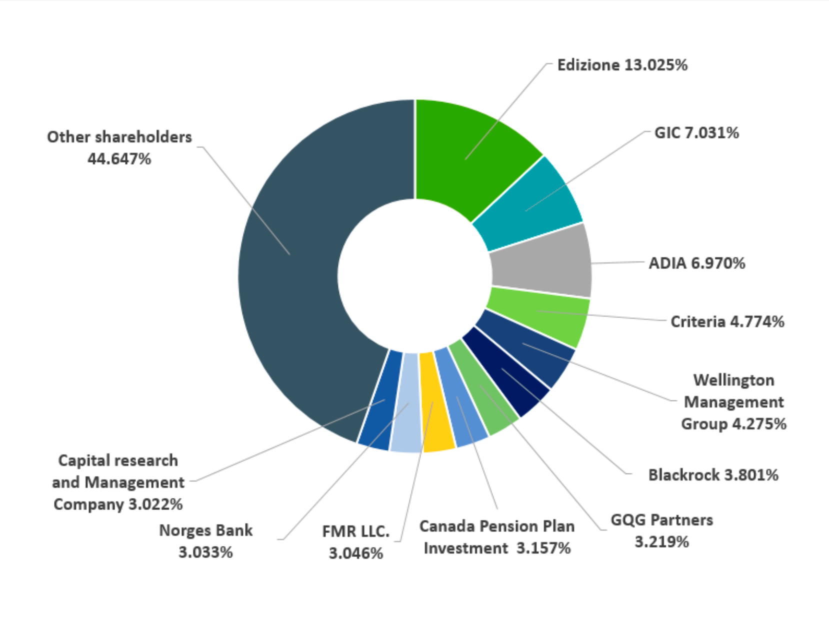
Changes in 2020

Changes in the Shareholder structure

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

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

SHAREHOLDER STRUCTURE



Changes in the Board of Directors

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

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

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

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

The Cellnex Board of Directors

Cellnex complies with

61/64

Recommendations of the Good Governance Code

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

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

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

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

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

Independent directors:

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

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

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

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

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

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

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

Proprietary directors:

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

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

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

Executive Director:

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

Secretary non-member of the Board:

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

Vice Secretary non-member of the Board:

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

Committees of the Board of Directors

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

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


Franco Bernabè
Chairman
Proprietary
Tobias Martinez
Chief Executive Officer
Executive
Bertrand Boudewijn Kan
Vice chairman
Independent
Chairman
Giampaolo Zambeletti
Coordinating director
Independent
Chairman
Pierre Blayau
Independent
Anne Bouverot
Independent
Marieta del Rivero
Independent
María Luisa Guijarro
Independent
Peter Shore
Independent
Christian Coco
Proprietary
Alexandra Reich
Proprietary
Jaime Velázquez
Secretary non-member of the Board
Virginia Navarro
Vice secretary non-member of the Board
Secretary
Audit and Control Committee (ACC)
Nominations and Remuneration Committee (NRC)
*Mr. Alberto López Prior (Global Resources Director) is the secretary of the NRC.

Ethics and compliance

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

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

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

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

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

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

Cellnex updated its

Crime Prevention and Detection Model

to adapt it to new legislative amendments

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

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

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

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

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

Cellnex updated its
Corruption Prevention Procedure
to align it with ISO 37.001

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

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

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

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

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

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

Code of Ethics

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

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

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

Principles of the Cellnex Group Code of Ethics

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

Cellnex is including the content of the
Code of Ethics
in all employment contracts

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

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

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

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

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

Anti-corruption training

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

 & 86%

 55%

 94%

 71%

 41%

 43%

 72%

 90%

Ethical Channel

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

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

Cellnex has an
Ethical Channel
available to all employees

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

Notifications of irregularities can be submitted using:

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

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

Employees receive training on

Code of Ethics and Ethical Channel

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

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

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

Cellnex's commitment to Human Rights

Cellnex has a

Human Rights Policy

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

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

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

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

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

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

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

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

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

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

Regulatory environment. Future prospects

Digital Single Market Strategy

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

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

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

Cellnex deploys
connectivity solutions
across Europe

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

European Electronic Communications Code

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

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

The aims of this Directive are to:

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

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

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

The Innovation Fund

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

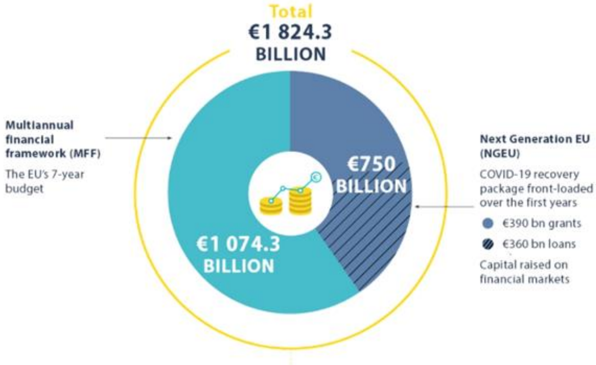
The Innovation Fund is a key funding instrument for delivering the EU's economy-wide commitments under the Paris Agreement and its objective to be climate neutral Europe by 2050, as also recognised in the European Green Deal Investment Plan.

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

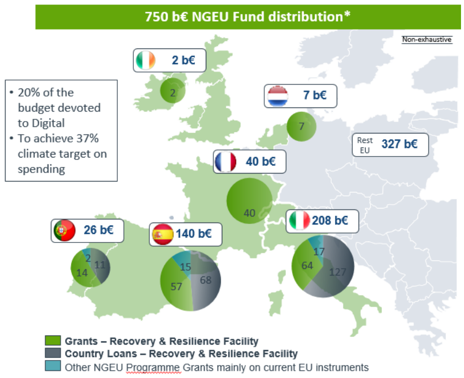
Next Generation EU Recovery Funds

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

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



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



Cellnex can contribute to achieve the

EU digital single market objetives

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

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

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

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

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

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

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

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

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

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

Radio Spectrum Policy Programme

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

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

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

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

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

Small cells

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

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

Small cells

will open new business opportunities

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

EU toolbox

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

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

The three priorities for the toolbox envisaged to date are:

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

Recommendation on Relevant Markets

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

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

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

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

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

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

Digital Services Act

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

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

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

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

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

Broadband Cost Reduction Directive

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

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

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

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

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

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

Investor Relationships

Market figures: Cellnex on the stock market

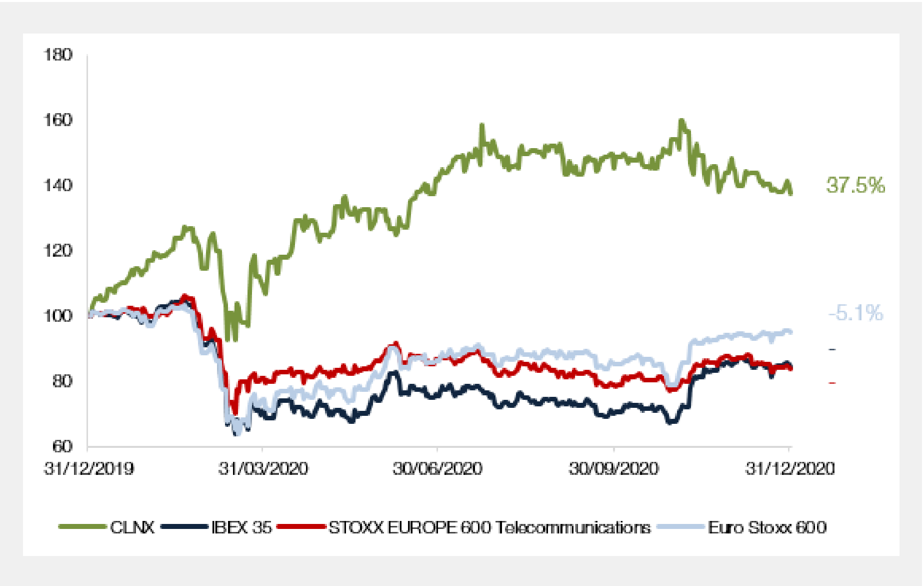
On 20 June 2016, the IBEX 35 Technical Advisory Committee approved Cellnex Telecom's (CLNX: SM) inclusion in the benchmark index of Spain's stock exchange, the IBEX 35, which brings together the principal companies on the Spanish stock exchange in terms of capitalisation and turnover. This milestone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

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

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

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

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



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

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

Treasury shares

200,320

0.041%

of its share capital

Treasury shares

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

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

Shareholder remuneration

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

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

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

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

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

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

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

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

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

Shareholders

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

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

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

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

Cellnex
improved its score
in the main sustainability indexes

Cellnex's participation in Sustainability Indices and initiatives

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

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

2020 scores by dimension

	ENVIRONMENTAL	SOCIAL	GOVERNANCE
Dow Jones Sustainability Indexes	60/100 2 points	66/100 7 points	79/100 12 points
FTSE4Good	5/5	4,2/5 0,2 points	3,5/5 0,8 points
SUSTAINALYTICS	88/100 3 points	74/100 9 points	69/100 5 points

Over 60% of maximum score
Over 10% of Y-o-Y improvement
Remains stable
Between 30 and 60% of maximum score
Under 10% of Y-o-Y improvement
Under 30% of maximum score
Worsening of the result

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

Dow Jones Sustainability Index

66

points out of 100

+10%

in 2020 regarding 2019.

Dow Jones Sustainability Index

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

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

CDP (formerly Carbon Disclosure Project)

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

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

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

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

United Nations Global Compact

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

The 2020 Progress Report includes:

- A declaration from the top management with the commitment to comply with the 10 Principles of the Global Compact.

- A detailed report on the entity's commitment to support and respect the protection of human rights. For example, information on training or awareness-raising for employees in aspects related to Human Rights, with special attention to employees with a direct impact on human rights or who carry out their activity in countries at risk in this area. It also specifies that the company has a complaints channel where anyone can report cases of human rights violations.

- An indication of projects and activities with which the company contributes to local development, through actions to foster employment, economic growth and relationships with other actors in the surrounding area.

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

FTSE4Good

FTSE4GOOD

4.2

points out of 5

5/5

in Governance

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

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

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

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

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

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

Standard Ethics

Standard ethics

Positive Outlook

EE- (Adequate)

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

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

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

Sustainalytics

Sustainalytics

7th

in the global telecommunications raking

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

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

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

MSCI ESG Rating

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

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