Q2
2021

January – June 2021 Results

July 29, 2021

Key takeaways

Strong organic growth underpinning our operational and financial performance

2021 outlook updated

Consistent and sustainable organic growth

+7.5% new PoPs vs. H1 20 due to BTS acceleration and DAS nodes +c.40% (1)

>5% organic PoP CAGR 21-25 guidance unchanged

1,480 site actions in H1 21 with c.€7Mn associated lease efficiencies in FY 2021

2021-2025 efficiency plan on track

Strong financial performance (2)

Revenues (3) €1,061Mn, +47% vs. H1 2020

Adjusted EBITDA €804Mn, +53% vs. H1 2020

RLFCF €394Mn, +47% vs. H1 2020

Operating leverage and Opex management driving margin expansion (+c.4 p.p. from H1 2020 to 79%)

Cellnex scores among the world's 5 leading telecom companies on ESG

Sustainalytics' risk rating improving by 4 points (c.20%) year-on-year, consolidating low ESG risk (4)

Cellnex has launched the Cellnex Foundation with the aim at narrowing digital and social divides through connectivity projects (5)

Increasing structural flexibility to fund growth

Accessing the most liquid market by issuing the first USD bond, whilst extending the average maturity - nominal of $600Mn and 20yr term (6)

A wide array of funding options available, including project financing at local level and equity partners at OpCo / local level

Corporate debt without covenants, pledges or guarantees

Closing deals earlier than expected…

Polkomtel deal already closed and to contribute c.5.5 months in 2021

Closing of remaining deals on track

Deals signed in H1 2021 for a total EV of c.€9,300Mn with an associated Adjusted EBITDA run rate of c.€900Mn

… and updating 2021 outlook

Revenues €2,535Mn - €2,555Mn

Adjusted EBITDA €1,910Mn - €1,930Mn

RLFCF €955Mn - €965Mn

All operational and financial metrics aligned with 2025 financial outlook (medium term guidance)

(1) Excluding Metrocall and CK Hutchison Italy; (2) CK Hutchison Italy (closed as of end of Q2 2021) has not contributed to the financials in the quarter
(3) Revenues correspond to Operating Income excluding Advances to customers (please see note 18a in our Interim Consolidated Financial Statements ended 30 June 2021)
(4) New risk rating of 15.5 from 19.6 by Sustainalytics; (5) Please see slide 17 for more information
(6) Notional amount of $600Mn, instrument hedged to € through a cross-currency swap (€508Mn). Please see slide 30 for more information

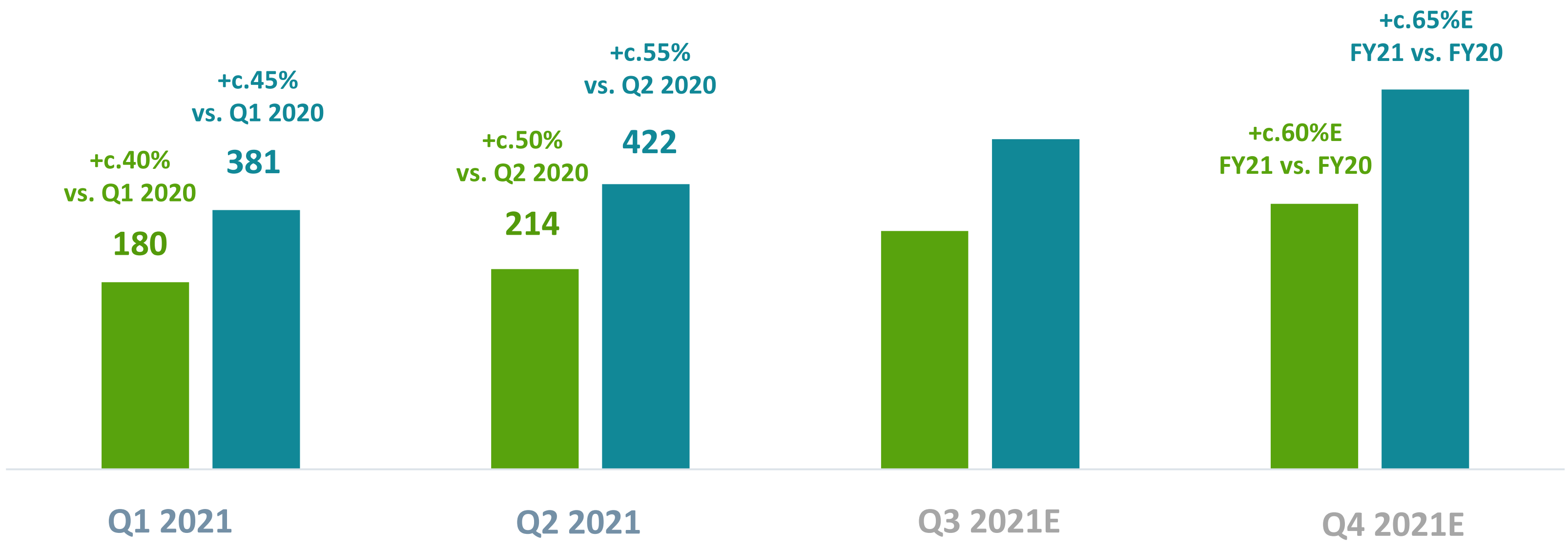
Updated 2021 outlook

All key metrics on track to meet the updated outlook 2021

RLFCF (€Mn)

Adjusted EBITDA (€Mn)

Previous Outlook 2021	New Outlook 2021
RLFCF: €905Mn - €925Mn	RLFCF: €955Mn - €965Mn
Adj. EBITDA: €1,815Mn - €1,855Mn	Adj. EBITDA: €1,910Mn - €1,930Mn



Change of perimeter (1)

PLAY

SFR

Already closed

(1) Arqiva, Nos, Hutch Austria, Ireland and Denmark already closed in 2020. Hutch UK expected to be closed in 2022

Status of integration processes

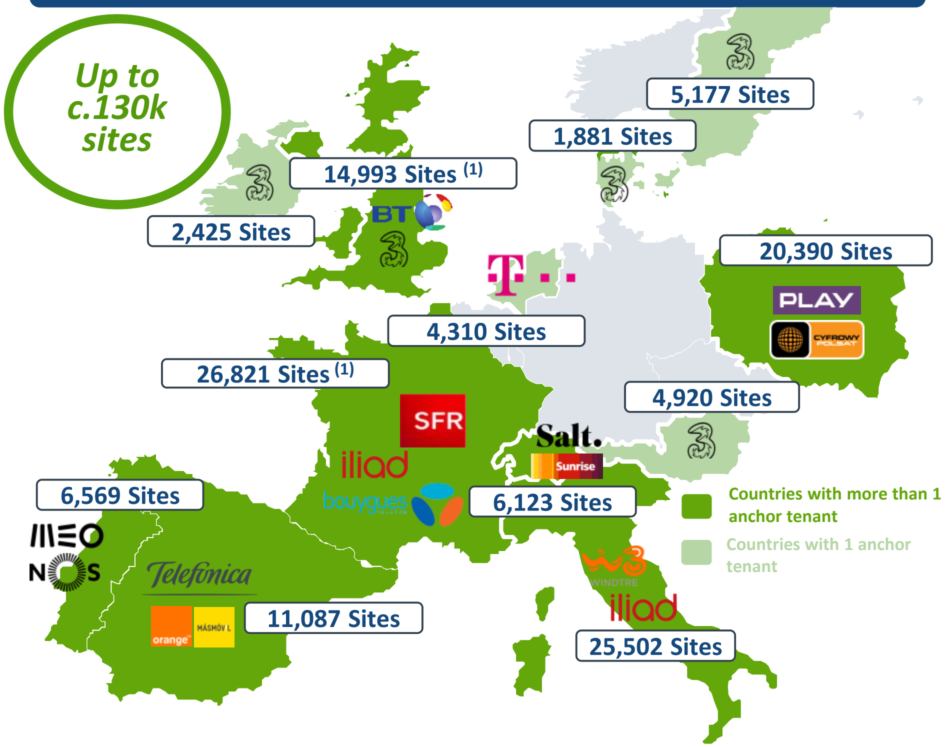
Integration processes on track

Project	Omtel	Bouygues FTTT	Arqiva	NOS	CKH IE	CKH AT	CKH DK	CKH SW	Play	Deutsche Telekom	CKH IT	Cyfrowy Polsat	SFR	CKH UK
Closing	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	H2 21E ON TRACK	H1 22E ON TRACK
Pre-closing — Integration Assessment	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Transition (3 months) — Take Control	✓	✓	✓	✓	✓	✓	96%	95%	93%	31%	25%	7%		
Optimization (7 months) — Industrial Model Integration Plan	✓	✓	90% ✓	91% ✓	75%	62%	32%	23%	1%					

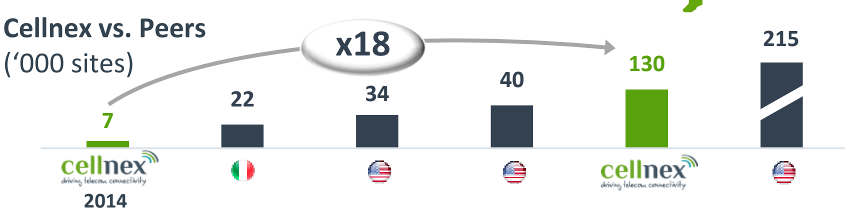
Restless and consistent strategy execution

Leading independent TowerCo in Europe with up to c.130k sites, of which up to c.20k to be deployed through BTS programs

Significant footprint expansion



Cellnex vs. Peers
('000 sites)



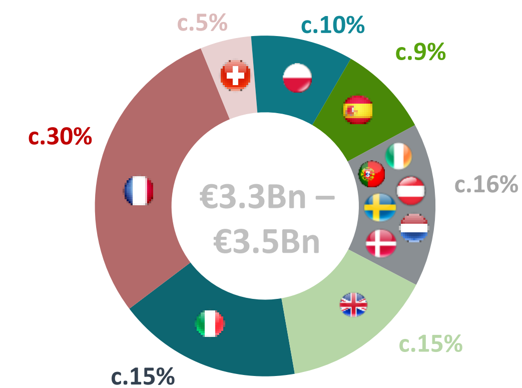
Strong targeted growth, highly contracted

Guidance 2025 (€Mn)

	Guidance 2025 (€Mn)	
Revenues	4,100 – 4,300 (c.85% contracted)	+c.21% CAGR 20-25
Adjusted EBITDA	3,300 – 3,500	+c.24% CAGR 20-25
RLFCF	2,000 – 2,200	+c.28% CAGR 20-25

Adjusted EBITDA Guidance 2025 (1) (2)

c.80% from countries with sovereign rating of at least A



(1) Including transactions not yet closed (Hivory, Hutchison UK)

(2) Management estimate; including progress on BTS programs and 3rd party tenants

Q2 2021
Business Performance

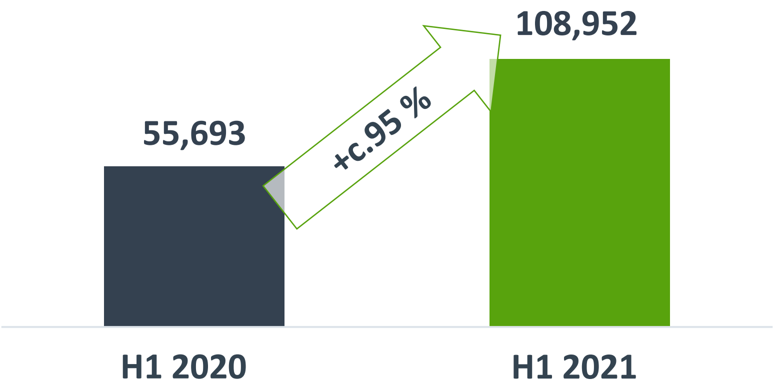
Spain

Wanda Metropolitano stadium

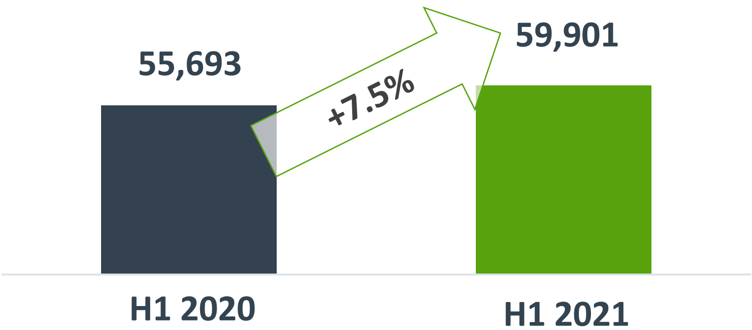
Q2 2021 Business Performance

Consistent and solid organic growth, with a significant contribution in the quarter from the progress made on BTS programs

PoPs – Total (1)

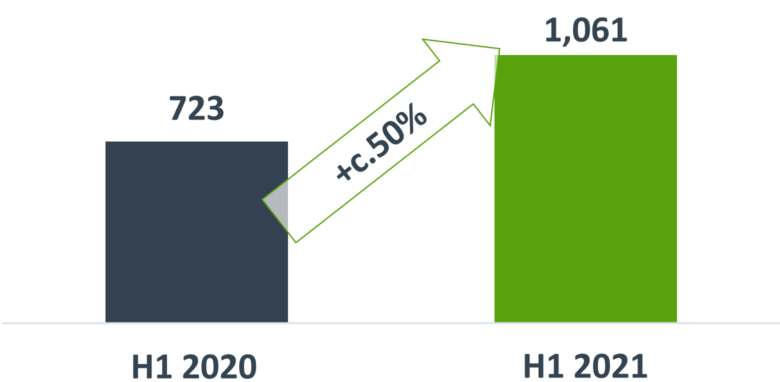


PoPs – Organic Growth (1)

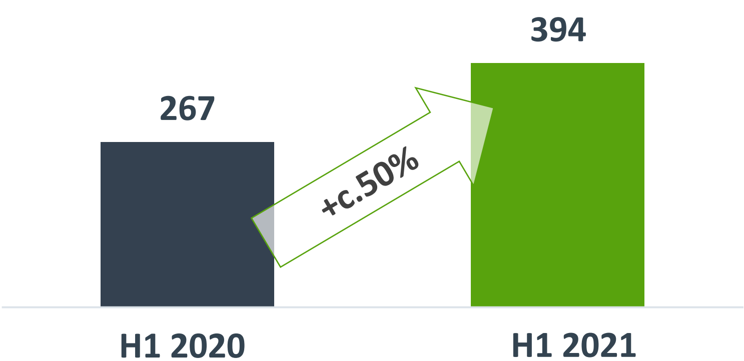


>5% organic CAGR 21-25 guidance unchanged

Revenues (€Mn)



RLFCF (€Mn)



(1) PoPs do not include active sharing tenancies or IoT tenancies

Q2 2021 Business Performance

Revenues, Adjusted EBITDA and RLFCF

Revenues +47%, Adjusted EBITDA +53%, and RLFCF +47%,
Metrics expected to grow at a faster speed in the coming quarters

	RLFCF (€Mn)	Jan-Jun 2020	Jan-Jun 2021	
	Telecom Infrastructure Services	553	900	
	Broadcasting Infrastructure	117	109	
	Other Network Services	52	52	
(1)	**Revenues**	**723**	**1,061**	+47%
	Staff costs	-70	-91	
	Repair and maintenance	-23	-32	
	Utilities	-47	-57	
	General and other services	-56	-77	
	Operating Expenses	**-196**	**-257**	
	Adjusted EBITDA	**527**	**804**	+53%
	% Margin without pass through	*74%*	*79%*	
	Net payment of lease liabilities	-168	-276	
	Maintenance capital expenditures	-13	-16	
	Changes in working capital	-9	-10	
	Net payment of interest	-57	-98	
	Income tax payment	-13	-10	
	Net dividends to non-controlling interests	0	0	
	Recurring Levered FCF	**267**	**394**	+47%

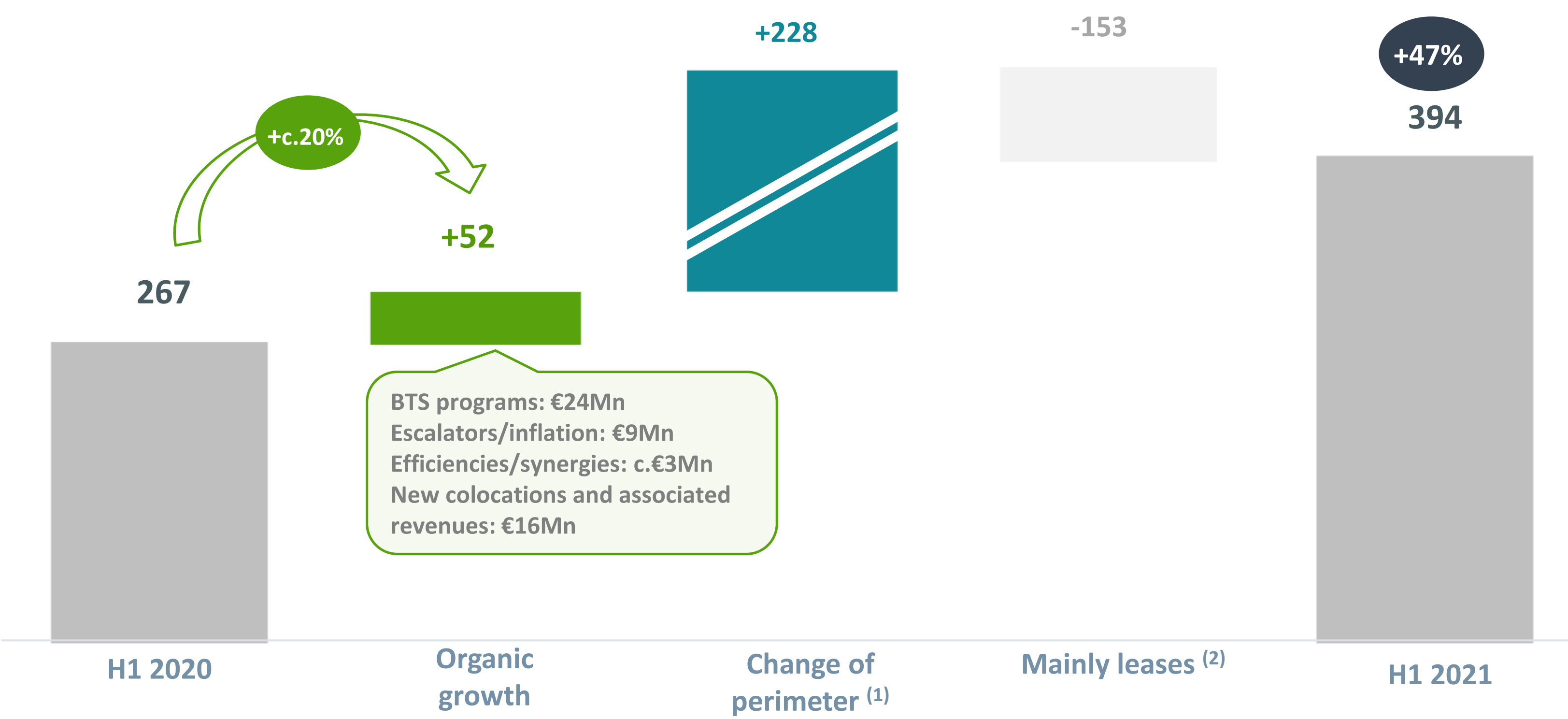
- Telecom Infrastructure Services up mainly due to organic growth, BTS programs and acquisitions
- Broadcasting Infrastructure reflects contract renegotiations, now providing higher visibility and deflation protection
- Like-for-like Opex flat [2], as a result of the efficiencies program in place
- Margin expansion due to operating leverage and change of perimeter
- Efficient management of leases despite increased perimeter
- Maintenance Capex to perform as per guidance throughout the year
- Interest paid consistent with capital structure in place and coupons payment schedule
- Taxes paid according to payments schedule

Backup Excel file available on Cellnex's website
(1) Revenues correspond to Operating Income excluding Advances to customers (please see note 18a in our Interim Consolidated Financial Statements ended 30 June 2021)
(2) Including the contribution from efficiencies to payment of leases (not accounted for as Opex under IFRS 16)

Q2 2021 Business Performance

Recurring Levered Free Cash Flow (RLFCF)

Organic growth impact on RLFCF +c.20%



€Mn

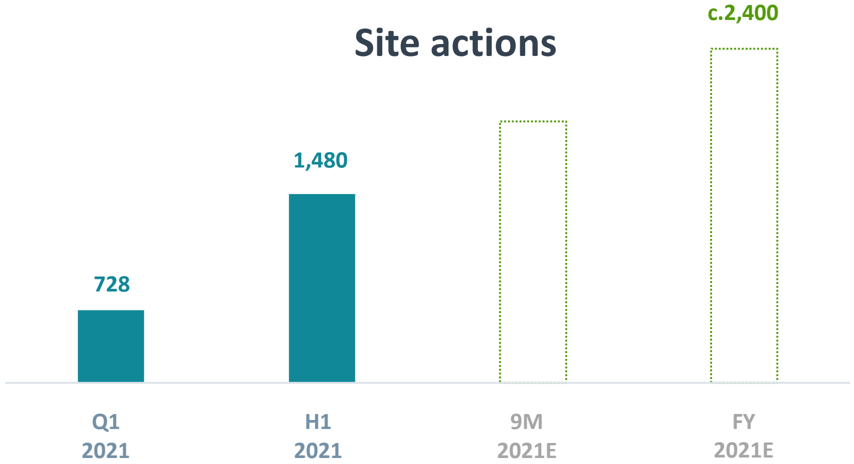
(1) Contribution from: 2 quarters Arqiva + NOS + Iliad Italy (additional c.20% of existing perimeter) + Hutch (Denmark + Ireland + Austria) + 5 months Hutch Sweden + 1 quarter Play + 1 month T-Infra - Group adaptation costs

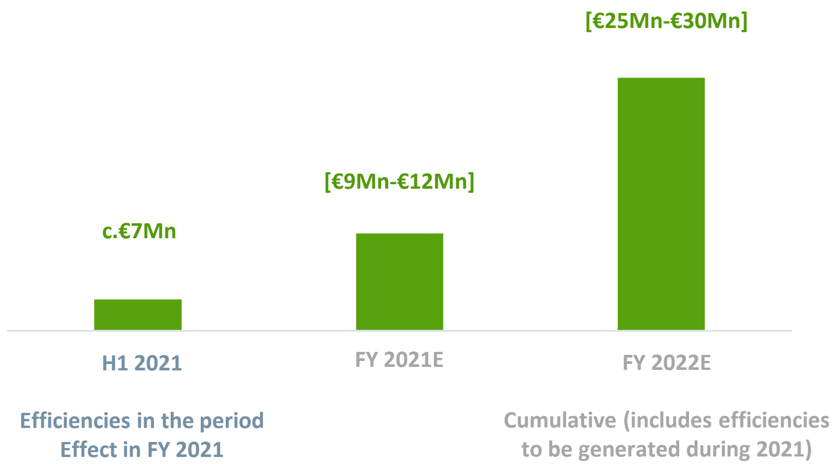
(2) Corresponds to the difference between the remaining RLFCF lines below Adjusted EBITDA (mainly payment of leases due to change of perimeter excluding efficiencies, maintenance Capex, change in WC, cash interest, cash tax and dividends to minorities)

Q2 2021 Business Performance

2021-2025 Plan: Leases optimization and network synergies on track

Cellnex's 2021-2025 efficiencies/synergies plan well on track
Expected to generate c.€90Mn-€100Mn efficiencies by 2025





- Rent renegotiation: ground lease fee reduction with small or none initial payments
- Cash advance: lump sum prepayment for long term leasehold contracts with optionally small remaining recurring annual payments
- Leases and Capex reduction thanks to two or more anchor tenant networks allowing for decommissioning of redundant sites and a single BTS for more than one anchor tenant simultaneously

Q2 2021 Business Performance

Balance Sheet and Consolidated Income Statement

Balance Sheet (€Mn)

	Dec 2020	Jun 2021	
Non Current Assets	**18,910**	**27,550**	
Goodwill	2,676	4,213	
Fixed Assets	13,563	19,782	
Right of Use	2,134	2,904	1
Financial Investments & Other Fin. Assets	538	651	
Current Assets	**5,159**	**9,750**	
Inventories	2	5	
Trade and Other Receivables	505	681	
Cash and Cash Equivalents	4,652	9,063	2
Total Assets	**24,070**	**37,300**	
Shareholders' Equity	**8,933**	**16,197**	
Non Current Liabilities	**14,066**	**19,582**	
Borrowings	9,314	12,989	
Lease Liabilities	1,479	2,050	1
Provisions and Other Liabilities	3,273	4,543	
Current Liabilities	**1,071**	**1,521**	
Borrowings	76	150	
Lease Liabilities	284	439	1
Provisions and Other Liabilities	711	932	
Total Equity and Liabilities	**24,070**	**37,300**	
Net Debt	**6,500**	**6,566**	

Prudent PPA (1) process leads to fixed assets allocation. Goodwill not linked to cash paid over the course of M&A activity (2)

1 The adoption of IFRS 16 helps the leverage comparability among peers, as it equalizes the treatment of both land ownership and the management of ground leases

2 Strong liquidity position mainly due to cash generated, capital increases and the issuance of debt instruments

Income Statement (€Mn)

		Jan-Jun 2020	Jan-Jun 2021	
(3)	**Revenues**	**723**	**1,061**	
	Operating Expenses	**-196**	**-257**	
	Non-recurring expenses	-34	-49	
	Depreciation & amortization	-423	-678	
	Operating Profit	**70**	**77**	
	Net financial profit	-135	-254	
	Income tax	15	96	
	Attributable to non-controlling interests	7	14	
	Net Profit Attributable to the Parent Company	**-43**	**-67**	3

3 Net Income mostly reflects:

- D&A charges (prudent PPA process)
- Net interest increase due to strengthened liquidity position

(1) Purchase Price Allocation

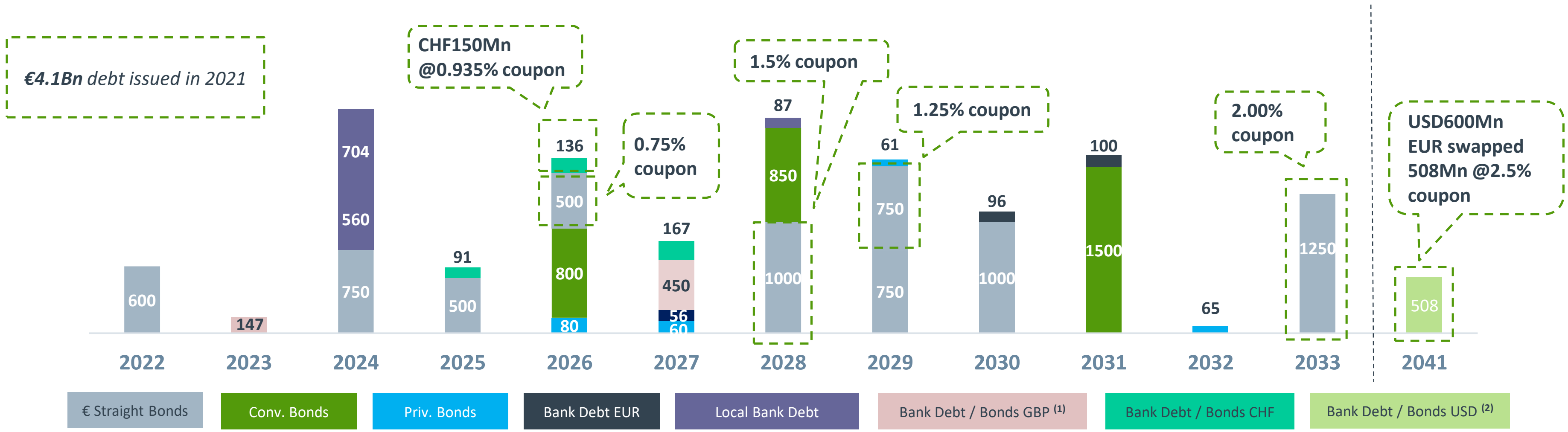
(2) The goodwill arising from business combinations primarily corresponds to the net deferred tax liability resulting from the higher fair value attributed to the net assets acquired compared to their tax base. Please see note 4 in our Interim Consolidated Financial Statements ended 30 June 2021 and slide 26

(3) Revenues correspond to Operating Income excluding Advances to customers (please see note 18a in our Interim Consolidated Financial Statements ended 30 June 2021)

Debt maturity profile

Financial structure as of July 8th 2021 – Excluding IFRS16 impact

Total available and fully contracted liquidity of c.€18.6Bn, and an average cost of debt at c.1.5%



Key highlights

- **Liquidity** of c.€18.6Bn (€7.8Bn cash + €10.8Bn undrawn credit lines)
- **Average maturity** 7.2 years (drawn debt) and 6.4 years (both drawn and undrawn debt)
- **Average cost** 1.6% (drawn debt) and 1.5% (both drawn and undrawn debt)
- **Fixed rate debt** 86%
- **Gross debt** c.€13.8Bn (Bonds and Other Instruments)
- **Net debt** c.€6Bn
- **Covenants**: Cellnex Finance debt without financial covenants, pledges or guarantees

(1) Includes Euro bonds swapped to GBP
(2) Includes USD bonds swapped to EUR; for more details please see slide 30

Updated financial outlook 2021

The updated outlook reflects the new perimeter [(1)] and trends to the upper end of the full year range

	Previous Guidance 2021	New Guidance 2021
Revenues (€Mn)	2,405 - 2,445	**2,535 - 2,555**
Adjusted EBITDA (€Mn)	1,815 - 1,855	**1,910 - 1,930**
Payment of leases	<€570Mn	**<€605Mn**
Maintenance Capex	c.3-4% on revenues	**c.3-4% on revenues**
Δ working capital	Trending to neutral	**Trending to neutral**
Interest	c.1.5% cost of debt	**c.1.5% cost of debt**
Tax	c.3% on revenues	**c.3% on revenues**
RLFCF (€Mn)	905 – 925 (+c.50%)	**955 – 965 (+c.60%)**

(1) +c.5.5 months contribution from Polkomtel in Poland (initially expected in 2022) - 1 month T-Mobile sites in The Netherlands (closed one month later than initially expected)

Updated financial outlook 2021

Change of perimeter [1] in 2021

Market	Deal	2021 commitments & closing dates	Expected Adjusted EBITDA contribution
		12 Months **Closed Jan 2021**	c.€125Mn
		11 Months **Closed Feb 2021**	c.€38Mn
		9 Months **Closed Apr 2021**	c.€85Mn
		7 Months **Closed Jun 2021**	c.€30Mn
		6 Months **Closed Jul 2021**	c.€115Mn
		5.5 Months **Closed Jul 2021**	c.€80Mn
		3 Months (E) **Closing Oct 2021**	c.€70Mn
		To be closed in Q2 2022	----

(1) As indicated in the Full Year 2020 Results presentation, the change of perimeter in 2021 includes the contribution from Arqiva (6.5 months) and Nos (9 months)

Frequently Asked Questions

Spain

Network Control Center

Frequently Asked Questions

ESG – Main developments in Q2 2021

ESG Master Plan Q2 featured actions

E

- **Emission reduction targets** approved by the **Science Based Target initiative** (SBTi). See slide 18 for more details
- New **PPAs of renewable energy** in the countries where Cellnex manages the energy, within the **Energy Transition Plan**
- Impact on **biodiversity and natural spaces** identified and being assessed
- Publication of the **Environmental and Climate Change Report** 2020

S

- Creation of the **Cellnex Foundation.** Please see slide 17
- **Equity, Diversity and Inclusion** program implemented
- Cellnex **Competencies and Leadership Model** and **Career and Development Program** implemented

G

- Business **Continuity Management** System, Business **Impact Analysis**, **Disaster Recovery** Plan and **Crisis Management** Plan updated
- Production of Cellnex's **ESG Roadmap for investors**

Q2 status of main KPIs* and targets

	Target 2021 **
40% Cellnex Group's energy consumption green certified	✓ 40%
46% of energy consumption green certified in Cellnex Spain and **30%** in Cellnex Italy	50% Spain; ✓ 30% Italy

	Target 2022 **
100% energy consumption green certified in UK, Sweden and **85%** in the Netherlands	✓ 100% UK from 2020; 100% Netherlands

No individual targets defined for Sweden

	Target 2022
23% of women in management positions	25%
33% career advancement for women	40%
51% hires of women	✓ 40% from 2020
22% hires of young talent	30%

	Target 2022
40% of women directors	✓ 40%
90% of non-executive directors	✓ 90%
70% of independent directors	✓ 60%

* Key indicators are monitored in Q2 and Q4. Selection of measurable indicators on a semi-annual basis

** Energy targets refer to the energy directly managed by Cellnex (Scope 2)

Frequently Asked Questions

The Cellnex Foundation

> **The Cellnex Foundation takes on the challenge of digitally connecting people and territories by humanizing and bringing technology closer to them**

The Foundation will focus its activity on actions that **benefit people through technology** and that respond to the challenges and problems detected in the Cellnex environment:

cellnex foundation

- **DIGITAL DIVIDE,** We will **act against the imbalance and social inequality** it generates
- **TERRITORIAL DIVIDE,** We will **reduce isolation and inequality in rural areas and complex sites** (such as certain neighbourhoods in urban environments) **through connectivity**
- **SOCIAL DIVIDE,** We will **act against inequalities**, especially those related to **gender, functional diversity and origin**, promoting **connectivity solutions that improve people's quality of life**

Cellnex Bridge is one of the first initiatives launched by the Cellnex Foundation, focused on an **acceleration program for start-ups** with the aim of promoting innovative projects that seek to **narrow digital, social and territorial divides through the use of technology and connectivity**

Frequently Asked Questions

Cellnex's transition to a low-carbon economy

Cellnex's emission reduction targets have been approved by the Science-Based Targets initiative (SBTi) [(1)]

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Commitments

Reduce absolute scope 1 and 2 GHG emissions and Scope 3 GHG emissions from fuel and energy-related activities by 70% by 2030 from 2020

Increase annual sourcing of renewable electricity from 0% in 2020 to 100% in 2025

Reduce absolute scope 3 emissions from purchased goods and services and capital goods GHG emissions 21% by 2025 from 2020

The science-based targets defined by Cellnex under its Sustainability Plan are aligned with the "Business Ambition for 1.5°C" commitment

(1) Science-Based Targets is an initiative by the Carbon Disclosure Project (CDP), the United Nations Global Compact, World Resources Institute (WRI) and the World Wildlife Fund (WWF) aiming to increase companies' commitment to sustainable management and the search for more ambitious solutions to climate change

Frequently Asked Questions

ESG initiatives to reduce visual impact

We perform mimetization actions to minimize the impact of our operations in our communities, while ensuring the maximum levels of service quality for our clients

A chimney based on mesh material (France)

Pipe solutions (Portugal)

Telecom site over a fake palm tree

Pine tree

Cypress tree

Sail tower at a rooftop

An example of cladding screening

E

S

G

Focusing on the S

Cellnex has deployed Project LEAN in a small town of 20 inhabitants in Soria (Spain), in order to roll out shared mobile broadband telecom infrastructures in extreme rural areas that lack connectivity to promote their sustainable economic development and facilitate their digital transformation

How is Cellnex helping Matanza de Soria?

WATCH THE VIDEO

Project Lean

Matanza de Soria site is located in an isolated area and uses green and clean energy, as is ideally placed to produce wind and solar energy

Inhabitants can now have remote medical care

Wine cellar has digitized Matanza's production processes reducing and optimizing costs

Frequently Asked Questions

What is Edzcom? A Cellnex company that...

... connects equipment and people in the field

Edzcom, a Cellnex company

Pioneer and European market leader in edge connectivity, solely dedicated to designing, building and operating private 4G and 5G networks

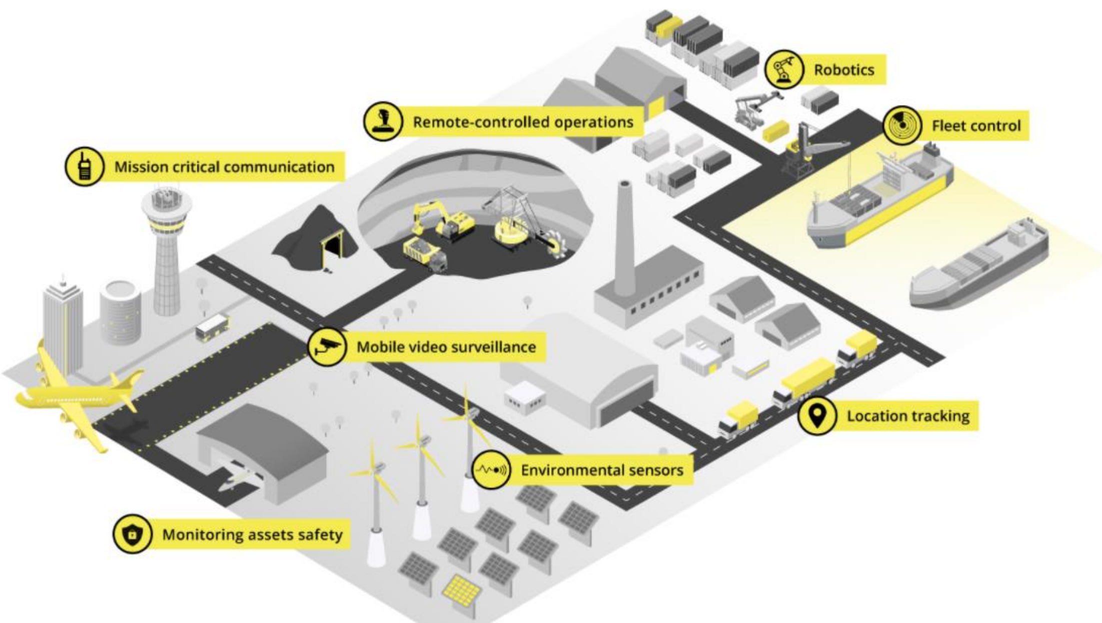
Growing demand

More and more companies and industries choose private networks to seize digitalization opportunities

Solutions

High-performance wireless connectivity for enterprise resource planning, automation, robotics and real-time remote monitoring

Edge Connectivity helps industries unlock productivity and growth, offering continuity and security for business-critical operations



- Radio network technologies, radio-frequency design, building and commissioning of mobile networks
- Private wireless network operations, maintenance and support
- Identifying enterprise use cases to accelerate digitalization, boost safety and productivity
- Ensuring smooth evolution from 4G to 5G and gradual network development

Frequently Asked Questions

What is 5G and what opportunities 5G will generate for Cellnex?

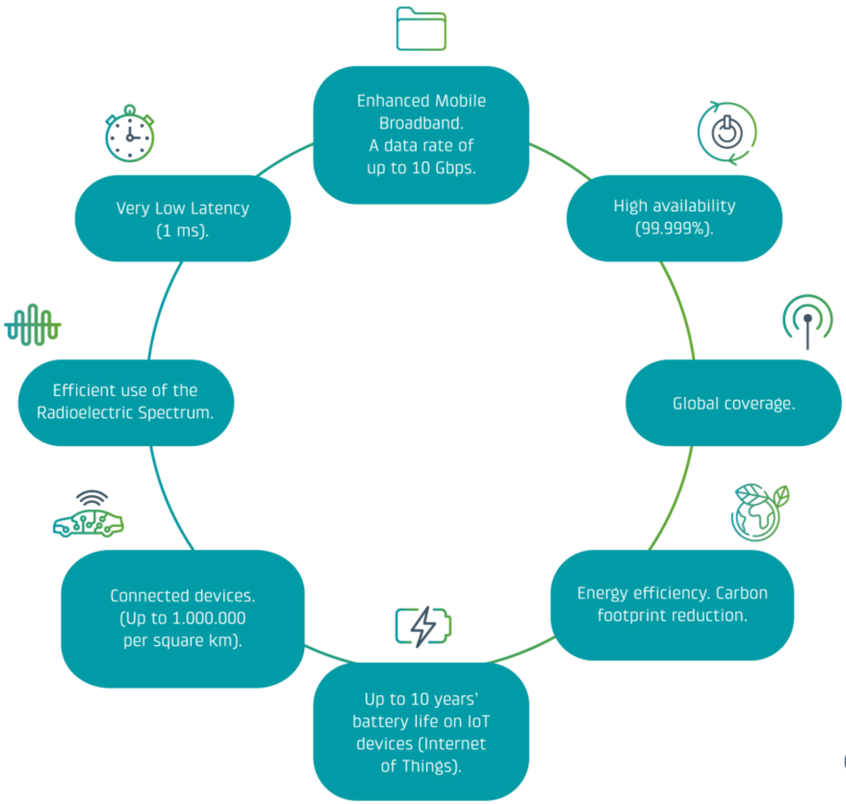
What makes 5G so special?

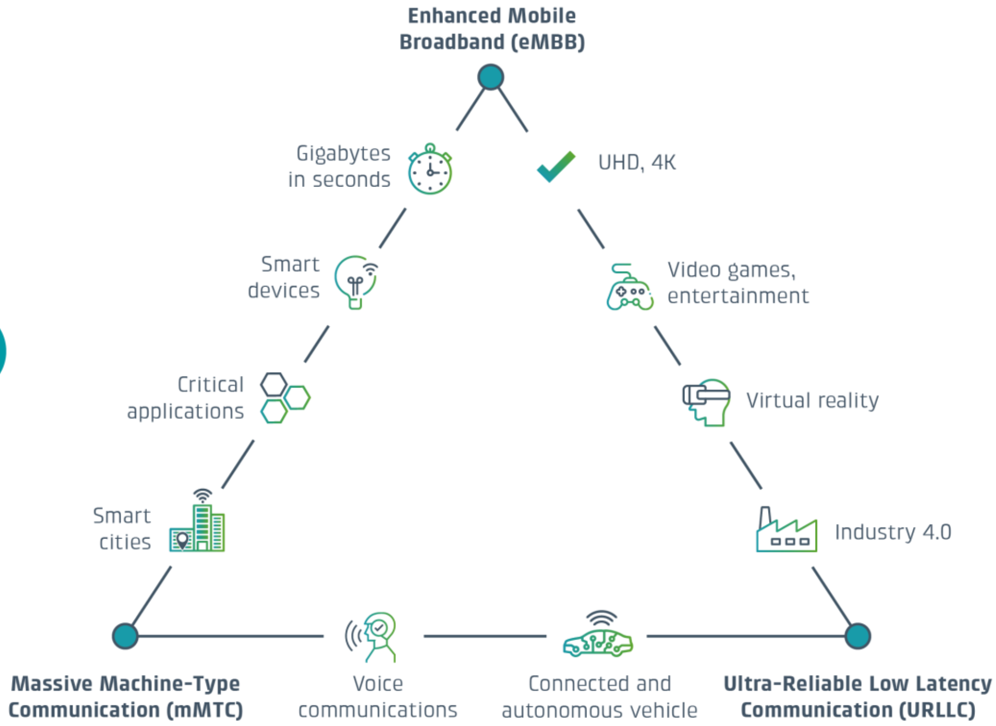
WATCH THE VIDEO

1. Speed (up to 10 Gbps, much faster than 4G)

2. Greater capacity to interconnect devices (up to one million per km2)

3. Low latency, application response time (up to 1ms)





Frequently Asked Questions

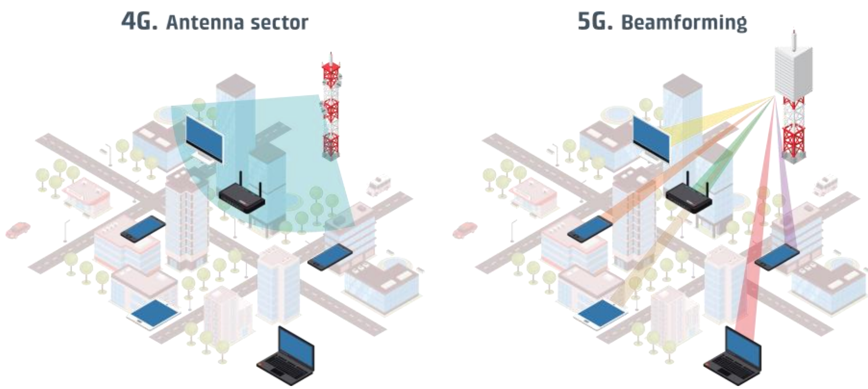
What is 5G and what opportunities 5G will generate for Cellnex?

The deployment of 5G rests on a wide range of concepts and technical solutions

WATCH THE VIDEO

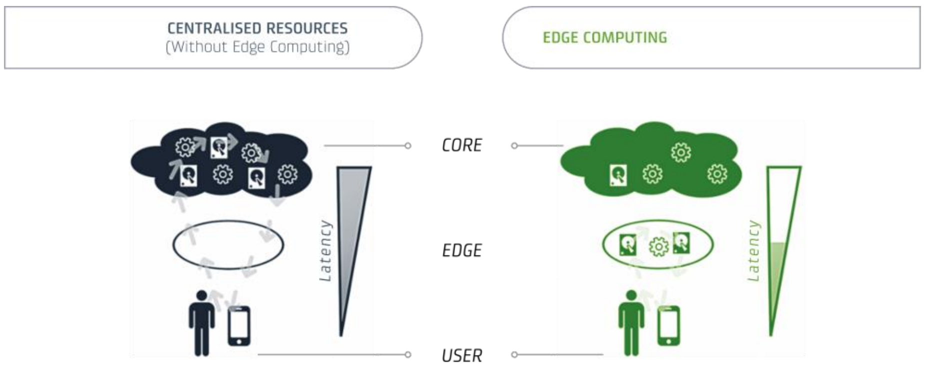
1. Beamforming

Allows the beam to follow the user as they move around, improving mobility and efficiency



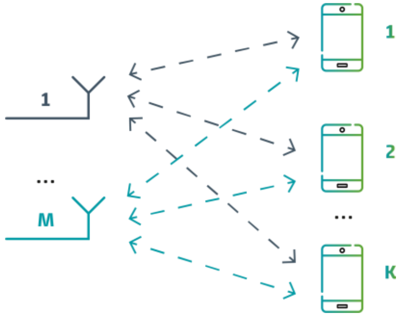
2. Edge computing

Based on the principle of having resources (storage, databases, information processing) close to the user



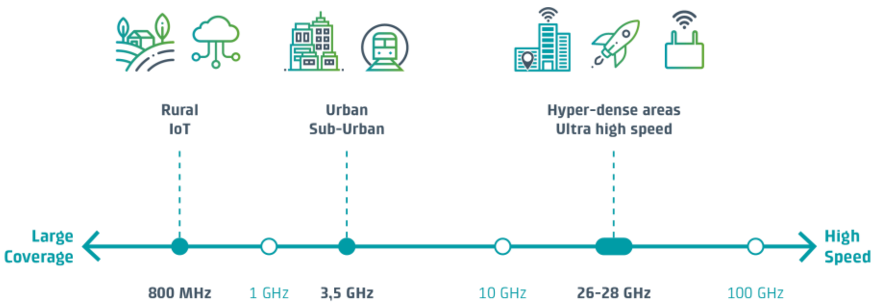
3. MIMO

Using many transmitting antennas provides multiple signal paths, making it easier for the signal to maintain its quality



4. Frequencies

Each frequency band is more suitable for some or other applications

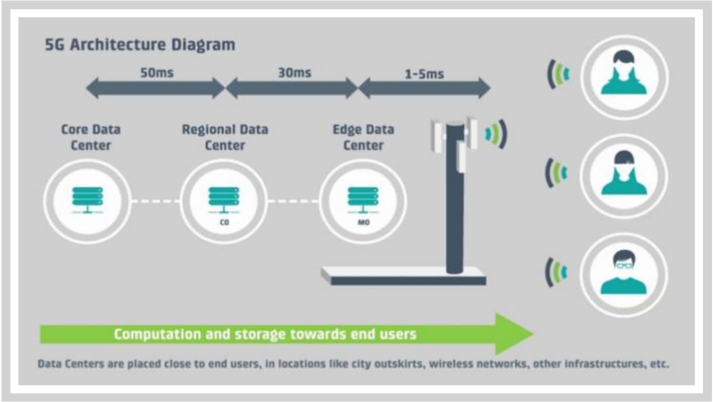


What is 5G and what opportunities 5G will generate for Cellnex?

The deployment of 5G rests on a wide range of concepts and technical solutions

5. Next Generation Central Office

Objective to reduce the cost of equipment and increase reliability



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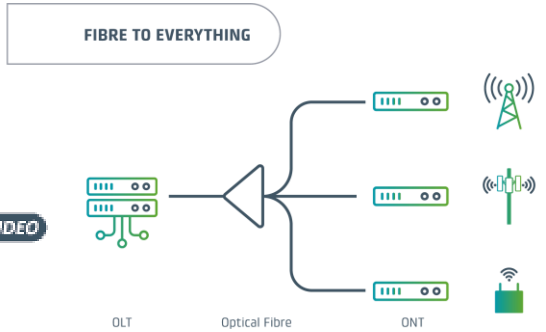
6. Optical fiber

The high volume of data will be routed through optical fiber



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7. Densification

The need for permanent connectivity requires operators to roll out small cells to densify their network

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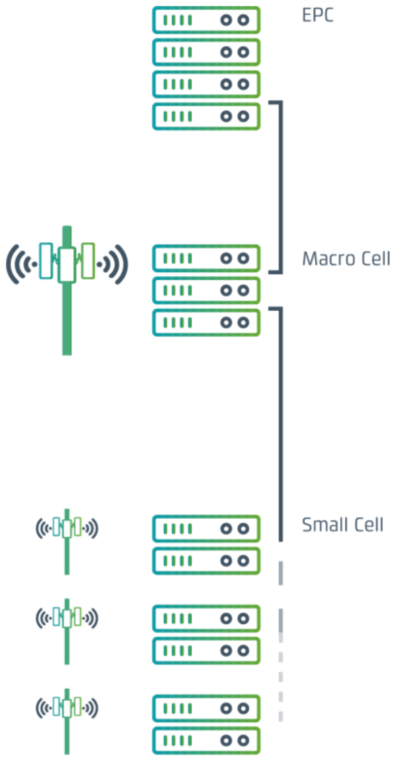


Frequently Asked Questions

What is 5G and what opportunities 5G will generate for Cellnex?

What will 5G be used for?

WATCH THE VIDEO

1. Services and applications for the citizen

WATCH THE VIDEO

2. Bridging the digital divide

3. Goods transport and tracking

WATCH THE VIDEO

4. Boosting the industry

WATCH THE VIDEO

5. The mobility of the future

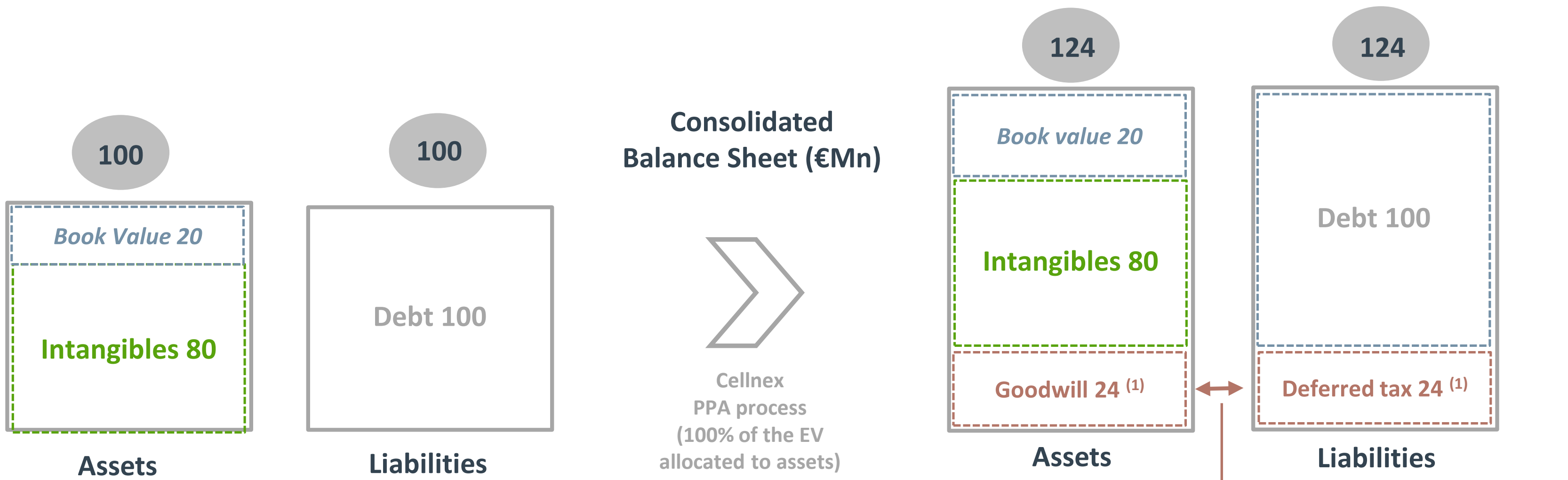
WATCH THE VIDEO

6. Security applications

Frequently Asked Questions

How is goodwill accounted for?

Illustrative example: acquisition of a tower company with a fair market value of €100Mn and a book value of €20Mn



Cellnex does not pay this Goodwill / Deferred tax

	Year 0	Year 1	Year 2	...	Year 10
Book Value [2]	20	20	20		20
Intangibles [3]	80	72	64		0
Goodwill	24	24	24		24
Total Assets	**124**	**116**	**108**	**...**	**44**
Debt [2]	100	100	100		100
Deferred taxes [4]	24	21.6	19.2		0
Impact Consolidated net income [5]	-	-5.6	-11.2		-56
Total Liabilities	**124**	**116**	**108**	**...**	**44**

Following a prudent approach, Cellnex allocates 100% of the fair market value to assets. The goodwill arising from business combinations primarily corresponds to the net deferred tax liability resulting from the higher fair value attributed to the net assets acquired compared to their tax base (not paid by Cellnex)

(1) In the consolidated balance sheet, a deferred tax liability may be registered against goodwill to the extent that the net assets recognised are not tax deducible
(2) For illustrative purposes, book value and debt remain constant
(3) Intangible amortization (€80Mn / 10 years useful life = €8Mn)
(4) P&L tax effect of the amortization; deferred tax liability is reverted through the P&L over time (8Mn * 30% = €2.4Mn)
(5) Combined P&L impact of intangible amortization and deferred tax liability (€2.4Mn – €8Mn = -€5.6Mn in year 1)

How are leases accounted for under IFRS 16?

Cellnex's lease contracts with landlords are capitalized as a Right of Use and Lease Liabilities

1 Impact on the Balance Sheet?

- Cellnex lease contracts to be accounted for as:
  - Asset = Right of use of underlying asset
  - Lease Liability = Obligation to make outstanding lease payments

2 Impact on the P&L?

- Cellnex leases to be accounted for as:
  - Amortization + interest expenses

3 Impact on Cash?

- Total Cash Out as before IFRS 16

Example:

- ***Yearly payment €10k***
- ***Contract term 4 years***
- ***Linear amortization***
- ***Discount rate and interest 10%*** (1)

€ thousand	Year 0	Year 1	Year 2	Year 3	Year 4	
Assets (RoU)	32 (1)	24 (2)	16	8	0	
Liabilities	32	25 (3)	17	9	0	
D&A		-8	-8	-8	-8	
Interest		-3 (4)	-2	-2	-1	
Total P&L		-12	-10	-10	-9	∑=40
Payment of leases		-10	-10	-10	-10	∑=40

P&L and cash items do not match annually due to the non-linearity of financial expenses, totaling the same amount over the contract term

(1) Net present value of lease payments
(2) Assets (RoU) previous year – amortization current year (€32Mn assets year 0 - €8Mn amortization year 1 = €24Mn end of year 1)
(3) Liabilities previous year – Payment of leases current year + P&L interest current year (€32Mn liabilities year 0 - €10Mn payment of leases year 1 + €3Mn interest year 1 = €25Mn end of year 1)
(4) Liabilities previous year x Interest @10% (10% of €32Mn liabilities year 0 = €3Mn in year 1)

Frequently Asked Questions

What factors affect Cellnex's lease capitalization terms?

Cellnex assesses its lease obligations on a per contract basis using tailored-made IT systems thus reflecting future expected cash outflows

$$\text{Lease Liability} = \frac{\text{Cash outflows}}{\text{Discount rate}}$$

- ***On a per contract basis (one contract, one model)***
- *It accurately reflects all possible events:*
  - *Decommissioning plans*
  - *Cash advance programs*
  - *Renegotiations*
  - *Land acquisitions*

- ***On a per contract basis (appropriate rate for each contract)***
- *Takes into account the location, profile, customary contract clauses by market… thus reflecting the risk-adjusted obligation*

i.e. higher discount rates used for rural areas vs. urban locations based on higher target IRR (and expected bargaining power)

Cellnex carries out a comprehensive assessment of its obligations (contract by contract) thanks to custom-made IT systems and extensive managerial capabilities

The capitalization ratio (lease liabilities / annual cash outflow) does not properly reflect the capitalization term but Cellnex's proactive approach to lease management

Frequently Asked Questions

What level of cash tax over revenues should be expected in the medium term?

Neutrality underpins our current cash tax to revenues level…

Inorganic growth	• Cellnex's neutral credentials have played a key role when executing M&A and BTS programs (the latter being tax deductible) • Asset deals are preferred over share deals, as the purchase price is fully tax deductible
Cellnex's industrial profile	• Industrial fee / Patent box: Generates a tax deductible expense in the destination country and a tax base reduction in the country of origin • Other country-specific initiatives such as NID in Italy or R&D activity generating tax credits
Tax goodwill eligibility	• Cellnex Italy merged with Galata, with Galata being the surviving legal entity. As a consequence, Cellnex paid an upfront amount of c.€75Mn to implement a goodwill tax amortization over the following 5 years starting in 2022, with an approximate cash tax shield in Italy of c.€135Mn

… and provides additional elements to expect a sustainable performance

NOLs	• Generation of NOLs that will be tax deductible in the coming years for a total amount of c.€290Mn
BTS as a natural tax hedge	• If tax rates increase, BTS Capex acts as a tax shield by the same rate

The implementation of a minimum corporate tax rate should not impact Cellnex as we don't generate positive net income

Frequently Asked Questions
Inaugural bond issuance in USD

Cellnex has taken advantage of the liquid USD market to issue its longest-ever bond

USD600Mn 20-year bond issuance

	Terms
Issuer	Cellnex Finance Company S.A.U.
Amount	USD600Mn **Equivalent to c.€508Mn**
Tenor	20 years
Coupon	3.875% in USD **Equivalent to c.2.5% in EUR**
Total demand	c.USD3.1Bn
Number of orders	>100

Key highlights

- Use of an opportunistic window that represented Cellnex's inaugural issuance in the US market
  - Diversifying funding sources, accessing to a new pool of capital
- Longest-ever bond issuance
- Simultaneously, Cellnex Finance entered into a cross-currency swap agreement by virtue of which Cellnex will synthetically convert the USD issuance into a c.€508Mn issuance with an associated c.2.5% coupon
- Extending average debt maturities at very attractive terms

Definitions

Term	Definition
Adjusted EBITDA	Profit from operations before D&A and after adding back certain non-recurring and non-cash items (such as advances to customers and prepaid expenses)
Adjusted EBITDA margin	Adjusted EBITDA divided by total revenues excluding elements pass-through to customers (mostly electricity) from both expenses and revenues
Anchor tenant/customer	Anchor customers are telecom operators from which the Company has acquired assets
Backlog	Represents management's estimate of the amount of contracted revenues that Cellnex expects will result in future revenue from certain existing contracts. This amount is based on a number of assumptions and estimates, including assumptions related to the performance of a number of the existing contracts at a particular date but do not include adjustments for inflation. One of the main assumptions relates to the contract renewals, and in accordance with the consolidated financial statements, contracts for services have renewable terms including, in some cases, 'all or nothing' clauses and in some instances may be cancelled under certain circumstances by the customer at short notice without penalty.
Build-to-suit (BTS) Capex	Corresponds to committed Build-to-Suit programs (consisting of sites, backhaul, backbone, edge computing centers, DAS nodes or any other type of telecommunication infrastructure as well as any advanced payment related to it or further initiatives) and also adjacent Engineering Services or Works & Studies that have been contracted with different clients, including ad-hoc capex eventually required
Customer Ratio	The customer ratio relates to the average number of operators in each site. It is obtained by dividing the number of operators by the average number of Telecom Infrastructure Services sites in the year
DAS	A distributed antenna system is a network of spatially separated antenna nodes connected to a common source via a transport medium that provides wireless service within a geographic area or structure agreed with clients
Expansion Capex	Investment related to business expansion that generates additional RLFCF, including decommissioning, telecom site adaptation for new tenants and prepayments of land leases
Engineering Services	On request of its customers Cellnex carries out certain works and studies such as adaptation, engineering and design services, which represent a separate income stream and performance obligation. The costs incurred in relation to these services can be internal expense or outsourced. The revenue in relation to these services is generally recognized as the expense is incurred
Maintenance Capex	Investments in existing tangible or intangible assets, such as investment in infrastructure, equipment and information technology systems, and are primarily linked to keeping sites in good working order, but which excludes investment in increasing the capacity of sites
M&A Capex	Investments in shareholdings of companies, significant investments in acquiring portfolios of sites and/or land

Definitions

Term	Definition
MNO	Mobile Network Operator
Net Debt	Excludes PROFIT grants and loans
New colocations and associated revenues	Includes new third party colocations as well as further initiatives carried out in the period such as special connectivity projects (please see slide 8 Q320 Results Presentation or slide 22 Q1 2021 Results Presentation), indoor connectivity solutions based on DAS (please see slide 7 Q120), mobile edge computing (please see slide 7 Q220), fiber backhauling, site configuration changes as a result of 5G rollout and other engineering services
Node	A Node receives from the fiber optical signal from several MNOs and transforms it into radio frequency signal to transfer it to antennas after amplifying it. The definition of a Node is always subject to managements view, and could be reviewed as new configurations might occur following technological developments. Please note that Nodes that generate revenues for Cellnex but that are not hosted by Cellnex (marketing rights) may be excluded from the Company's reported KPIs
Pop (Point of Presence)	A customer configuration based on the most typical technological specifications for a site within which the active equipment and antennas are often owned by the customer. The definition of PoP is always subject to management's view, independently of the technology used or type of service such customer provides. In the 5G/IoT network ecosystem, this definition of PoP could be reviewed as new customer configurations might also be considered a PoP, especially in relation to new site-adjacent asset classes, subject again to the management's view. Please note that PoPs that generate revenues for Cellnex but that are not hosted on sites owned by Cellnex (marketing rights) may be excluded from the Company's reported KPIs
Revenues	Revenues correspond to Operating Income excluding Advances to customers (please see note 18a in our Interim Consolidated Financial Statements ended 30 June 2021)
RLFCF	Recurring Operating Free Cash Flow plus/minus changes in working capital, plus interest received, minus interest expense paid, minus income tax paid, and minus minorities
TIS	Telecom Infrastructure Services

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This report contains, in addition to the financial information prepared in accordance with International Financial Reporting Standards ("IFRS") and derived from our financial statements, alternative performance measures ("APMs") as defined in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA) on 5 October 2015 (ESMA/2015/1415en) and other non-IFRS measures ("Non-IFRS Measures"). These financial measures that qualify as APMs and non-IFRS measures have been calculated with information from Cellnex Group; however those financial measures are not defined or detailed in the applicable financial reporting framework nor have been audited or reviewed by our auditors.

We use these APMs and non-IFRS measures when planning, monitoring and evaluating our performance. We consider these APMs and non-IFRS measures to be useful metrics for our management and investors to compare financial measure of historical or future financial performance, financial position, or cash flows. Nonetheless, these APMs and non-IFRS measures should be considered supplemental information to, and are not meant to substitute IFRS measures. Furthermore, companies in our industry and others may calculate or use APMs and non-IFRS measures differently, thus making them less useful for comparison purposes.

For further details on APMs and Non-IFRS Measures, including its definition or a reconciliation between any applicable management indicators and the financial data presented in the consolidated financial statements prepared under IFRS, please see the section on "Alternative performance measures" (page 58 et seq.) of the Integrated annual report for the fiscal year ended in 31 December 2020 of Cellnex Telecom, S.A., published on 26 February 2021. The document is available on Cellnex website (www.cellnextelecom.com).

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