

General Shareholders' Meeting 2020

## Cellnex holds Shareholders' Meeting for FY 2019

**Against a backdrop of the Covid-19 pandemic which has put the resilience of telecommunications services and networks to the test and has shown the Group's ability to expand its growth and consolidation project in Europe**

**Since its IPO in May 2015, Cellnex has committed to more than €14 billion in growth in acquisitions and sites by 2027**

**In these five years, the Company has increased both its size and its main financial indicators fivefold, translating into a cumulative appreciation of 366% in its share price**

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- The Board approved the **2019 results**, a financial year marked by a **significant expansion of the Company's geographic footprint and the strength of the organic business**:
    - **Revenue**: €1.035 million (+15%)
    - **EBITDA**: €686 million (+16%)
    - **Recurring free cash flow**: €350 million (+15%)
    - **Diversification by business**: 67% infrastructure services for mobile telecommunications operators; 23% broadcasting; 10% security networks, IoT and Smart Cities.
    - **Geographical diversification**: 51% of income and 60% EBITDA generated outside of Spain.
    - **Net debt**: €4.669 million at the end of 1H2020.
    - **Executed investment**: €4.030 million.
    - **Cellnex on the Stock Market**: 95% vs close of 2018.
  - After successfully performing **two capital increases to the tune of €3.7 billion in 2019**, Cellnex has **consolidated its presence** in the **eight European countries** in which it operates – including Ireland, where it entered in 2019 and Portugal, where it closed its first two operations in 2020 – with an **overall committed investment of over €10.2 billion** (7.7 bn in 2019 and 2.5 bn in 1H2020) that will lead it to manage a **portfolio of more than 61,000 telecommunications sites in Europe**, including forecast roll-outs up to 2027.
  - In the face of the situation created by **Covid-19** the Company has set up a **€10 million fund** to provide **€5 million** to fund a **European clinical research project** coordinated by the Barcelona Hospital Clínic on the one hand, plus a second **€5 million** tranche that the company will spend on **social action projects** with Non-Governmental Organisations to help individuals and groups in a vulnerable situation.

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**Barcelona, 21 July 2020.** Cellnex Telecom held its General Shareholders Meeting today, at which it approved the Financial Statements and Management Report and the Non-financial Information for financial year 2019.

This GSM is the fifth held by the Company since its IPO in May 2015, and is the first in a remote format, marked by “the exceptional nature and disruption in terms of public, social and economic health that the coronavirus crisis has had, and continues to have for all of us” in the words of **Cellnex Chairman Franco Bernabè**.

**Cellnex's Chairman** also wished to highlight “the resilience shown in managing a crisis in which the telecommunications industry has played a key role in ensuring a certain normality and continuity of our day-to-day lives, both professionally and in business, and on a more personal level for each and every one of us.” In this regard, he highlighted the work of the Cellnex team across the eight countries in which the Company is present: “The combination of your ability and attitude; the great speed in adapting operating systems to the new circumstances; and the solidity of information systems and networks have been excellent in terms of maintaining the Group's day-to-day activities, while also ensuring that our clients' services and business have remained unaffected.”

Given the situation created by Covid-19, **Franco Bernabè** also shared with the shareholders the different lines of collaboration that the Company maintains with hospital and research organisations and institutions in Spain and other European countries to alleviate the health, economic and social effects of the pandemic: “Both the Cellnex management team and the Board agree that in an unprecedented situation like this, the Company must also make unprecedented decisions with a social impact, and for this reason we decided to endow a fund of €10 million, allocated partly to fund a European cell immunotherapy project to fight Covid-19 with five million, plus a second tranche of five million that the company will allocate to social action projects aimed at alleviating the social and economic consequences of this crisis among more fragile and exposed groups. Such projects also aim to facilitate digital inclusion.”

### Indicators for the year, key figures and 1H 2020

In the [interview](#) published in the [Cellnex Integrated Annual Report](#) accessible via the company's corporate website, Cellnex Chairman Franco Bernabè and CEO Tobias Martinez highlight the keys to the 2019 financial year that were put to the Shareholders' Meeting for scrutiny.

Within the Board, **Cellnex CEO Tobias Martinez** presented the main indicators and figures that marked a financial year which he described as transformational both in quantitative and qualitative terms: “Two capital increases totalling €3.7 billion; investment commitments of over 7 billion for a company with 1 billion in revenue; 95% appreciation on the stock market; and not losing our focus and attention on day-to-day management. Taken separately, each of these are in themselves extraordinary factors in the activity of any company; but together, they are quite exceptional and singular”, highlighted the CEO of Cellnex, **adding** “This growth has allowed us to consolidate the Group's position in the markets in which we already operated (Spain, France, Italy, Switzerland, the United Kingdom and the Netherlands), while continuing to expand our geographical presence in Europe by incorporating two new countries – Ireland and Portugal – into the project.” **Tobias Martinez** also underscored that “the combination of all these factors has allowed us to face this unprecedented global crisis caused by the coronavirus better prepared, with a considerable part of our homework already done.”

In **2019** Cellnex **revenue** exceeded **€1 billion** (+15%), of which 51% came from outside Spain, **EBITDA** stood at **€686 million** (+16%), of which 60% outside the Spanish market, and **recurring free cash flow** was **€350 million** (+15%). The net result closed €9 million down, owing to the effect of higher amortisations (24.3% vs. 2018) and financial costs (32.1% vs. 2018) associated with the growth of the group and the consequent expansion of the perimeter.

During the Meeting, the CEO of Cellnex also referred to the progression of the **first six months of 2020** in which all the indicators continue to reflect the notable expansion of the Group's perimeter after the acquisitions of 2019 and the first few months of 2020, with growth of **+48% in revenue** (€723 million), **+64% EBITDA** (€527 million) and **+54% in recurring free cash flow** (+267 million) compared to 1H 2019.

Precisely as a result of the operations performed in 2019 and in the first months of 2020 – and their progressive integration into the Group as a whole –, the company recently **revised its EBITDA forecasts upwards** (to between 1.16 and 1.18 billion vs. the previous range of 1.065 - 1.085 billion) and **for recurring free cash flow** +70% over 2019, compared to the +50% originally estimated **for the current FY 2020**.

**Dividends** maintained their **10% annual increase** as part of the **Shareholder Remuneration Policy** approved for the period **2020 - 2022**.

### Corporate governance

As regards corporate governance, the **Company's Chairman Franco Bernabè** mentioned some **changes in the shareholding structure** that have taken place since the previous year's General Shareholder's Meeting, among which were the **break-up of Connect**, the vehicle that controlled 29.9% of Cellnex until June 2020. Since then, each of the three partners that were part of Connect (Edizione, ADIA and GIC) have directly controlled their shares in the company: Edizione now has 16.45%, GIC controls 7.03% and ADIA 6.97%.

**Cellnex's Chairman added:** "This change means that each of the associates formerly comprising Connect have regained their freedom to act and to take decisions concerning their stake in Cellnex, bringing to an end the para-corporate agreement that they had maintained." **Franco Bernabè continued:** "The three shareholders maintain their commitment to the Company's Corporate Governance by maintaining their representation on the Board with two directors representing Edizione; one from GIC and one from ADIA."

**Cellnex's Board** comprising a total of **12 Directors, 4 of them proprietary** – for which there is currently a vacancy to be filled –, **1 executive director and 7 independents**. These latter represent practically 60% of Board members. In this connection, the Board has given the green light to ratifying Franco Bernabè, Mamoun Jamaï and Christian Coco as new proprietary directors of the group who have joined since the last GSM held in May 2019.

The Board also approved the re-election of Marieta del Rivero as an independent director for another three years.

As part of the agreements adopted by the Board, the shareholders also **agreed to delegate powers to the Board to increase the company's share capital and to issue bonds**, debentures and fixed income securities convertible into shares

Referring precisely to the two capital increases made in 2019, **Cellnex CEO Tobias Martinez** wished to "openly thank the commitment and support shown by the reference shareholders and by the Company's entire shareholder base to this growth project, expressed in a very tangible way both in the first and the second capital increases of 2019. Almost 99% of the shareholders with subscription rights applied for the increases, which were also highly over-subscribed."

### Sustainability

During the Meeting, **Franco Bernabè** also mentioned the degree of progress of the **Corporate Responsibility Master Plan 2016-2020** which concludes this year: "At the end of 2019 we had initiated 93% of the lines of action and we had already achieved 86% of the actions covered in the plan. These actions are also linked to six of the United Nations sustainable development goals."

Likewise, Cellnex's progress in terms of **ESG** based on the scrutiny and external evaluation of some of the main sustainability indices, especially in the case of **CDP** (Carbon Disclosure Project), within which Cellnex has joined the "**A List**" – the highest index rating – for the first time. "This is without a doubt a great recognition but also a challenge and an encouragement to continue down this path", **underscored the Chairman**.

## Growth and consolidation of the project in Europe

**Between 2019 and the first months of 2020** Cellnex reached various **asset and business acquisition agreements** that will lead it to manage **more than 61,000** telecommunications sites in the European countries where it is present, including forecast roll-outs up to 2027.

In the first half of 2019, Cellnex signed long-term strategic collaboration agreements with Iliad – in **France and Italy** – and with Salt in **Switzerland** to acquire 10,700 sites (5,700 in France, 2,200 in Italy and 2,800 in Switzerland) and roll out a construction programme (BTS) of 4,000 new sites up to 2027 (2,500 in France and 1,000 in Italy for Iliad, and 500 for Salt in Switzerland). With a total planned investment of close to €4 billion (2.7 billion for the acquisition of sites and 1.35 for BTS programmes).

In June Cellnex and BT announced that they had signed a long-term strategic collaboration agreement through which Cellnex acquired the operation and marketing rights of 2019 tall telecoms towers in the **UK**.

In September Cellnex announced the acquisition of Cignal in **Ireland**, one of the main Irish telecommunications infrastructure operators, for a total €210 million. Cignal operates 546 sites in Ireland, the seventh European country in which Cellnex began operations. Furthermore, the company expects to roll out a further 600 new sites up to 2026, with an additional investment estimated at €60 million.

In October the company announced the agreement to acquire the Telecommunications division of the English company Arqiva for around £2 billion. The operation, which was closed this July, involves the acquisition of 7,400 property sites and the marketing rights to some 900 sites in the **UK**. It also includes concessions for the use of urban fixtures for the deployment in 14 districts of London for telecommunications infrastructure, a key resource for the densification and roll-out of 5G.

In December Cellnex announced the acquisition of 1,500 sites from Orange **Spain** with an investment of €260 million.

In January **2020**, the company announced that it was to purchase Portuguese telecommunications tower and site operator OMTEL for a company value of €800 million. OMTEL operates 3,000 locations in **Portugal**, which has become the eighth country in which Cellnex operates in Europe. The acquisition also envisages the roll-out of 400 new sites over four years, which could be completed with a further maximum 350 sites, involving a total planned investment for this site construction programme of €140 million. Omtel has been operating under the Cellnex brand in Portugal since 1 July.

In **France**, Cellnex and Bouygues Telecom announced a strategic agreement in February to deploy and operate a fibre optic network to support and speed up the roll-out of 5G. The planned investment – up to 2027 – is €1 billion, which will be used to roll out a 31,500 km network that will interconnect the telecommunications towers that serve Bouygues Telecom – 5,000 of which belong to Cellnex – with the network of “Central” and “Metropolitan offices” for housing data processing centres (Edge Computing). The agreement also envisages the deployment of up to 90 new “metropolitan offices”, also up to 2027, in addition to the 150 centres agreed with Bouygues Telecom (88 in December 2018 and 62 in February 2019).

In April, Cellnex reached an agreement with the Portuguese mobile operator NOS to acquire 100% of NOS Towering. The transaction involves about 2,000 telecommunications sites and an initial investment of approximately €375 million, with an additional investment commitment of up to €175 million to expand the perimeter (by up to 400 sites, including a new tower building programme) and other agreed initiatives to be performed during the next six years in **Portugal**.

This July, Cellnex acquired 100% of the shares of Finnish start-up Edzcom, specialised in private LTE networks (4G and 5G in future).

The **overall investment** of all these projects, to be rolled out up to 2027, is in excess of **€10.2 billion**.

### 5 years of a transformational project

Since its IPO in May 2015, Cellnex has committed more than **€14 billion in growth projects** involving both acquisitions and sites.

In these five years the company has gone from operating in a single country (Spain) to operating in **eight countries**, from being practically a single-product company to being a multi product company, **increasing its size by a factor of five and the volume of assets managed by eight**, thus becoming the second largest wireless telecommunications infrastructure operator in the world.

In five years – taking the end of 2019 as a reference – the company has increased its **income by 69%**, **EBITDA by 82%** and **recurring cash flow by 80%**.

In short, a transformational European project with two clearly defined growth vectors: **deepening the consolidation of the European project and promoting the roll-out of infrastructures and the 5G ecosystem**.

### About Cellnex Telecom

Cellnex Telecom is Europe's leading operator of wireless telecommunications and broadcasting infrastructures with a portfolio of 61,000 sites including forecast roll-outs up to 2027. Cellnex operates in Spain, Italy, Netherlands, France, Switzerland, the United Kingdom, Ireland and Portugal. Cellnex's business is structured in four major areas: telecommunications infrastructure services; audiovisual broad-casting networks, security and emergency service networks and solutions for smart urban infrastructure and services management (Smart cities e the "Internet of Things" (IoT)).

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

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