



Cellnex Telecom, S.A.

(incorporated as a limited liability company (sociedad anónima) in the Kingdom of Spain)

€500,000,000

EURO-COMMERCIAL PAPER PROGRAMME

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for euro-commercial paper notes (the "**Notes**") issued during the twelve months after the date of this document under the €500,000,000 euro-commercial paper programme (the "**Programme**") of Cellnex Telecom, S.A. (the "**Issuer**") described in this document to be admitted to the Official List and trading on the regulated market of Euronext Dublin, a regulated market for purposes of the Markets in Financial Instruments Directive 2014/65/EU (as amended, "**MiFID II**").

Prospective investors should consider carefully and fully understand the risks set forth herein under "Risk Factors" prior to making investment decisions with respect to the Notes.

Solely by virtue of appointment as Dealer, as applicable, on this Programme, the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of EU Delegated Directive 2017/593.

Amounts payable on Floating Rate Notes may be calculated by reference to one of the Euro Overnight Index Average ("**EONIA**"), the Euro Interbank Offered Rate ("**EURIBOR**") or the London Interbank Offered Rate ("**LIBOR**") as specified in the relevant Pricing Supplement, which, in the case of EONIA and EURIBOR, are provided by the European Money Markets Institute ("**EMMI**") and, in the case of LIBOR, ICE Benchmark Administration Limited ("**ICE**"). As at the date of this Information Memorandum, EMMI does not appear and ICE appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) No. 2016/1011 (the "**Benchmark Regulation**"). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that EMMI is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

Potential investors should note the statements on pages 83-90 regarding the tax treatment in Spain of income obtained in respect of the Notes and the disclosure requirements imposed by the Spanish tax legislation in relation to the Notes. In particular, payments on the Notes may be subject to Spanish withholding tax if certain information is not received by the Issuer in a timely manner.

Dealers

BANCA MARCH

BANCO SABADELL

BNP PARIBAS

BRED

COMMERZBANK

CRÉDIT AGRICOLE CIB

ING

SANTANDER

IMPORTANT NOTICE

This Information Memorandum (together with any supplementary information memorandum and information incorporated herein by reference, the "**Information Memorandum**") contains summary information provided by Cellnex Telecom, S.A. (the "**Issuer**") in connection with a euro-commercial paper programme (the "**Programme**") under which the Issuer may issue and have outstanding at any time euro-commercial paper notes (the "**Notes**") up to a maximum aggregate amount of €500,000,000 or its equivalent in alternative currencies. Under the Programme, the Issuer may issue Notes outside the United States pursuant to Regulation S ("**Regulation S**") of the United States Securities Act of 1933, as amended (the "**Securities Act**"). The Issuer has, pursuant to a dealer agreement dated 6 June 2019 (the "**Dealer Agreement**"), appointed Banca March, S.A., Banco de Sabadell, S.A., Banco Santander, S.A., BNP Paribas, BRED Banque Populaire, S.A., Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank and ING Bank N.V. as dealers for the Notes (the "**Dealers**") and authorised and requested the Dealers to circulate the Information Memorandum in connection with the Programme on their behalf to purchasers or potential purchasers of the Notes.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")) ("U.S. PERSONS") UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION.

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission, any State securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or adequacy of this Information Memorandum. Any representation to the contrary is a criminal offence in the United States.

The distribution of this Information Memorandum and any Pricing Supplement and the offering for sale of Notes or any interest in such Notes or any rights in respect of such Notes, in certain jurisdictions, may be restricted by law. Persons obtaining this Information Memorandum, any Pricing Supplement or any Notes or any interest in such Notes or any rights in respect of such Notes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. In particular, but without limitation, such persons are required to comply with the restrictions on offers or sales of Notes and on distribution of this Information Memorandum and other information in relation to the Notes, the Issuer set out under "*Selling Restrictions*" below.

The Issuer accepts responsibility for the information contained in this Information Memorandum. To the best of the knowledge of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

Notice of the aggregate nominal amount of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each issue of Notes will be set out in pricing supplements (each a "**Pricing Supplement**") which will be attached to the relevant Note (see "**Forms of Notes**"). Each Pricing Supplement will be supplemental to and must be read in conjunction with the full terms and conditions of the Notes. Copies of each Pricing Supplement containing details of each particular issue of Notes will be available from the specified office set out below of the Issue and Paying Agent (as defined below).

This Information Memorandum comprises listing particulars made pursuant to the Listing and Admission to Trading Rules for Short Term Paper promulgated by Euronext Dublin. This Information Memorandum should be read and construed in conjunction with any supplemental Information Memorandum, any Pricing Supplement and with any document incorporated by reference.

The Issuer has confirmed to the Dealers that the information contained or a incorporated by reference in the Information Memorandum is true, complete and accurate in all material respects and not misleading

and that there are no other facts the omission of which makes the Information Memorandum as a whole or any such information contained or incorporated by reference therein misleading. Any statements of intention, opinion, belief or expectation contained in the Information Memorandum are honestly and reasonably made by the Issuer and, in relation to each issue of Notes agreed as contemplated in the Dealer Agreement to be issued and subscribed, the Information Memorandum together with the relevant Pricing Supplement contains all the information which is material in the context of the issue of such Notes.

Neither the Issuer, the Issue and Paying Agent (as defined below) nor the Dealers accept any responsibility, express or implied, for updating the Information Memorandum and neither the delivery of the Information Memorandum nor any offer or sale made on the basis of the information in the Information Memorandum shall under any circumstances create any implication that the Information Memorandum is accurate at any time subsequent to the date thereof with respect to the Issuer or that there has been no change in the business, financial condition or affairs of the Issuer since the date thereof.

No person is authorised by the Issuer to give any information or to make any representation not contained in the Information Memorandum and any information or representation not contained therein must not be relied upon as having been authorised by the Issuer, the Issue and Paying Agent, the Dealers or any of them.

Neither the Issue and Paying Agent, nor any Dealer has independently verified the information contained in the Information Memorandum. Accordingly, no representation or warranty or undertaking (express or implied) is made, and no responsibility or liability is accepted by the Dealers as to the authenticity, origin, validity, accuracy or completeness of, or any errors in or omissions from, any information or statement contained in the Information Memorandum, any Pricing Supplement or in or from any accompanying or subsequent material or presentation.

The information contained in the Information Memorandum or any Pricing Supplement is not and should not be construed as a recommendation by the Dealers or the Issuer that any recipient should purchase Notes. Each such recipient must make and shall be deemed to have made its own independent assessment and investigation of the financial condition, affairs and creditworthiness of the Issuer and of the Programme as it may deem necessary and must base any investment decision upon such independent assessment and investigation and not on the Information Memorandum or any Pricing Supplement.

None of the Dealers undertakes to review the business or financial condition or affairs of the Issuer during the life of the Programme, nor undertakes to advise any recipient of the Information Memorandum of any information or change in such information coming to any Dealer's attention.

None of the Dealers accepts any liability in relation to this Information Memorandum or any Pricing Supplement or its distribution by any other person. This Information Memorandum does not and is not intended to constitute (nor will any Pricing Supplement constitute or be intended to constitute) an offer or invitation to any person to purchase Notes.

The Issuer has undertaken, in connection with the admission of the Notes to listing on the Official List and to trading on the regulated market of Euronext Dublin, that if there shall occur any adverse change in the business or financial position of the Issuer or any change in the terms and conditions of the Notes, that is material in the context of the issuance of Notes under the Programme, the Issuer will prepare or procure the preparation of an amendment or supplement to this Information Memorandum or, as the case may be, publish a new Information Memorandum, for use in connection with any subsequent issue by the Issuer of Notes to be admitted to listing on the Official List and to trading on the regulated market of Euronext Dublin. Any such supplement to this Information Memorandum will be subject to the approval of Euronext Dublin prior to its publication.

Tax

This Information Memorandum describes in summary form certain Spanish tax implications and procedures in connection with an investment in the Notes (see "*Risk Factors – Risks in Relation to the Notes – Spanish Taxation*" and "*Taxation – Taxation in Spain*"). No comment is made or advice is given by the Issuer or the Dealers in respect of taxation matters relating to the Notes. Investors must seek their own advice to ensure that they comply with all procedures to ensure correct tax treatment of their Notes.

Interpretation

In the Information Memorandum, references to euros and € are to the lawful currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended from time to time; references to Sterling and £ are to pounds sterling; references to U.S. Dollars and U.S.\$ are to United States dollars; and references to CHF are to Swiss francs. Where the Information Memorandum refers to the provisions of any other document, such reference should not be relied upon and the document must be referred to for its full effect.

Documents Incorporated by Reference

The most recently published audited financial statements of the Issuer and any subsequently published interim financial statements (whether audited or unaudited) of the Issuer shall be deemed to be incorporated in, and to form part of, this Information Memorandum.

Any statement contained in a document incorporated by reference into this Information Memorandum or contained in any supplementary information memorandum or in any document incorporated by reference therein shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede earlier statements contained in this Information Memorandum or in a document which is incorporated by reference in this Information Memorandum. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

Except as provided above, no other information, including information on the web sites of the Issuer is incorporated by reference into this Information Memorandum.

Each Dealer will, following receipt of such documentation from the Issuer, provide to each person to whom a copy of this Information Memorandum has been delivered, upon request of such person, a copy of any or all the documents incorporated herein by reference unless such documents have been modified or superseded as specified above. Written requests for such documents should be directed to the relevant Dealer at its office as set out at the end of this Information Memorandum.

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RISK FACTORS

The Issuer believes that the following factors may affect their ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below. The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme as at the date of this Information Memorandum, but the inability of the Issuer to pay any amounts due on or in connection with any Notes or the Deed of Covenant, may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the information set out elsewhere in this Information Memorandum and reach their own view prior to making any investment decision.

Investing in Notes issued under the Programme involves certain risks. Prospective investors should consider, among other things, the following:

Risks Relating to the Issuer

Risks related to the industry and businesses in which the Group operates

The business of the Issuer and its consolidated subsidiaries (together the "Group") depends on the demand for telecom infrastructure services, broadcasting infrastructure and equipment and other network services that it provides, which the Group cannot control, and the Group may be adversely affected by any slowdown in such demand

The business of the Group includes the provision of services through its three different segments: (i) Telecom Infrastructure Services, (ii) Broadcasting Infrastructure and (iii) Other Network Services.

The Telecom Infrastructure Services segment is highly dependent on the demand for the Group's telecom and broadcast wireless infrastructures and a decrease in such demand may adversely affect the business of the Group.

Within the Broadcasting Infrastructure segment, demand for communications depends on the coverage needs from the Group's customers, which, in turn, depend on the demand for TV and radio broadcast by their customers. Likewise, for the Other Network Services segment, demand for connectivity, public protection and disaster relief ("PPDR") networks, operation and maintenance ("O&M"), smart city and Internet of Things ("IoT") services depends on the demand from public administrations as well as entities operating in the private and public sectors. Any factor adversely affecting the demand for such services could potentially have a material adverse effect on the business, prospects, results of operations, financial condition and cash flows of the Group.

The willingness of the Group's customers to use the Group's communications infrastructures, contract its services, or renew or extend existing contracts on its communications infrastructures on the same terms, can be affected by numerous factors, including, among others:

- increased use of network sharing, roaming or resale arrangements by mobile network operators ("MNOs");
- mergers or consolidations among the Group's customers, such as MNOs;
- the ability and willingness of MNOs to maintain or increase capital expenditures on network infrastructure;
- the financial condition of the Group's customers, including the availability or cost of capital;
- governmental licensing of spectrum or restrictions on or revocations of spectrum licences;
- changes in electromagnetic emissions' regulations;

- changes in demand for TV and radio services and consumption habits (channels, etc.) by end consumers, including the level of multimedia content consumption;
- significant increases in the attrition rate of customers or decreases in overall demand for broadcast space and services, caused by, amongst others, the adoption of new digital patterns by customers and the obsolescence of the products and services rendered by the Group;
- a decrease in consumer demand for wireless telecom and broadcasting services due to economic, political and market/regulatory conditions, disruptions of financial and credit markets or other factors, including inflation, zoning, environmental, health or other existing government regulations or changes in the application and enforcement thereof, as well as taxes/customs duties levied on the Group's services;
- the evolution of the advertising business' revenue in the media sector, and especially, TV, internet and radio;
- changes in the connectivity to the internet;
- an increase in demand for private networks;
- the evolution of public internet;
- changes in the data traffic demand worldwide as well as changes in data transmission prices and speed;
- the availability or capacity of the Group's infrastructure or associated land interests where the infrastructure is located;
- the location of the Group's wireless infrastructure;
- changes in, or the success or failure of, the Group's customers' business models;
- delays or changes in the deployment of next generation wireless technologies or the failure by the Group to anticipate the development of new wireless technologies;
- technological advances and development of alternative technologies that the Group does not currently use, such as the development of satellite-delivered and optical fibre-delivered radio and video services and internet TV;
- the existence of alternative providers of the Group's services or, alternatively, the self-provision of services by the Group's customers;
- the willingness of the Group's current or future customers to make contractual arrangements with the Group under the current terms and conditions; and
- the constant exercise of renegotiating the existing agreements with the Group's customers' or their desire for such renegotiation or to adversely amend current contractual arrangements (especially those relating to broadcasting services and other network services).

As a result of these factors the customers of the Group may scale back their need or demand for its services which could materially and adversely affect the degree of utilisation of the capacity of its communications infrastructures and its network and connectivity development services, which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

The Group is subject to regulations that govern the way it conducts its businesses and changes in current or future laws or regulations could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows

The business of the Group and those of its customers are subject to the national, regional and local regulations of all jurisdictions in which the Group operates as well as the regulatory framework applicable in the European Union (the "EU"). The existing laws or regulations under which the Group operates may be repealed, amended or overruled, and new regulations may be promulgated at any time. Such regulations

could be applied or enforced retroactively or the interpretation of such regulations by the competent authority may differ from that of the Group. The Group cannot guarantee that existing or future laws or regulations, including national, regional and local tax laws, will not adversely affect the Group's business, generate delays in its projects or result in additional costs.

Failure to comply with applicable regulations may lead to civil penalties or require the Group to assume indemnification obligations or result in the Group breaching certain of its contractual provisions. Furthermore, if such laws and regulations are not enforced equally against its competitors in a particular market, the compliance with such laws and regulations may put the Group at a competitive disadvantage vis-à-vis competitors who do not have to comply with such requirements.

Moreover, the Group cannot guarantee that the interpretation of applicable laws or regulations will coincide with the one of the governmental agencies or courts enforcing such laws or regulations. These factors may have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

The Group depends on the obtaining, maintaining and periodically renewing of several licences, authorisations, and administrative and regulatory permits in all jurisdictions where the Group operates. The Group is unable to assure that such licences, authorisations and permits will be fully granted at all times or renewed upon their expiration. This may lead to the impossibility of carrying out the activities of the Group in such jurisdictions where the application for or renewal of such licences, authorisations and permits is denied, which may materially and adversely affect the business, prospects, results of operations, financial condition and cash flows of the Group.

Moreover, in certain locations, the Group may be required to pay annual licence fees, and these fees may be subject to increases by the government or administrations at any time. Jurisdictions in which the Group currently operates or may operate in the future that do not currently require it to pay licence fees may enact new regulations which may impose on the Group the obligation to pay licence fees.

In addition, the Group's customers are also subject to a wide-ranging regulatory regime, both at the EU and domestic level, which may indirectly affect the Group's business. This includes certain rules on the disposal of assets and rules limiting electromagnetic emissions by MNOs, which are particularly strict in Italy and Switzerland, two countries where the Group operates.

Most of the industries in which the Group's customers operate also require the application for licences or authorisations, as well as adjudication/concession and renewal processes beyond the Group's control. For instance, the Group's clients on the telephone and internet service industry are subject to the granting of the right to use frequencies for carrying out their activities. Such licences or adjudications have a limited duration, making its customers subject to periodic renewals. There is no certainty that the Group's customers will be able to retain or renew the right of use of such frequencies. In the event of loss of any of such rights, the Group may be subject to a reduction in the demand for its services, which will have a material adverse effect on the business, prospects, results of operations, financial condition and cash flows of the Group. See "*Risks related to the Group's assets—If the Group fails to retain rights to its infrastructure, its business may be adversely affected*".

Increasing competition in the industry may materially and adversely affect the Group

The Group may experience at any time increased competition in certain areas of activity from established and new competitors. The industry is competitive and customers have access to alternatives in telecom infrastructure services and other network services, whereas for broadcasting TV the alternatives are more limited. Where the Group acts as a provider of services, competitive pricing from competitors could affect the rates and services income. In addition, competition in infrastructure services could also increase the cost of acquisition of assets and limit the Group's ability to grow its business. Moreover, the Group may not be able to renew existing services agreements or enter into new ones. The higher prices for assets, combined with the competitive pricing pressure on services agreements, could make it more difficult for the Group to achieve its return on investment criteria.

Increasing competition for the acquisition of infrastructure assets or companies in the context of the Group's business expansion could make the acquisition of high quality assets significantly more costly and could materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows. Some competitors are larger than the Group and may have greater financial resources (such

as KKR or MS Infrastructure Fund), while other competitors may apply investment criteria with lower return on investment requirements. In addition, some of the Group's customers have set up their own infrastructure companies (such as Telxius Telecom, S.A. or Infrastructure Wireless Italiane S.p.A.), and if the Group is unable to compete effectively with such customers and other competitors or effectively anticipate or respond to customer needs or consumer sentiment, it could lose existing and potential customers, which could reduce the Group's operating margins and have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

A substantial portion of the revenue of the Group is derived from a small number of customers

In the Telecom Infrastructure Services segment its main clients are telecom operators (mostly MNOs); in the Broadcasting Infrastructure segment its main clients are media broadcasters (TV channels and radio stations); and in the Other Network Services segment its main clients are (i) a small number of public administrations, at national, regional and/or local levels, (ii) safety and emergency response organisations, (iii) companies operating in the utility sector, and (iv) certain telecom operators. The ongoing consolidation process in the telecom and broadcasting sectors may result in a decrease in the number of MNOs or media broadcasting operators in the future, which could potentially have a negative impact on the main segments of the Group (see "*Description of the Issuer*" for further information).

The Group has one customer that contributed 23% of its total operating income for the year ended 31 December 2018 (26% for the year ended 31 December 2017). The total operating income from this customer for the year ended 31 December 2018 amounted to €205,992 thousand (€207,131 thousand for the year ended 31 December 2017). The agreement reached with this one customer has a long term initial maturity and its renewal is only possible for the entire portfolio and not for a portion thereof. For the year ended 31 December 2016, the Group had three customers that each exceed 10% of its operating income, which amounted to €339,752 thousand in aggregate.

The Group's reliance on a small group of customers may adversely affect the development of its business. As such, the loss of one or more of any of the Group's main customers, resulting from, amongst others, a merger, bankruptcy, insolvency, network sharing, loss of licences, roaming, joint development, resale agreements or contract early termination may have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Likewise, even though most of the Group's business relationships have been long-lasting to date, the Group cannot guarantee that contracts with its major customers will not be terminated or that these customers will renew their contracts with the Group on the same terms or at all. Further, the Group is exposed to constant renegotiation and renewal processes of its contracts with its customers (especially those related to Broadcasting Infrastructure and Other Network Services due to the contracts relating to such segments generally having shorter maturity periods), which may result in the current contractual arrangements being adversely amended, which could in turn affect the total value of its contracts. In particular, some contracts entered into by the Group provide that certain expenses are passed through to the Group's customers, such as energy costs, and the Group cannot guarantee that the pass through mechanism will protect 100% of the energy cost borne by the Group during all the term of the contract, which may have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. In addition, Cellnex could potentially be exposed to fines if Cellnex were found to be engaged in the electricity resale business simply because energy costs are included in the charges for which it bills its customers. Electricity supply is a regulated activity in countries where Cellnex operates.

In the ordinary course of its business, the Group experiences disputes with its customers, generally regarding the interpretation of terms in the Group's commercial agreements. It is possible that such disputes could lead to a termination of the Group's contracts with customers or a material modification of the terms of those agreements, either of which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. If the Group is forced to resolve any of these disputes through litigation, its relationship with the relevant customer could be terminated or damaged, which could lead to decreased revenue or increased costs, resulting in a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Additionally, in relation to Telecom Infrastructure Services, the Group currently differentiates from its competitors through the neutrality of its position in the market. The loss or weakening of such neutral position as a result of one customer becoming a reference or controlling shareholder of the Issuer could

lead to the termination of contracts or to a loss of customers and hence, to a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

The triggering of a change of control clause contained in the contracts entered into by the Group may result in an obligation to repay debt early or to sell back assets

Certain material contracts entered into by the Group could be modified or terminated if a change of control clause is triggered. A change of control clause may be triggered if a third party, either alone or in conjunction with others, obtains "control" (which is generally defined as having (i) more than 50% of shares with voting rights or (ii) the right to appoint or dismiss the majority of the members of the board of directors) of the relevant Group company. A change of control clause may be triggered at the level of Cellnex or only at the level of the relevant subsidiary that has entered into the relevant contract. In certain contracts, the definition of control, and therefore of a change of control, makes specific reference to the applicable law in the relevant jurisdiction.

With regards to the material contracts entered into by the Group with anchor customers, the triggering of a change of control provision is generally limited to the events where the acquiring company is a competitor of the anchor customer. In such circumstances, the anchor customer may be granted an option to buy back assets (generally the infrastructures where they are being serviced). In addition, such buy back option can also be granted in the event that a direct competitor of the anchor customer acquires a significant portion of the Shares or obtains voting or governance rights which can be exercised in a way that can negatively affect the anchor customer's interests. Finally, buy back options can also be exercised in circumstances not involving a change of control in case of an explicit breach by a Group company of the contractual obligations under the services agreement with its customers.

Additionally, the convertible bonds and the bank financing contracts of the Group include certain change of control clauses which could trigger an early repayment under the respective debt arrangement. See "*Description of the Issuer*" for more information.

If a change of control clause included in any of the Group's material contracts is triggered, it may materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

The Group's backlog estimates are based on certain assumptions and are subject to unexpected adjustments and cancellations and thus may not be timely converted to revenues in any particular fiscal period, if at all, or be a fully accurate indicator of the Group's future revenue or earnings

Expected contracted service revenues from service agreements (*backlog*) represent management's estimate of the amount of contracted service revenues that the Group expects will result in future revenue from certain existing contracts. Backlog, as included in this Information Memorandum, 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 does not include adjustments for inflation. One of the main assumptions for calculating backlog is the automatic renewal of contracts for services with the Group's anchor customers. Such contracts have renewable terms including, in some cases, 'all or nothing' clauses that only allow the renewal of a contract for the entire portfolio (not the renewal of a portion thereof) on terms that are generally pre-agreed and the application of which may result in an increase or a decrease in price of the service, within certain parameters. In some instances, the contracts for services may be cancelled under certain circumstances by the customer at short notice without penalty.

The Group's definition and calculation of backlog may not necessarily be the same as that used by other companies engaged in activities similar to that of the Group. As a result, the amount of its backlog may not be comparable to the backlog reported by such other companies. The realisation of the Group's backlog estimates is further affected by its performance under contracts. The Group's ability to execute its backlog is dependent on its ability to meet its clients' operational needs, and if it is unable to meet such needs, the Group's ability to execute its backlog could be adversely affected, which could materially affect the Group's business, prospects, results of operations, financial condition and cash flows. There can be no assurance that the revenue projected in the Group's backlog will be realised or, if realised, will result in profit. Contracts for services are occasionally modified by mutual consent. Because of potential changes in the scope or schedule of the services the Group provides to its clients, it cannot predict with certainty when or if the Group's backlog will be realised. Even where a project proceeds as scheduled, it is possible that the client may default and fail to pay amounts owed to the Group. Delays, payment defaults or cancellations

could reduce the amount of backlog currently estimated, and consequently, could inhibit the conversion of that backlog into revenues, which would in turn materially affect the Group's business, prospects, results of operations, financial condition and cash flows.

If the Group's customers share infrastructure to a significant degree, or consolidate or merge, the Group's growth, revenue and ability to generate positive cash flows could be materially and adversely affected

While the Group believes the neutral operator model (without an MNO as a shareholder having (i) more than 50% of the voting rights or (ii) the right to appoint or dismiss the majority of the members of the board) presents certain advantages and there is a growing trend of externalisation of the provision of wireless communications infrastructure, extensive sharing of infrastructure, roaming or resale arrangements among MNOs as an alternative to using the Group's services may slow down the entering into new service agreements. Moreover, if MNOs utilise shared equipment (either active or passive) rather than deploy new equipment, it may result in the decommissioning of equipment on certain existing infrastructures because parts of the customers' networks may become redundant.

Any potential merger, integration or consolidation of the Group's customers would likely result in duplicate or overlapping networks, which may result in the termination or non-renewal of customer contracts (for example where they are co-customers on an infrastructure) and in the loss of commercial opportunities resulting in a lower number of potential customers for the Group. These two scenarios could materially and adversely affect revenues from the Group's wireless infrastructure and its commercial prospects.

In addition, customers' consolidation may result in a reduction in their total future capital expenditures because their expansion plans may be similar. Both MNOs' and broadcasters' consolidation could decrease the demand for the Group's wireless infrastructure, which in turn could have a material adverse effect on its business, prospects, results of operations, financial condition and cash flows.

Finally, the framework agreements signed with anchor customers may include agreements for the further acquisitions or construction of infrastructures over a defined period of time or for the acquisition or construction of a maximum number of infrastructures (such as in the Group's acquisition of Bouygues Telecom S.A. ("**Bouygues Telecom**")). Such framework agreements may or may not be implemented, either in whole or in part, due to a potential integration or consolidation of the Group's customers or due to a change in their business strategy. If these circumstances occurred, there is no guarantee that the Group may have enough contractual protection in order to be compensated for such changes, which in turn could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

New technologies, or changes in the business model of the Group's customers, could make the business of the Group less desirable and result in decreasing revenues

The Group develops its activities in a sector which is characterised by a rapid technological change and it is essential to be able to offer the products and services demanded by the market and to select the appropriate investments.

The development and implementation of new technologies designed to enhance the efficiency of wireless networks or new technologies developing alternative network solutions (either broadcasting infrastructure or alternative technologies to the network services the Group provides), or changes in customers' business models, could reduce the need for infrastructure-based wireless services, reduce the need for broadcasting or network services, decrease demand for the infrastructure space or reduce rates or other fees that were obtained in the past. In this regard, the Group faces the risk that its customers may not adopt the technologies the Group invests in or that the technologies and infrastructure the Group currently uses become obsolete.

The Group's business and growth prospects could be jeopardised if it was not able to promptly identify and adapt to shifting technological solutions and/or if it failed to acquire or develop the necessary capabilities and expertise to meet its clients' changing needs. The development and implementation of new services with a significant technological component, is also subject to inherent risks that the Group may not be able to overcome.

The development and commercialisation of new technologies designed to improve and enhance the range and effectiveness of wireless telecom networks, either by the Group's competitors or the Group itself, could

significantly decrease demand for existing infrastructure. Also, competitors may be able to offer wireless telecom infrastructure products and services that are, or that are perceived to be, substantially similar to or better than those the Group offers, or offer technologies that provide similar functionality with competitive prices and with comparable or superior quality. A decrease in demand for the Group's existing infrastructure or technology, either as a result of new technologies or increased demand for services provided by the Group's competitors, could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

In addition, customers of the Group's services may reduce the budgets they may have allocated to telecom infrastructure, broadcasting infrastructure or other services, as the industry constantly invests in the development and implementation of new technologies or because of changes in their business model. Examples of these technologies include spectrally efficient technologies, which could reduce the Group's customers' network capacity needs and as a result could reduce the demand for infrastructure-based wireless services.

Moreover, certain small cell-based complementary network technologies, in which the Group actively works, could shift a portion of the Group's customers' investments away from the traditional infrastructure-based networks, which may reduce the need for MNOs to add more equipment at communication infrastructures. Moreover, the emergence of alternative technologies could reduce the need for infrastructure-based broadcast or network services. For example, the growth in the delivery of wireless communications, radio and video services by direct broadcast satellites could materially and adversely affect demand for the Group's infrastructure services.

In the Telecom Infrastructure Services segment, the Group cannot be certain that technologies such as the "Small Cells", distributed antenna system ("DAS", 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) 5G and wide spectrum radio, will not become dominant in the future and render the technologies and infrastructure the Group currently uses obsolete.

In the Broadcasting Infrastructure segment, digital terrestrial television ("DTT") is the method most widely used to transmit TV signals in Europe but an eventual unexpected increase in Spain of the use of alternative distribution platforms (such as satellite, cable or internet protocol television, "IPTV") or the growth and deployment of Wi-Fi networks could reduce the Group's current business volume.

In the Other Network Services segment the Group uses, amongst other technologies, terrestrial trunked radio ("TETRA") services technology or radio links to deliver its services, and the use of alternative technologies could reduce its revenues and limit potential future growth. The development and implementation of any of these or similar technologies, as well as of new products and technologies, may render some of the products and services offered by the Group obsolete which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

The reputation of the Group may be negatively affected if it is unable to provide uninterrupted or quality services, which could in turn result in the loss of important contracts

The success of the Group's business depends on the efficient, uninterrupted and high quality operation of its systems and the satisfaction of its customers. Its service offerings are often complex, depend on the successful integration of sophisticated in-house and third-party technology and services, and on occasions on the decommissioning by the Group of infrastructures, which adds complexity, and must meet stringent quality requirements. For example, in the Broadcasting Infrastructure segment, national broadcasters to which the Group provides its services have certain coverage obligations and they rely on the Group's capacity to meet their coverage obligations (see "*Coverage obligations imposed on the Group's broadcasting clients may affect its business*" below). Additionally, if any of its services have reliability or quality problems, its customers might be reluctant to employ the Group's services again in the future, which could result in a decline in revenues.

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

The Group relies on third-party suppliers to provide key equipment and services that are essential for the Group's operations. Some of these are only available from a limited number of third parties. For example, the Group relies on transmission capacity and other critical facilities that are owned by third parties. The

Group does not have operational or financial control over these partners, and it has no influence with respect to the manner in which these suppliers conduct their business. If these suppliers fail to provide equipment or services on a timely basis or in accordance with the agreed terms, the Group may be unable to provide services to its customers until an alternative supplier can be found. In addition, existing or new competitors in the markets where the Group operates may compete for services from the Issuer's existing suppliers and such competitors may obtain more favourable terms than those the Group currently benefits from. Additionally, it is possible that current suppliers of services could become competitors, therefore competing as consumers of services they provide. Either of these occurrences could result in upward pricing pressure on these contracts and the Group may not be able to renew its contracts at all or at the same rate as in the past, and could lose market share. If any of these contracts are terminated or the Group is unable to renew them on favourable terms or negotiate agreements for replacement services with other providers at comparable terms, this could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Likewise, any commercial dispute with a supplier, the termination of a relationship, as well as insolvency, bankruptcy, end of or curtailing business, so forth, of any supplier, including such situations in which the supplier is forced to cease the provision of services to the Group for any reason or fails to provide the services or goods deemed necessary for the Group to carry out its activities, the Group may be exposed to additional costs and may not be able to comply in full with all the contracts with its customers. If this circumstance occurred, it could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

The Group's strategy includes the acquisition of businesses which it may be unable to source, complete or successfully integrate

The Group's strategy is aimed at strengthening and expanding its operations, including through the acquisition of assets, entities or minority interests, joint ventures, mergers and other arrangements in the countries where the Group currently operates or elsewhere, which could require, among other matters, new debt and the issuance of Shares to finance such growth opportunities. This strategy of growth exposes the Group to operational challenges and risks, such as the need to identify potential acquisition opportunities on favourable terms, the diversion of management's attention from existing business, the potential impairment of acquired intangible assets, including goodwill, or the acquisition of liabilities or other claims from acquired businesses.

The Group may face delays and contingencies in the implementation of its growth through acquisitions strategy (including due to the lack of suitable acquisitions, the failure to negotiate and agree acceptable purchase agreements or the failure to satisfactorily complete due diligence). In addition, necessary regulatory or administrative authorisations or approvals may be refused, including antitrust approvals, or only be granted on onerous terms, and any such refusal, or the imposition of onerous terms, may result in significant delays and/or significant unexpected costs in relation to a particular acquisition. Market conditions and other factors, such as our competitors' willingness to also expand their businesses through the acquisition of the same assets, entities or minorities that the Group seeks to acquire, may also adversely affect the Group's ability to identify and execute acquisitions. As a result, the Group is unable to predict the timeline for the successful execution of its growth strategy and there is no guarantee that the Group will be successful in identifying such acquisitions or making any investments in a timely manner or at all, any of which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Prior to entering into an acquisition agreement, the Group generally performs due diligence with respect to the target or the relevant assets, but such inspection is limited by its nature. Any assets acquired by the Group may be subject to hidden material defects that were not apparent or that otherwise the Group failed to discover or consider at the time of the acquisition. To the extent the Group or other third parties underestimated or failed to identify risks and liabilities associated with an acquisition, the Group may incur, directly or indirectly, in unexpected liabilities, such as defects in title, an inability to obtain permits enabling the Group to use the underlying infrastructure as intended, or other environmental, structural or operational defects or liabilities requiring remediation. Failure to identify any such defects, liabilities or risks could result in the Group having acquired assets which are not consistent with its investment strategy, which are difficult to integrate within its portfolio, which fail to perform in accordance with expectations, and/or which adversely affect the Group's reputation, which, in turn, could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Generally, if the Group cannot identify, implement or integrate attractive acquisition opportunities on favourable terms or at all, it could adversely affect its ability to execute its growth strategy.

The expansion or development of the business of the Group, including through acquisitions or other growth opportunities, involves a number of risks and uncertainties that could adversely affect its operating results or disrupt its operations

It is an integral part of the Group's strategy, as mentioned above, to continue driving growth through the acquisition of assets, entities or minority interests, joint ventures, mergers and other arrangements in the countries where the Group currently operates or elsewhere, which could require, among other, having to issue debt or equity in order to finance such growth opportunities. The Group's growth strategy is linked, among other factors, to the capacity to successfully decommission and build new infrastructures. In the ordinary course of the business, the Group reviews analyses and evaluates potential transactions, assets, interests, activities or potential arrangements that the Group believes may add value to its business or its scope of services. Failure to timely identify growth opportunities may adversely affect the expansion or development of the Group's business.

Moreover, anti-trust or similar legislation may preclude the Group's ability to grow the portfolio of assets in a particular market or jurisdiction. Even if compliant with anti-trust legislation, the Group may not be able to consummate such transactions, undertake such activities or implement new services successfully due to disruptions in its activities, increased risk of operations or other consequences which could negatively impact the Group's business. In particular, sellers of infrastructure assets may be reluctant to enter into joint ventures, mergers, disposals or other arrangements with the Group due to, among other reasons, the accounting impact of the transaction in their financial statements or the rating impact on their financing structure.

There are additional risks associated with doing business internationally, including changes in a specific country's or region's political or economic conditions, inflation or currency devaluation, expropriation or governmental regulation restricting foreign ownership or requiring reversion or divestiture, increases in the cost of labour (as a result of unionisation or otherwise), power and other goods and services required for the Group's operations and changes in consumer price indexes in foreign countries. See "*The business of the Group may be affected by adverse economic and political conditions in the countries where the Group carries out its activities and globally*".

Achieving the benefits of new acquisitions depends in part on the timely and efficient integration of the acquired business operations, communications infrastructure portfolio and personnel. Integration may be difficult and unpredictable for many reasons, including, among other things, differing systems and processes, cultural differences, customary business practices and conflicting policies, procedures and operations. In addition, integrating businesses may significantly burden management and internal resources, including the potential loss or unavailability of key personnel. See also "*Risks related to the Group's assets—The Group's strategy includes the acquisition of businesses which it may be unable to source, complete or successfully integrate*".

The potential acquisition of minority interests in other companies that manage telecom infrastructure or similar companies or the entry by the Group into joint ventures or other arrangements where the Group does not have control over the investment vehicle, could result in not achieving the expected rate of return on the relevant investment. This may occur because the interests of other shareholders may not be the same as the ones of the Group, because the underlying business does not perform as expected, because of an impairment in the value of such investment or for other reasons.

As a result, the Group's foreign operations and expansion initiatives may not succeed as expected which may materially and adversely affect its business, prospects, results of operations, financial condition and cash flows.

The business of the Group may be affected by adverse economic and political conditions in the countries where the Group carries out its activities and globally

Despite actively pursuing the internationalisation of the business as a means of risk exposure diversification, the Group cannot assure that the countries where it operates will not experience economic or political difficulties in the future.

Customers in Spain and Italy represent a significant portion of the operating income of the Group (for the year ended 31 December 2018, approximately 52% (€467,787 thousand) and 28% (€254,393 thousand) of the Group's operating income was generated in Spain and Italy, respectively) thus, exposing it to risks specific to these countries. Adverse economic conditions may have a negative impact on demand for the services the Group provides and on its customers' ability to meet their payment obligations. In periods of recession, such as the one experienced by Spain and Italy in previous years (e.g. 2008 to 2013), the demand for services provided by the Group tends to decline, with a potential adverse impact on the Group's results of operations.

Likewise, as the Group has expanded its business in other countries, it is directly exposed to each of such countries political and economic situations (e.g. France or Switzerland) and may be adversely affected by their potential instability, while at the same time a more geographically diversified revenue source allows a lower risk exposure to specific country related issues. The Group cannot make concrete predictions on how the economic and political cycle in such locations will develop in the short-term or the coming years or whether there will be a deterioration in political stability.

In addition, global factors –macroeconomics as well as political—may have an influence on the economical and political framework of those countries in which Cellnex operates. Geopolitical tensions in the Middle East, trade tensions between the United States and China coupled with the economic effects of the sanctions that could be either extended or imposed, growth of anti-EU political parties as well as emerging political forces in member states of the EU with alternative economic, public and territorial policies and priorities, concerns about military and terrorist actions in Europe and elsewhere in the world could affect the economic situation in the EU and elsewhere, and could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Because of the Group's growing presence in the United Kingdom, the Group faces the risk of political and economic uncertainty derived from the United Kingdom's decision to leave the EU, moreover in the event of a withdrawal from the European Union with few or no agreements in place regarding the prospective relationship between the United Kingdom and the EU (economic, trading, legal or otherwise) after withdrawal of the first from the latter (popularly known as a "hard Brexit" or a "no-deal Brexit").

The timing of, and process for, the negotiations and the resulting terms of the United Kingdom's future economic, trading and legal relationships continue to be uncertain. The withdrawal of the United Kingdom from the EU with no agreements in place to regulate the relationship between them, may have an adverse effect in the United Kingdom's financial services industry, which in turn can materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows. As the Notes are governed by English law, there is also a risk that following Brexit (should a suitable treaty in respect of the matter not be concluded between Spain and the United Kingdom) the enforcement of an English court's judgment by a Spanish court could require compliance with additional procedural requirements.

Changes in the international financial markets' conditions pose a challenge to the Group's ability to adapt to them as they may have an impact on its business. Growing public debt, reduced growth rates and any measures of monetary policy that may be implemented in the future in the credit markets all could affect the Group's business. A change in any of these factors could affect the access of the Group to the capital markets and the terms and conditions under which it can access such capital, which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

In addition to the abovementioned risks related to carrying out its activities globally, the Group may also be exposed to the following risks in the different countries where it operates:

- changes to existing or new tax laws or international tax treaties, methodologies impacting the Group's international operations, or fees directed specifically at the ownership and operation of communications infrastructures or the Group's international acquisitions, which may be applied or enforced retroactively;
- laws or regulations that tax or otherwise restrict repatriation of earnings or other funds or otherwise limit distributions of capital;
- changes in a specific country's or region's political or economic conditions, including changes in the government in place, political goals, inflation, deflation or currency devaluation;

- changes in governmental priorities, including subsidies offered by one or more jurisdictions; expropriation or governmental regulation restricting foreign ownership or requiring reversion or divestiture;
- material infrastructure security issues;
- increases in the cost of labour (as a result of unionisation or otherwise), power and other goods and services required for its operations;
- price setting or other similar laws for the sharing of active and passive infrastructure;
- uncertain rulings or results from legal or judicial systems, including inconsistencies among and within laws, regulations and decrees, and judicial application thereof, which may occasionally be enforced retroactively, and delays in the judicial process;
- changes in consumer price indexes in foreign countries; and
- force majeure events affecting any or several countries in which it carries out activities.

The Group's status as a "significant market power" ("SMP") operator in the DTT market in Spain imposes certain detrimental obligations on it compared to its competitors

In 2006, when the Spanish terrestrial TV broadcast market was articulated, the Group was classified as a SMP operator by the competition authorities. Given its dominant market position, the National Commission of Markets and Competition (*Comisión Nacional de los Mercados y de la Competencia*, or "CNMC", the former *Comisión del Mercado de las Telecomunicaciones*, or "CMT") imposed certain conditions (regulatory remedies) on it to allow it to operate in the broadcasting market, which are summarised as follows:

- access obligation to third parties to its infrastructures, which in turn requires the Group to grant access at regulated prices based on its costs of production, keep separate accounting of costs and revenue for individual services, and notify the agreements reached with national TV broadcasters to the CNMC;
- non-discrimination obligation on access conditions, which requires the Group to provide resources to third-party operators equivalent to those provided to itself; and
- transparency obligation in the access conditions whereby the Issuer must publish access reference orders.

Additionally, if the Group is not able to reach a voluntary commercial agreement with an operator, the CNMC will dictate the commercial conditions of the agreements. See "*Description of the Issuer—Regulation*" for more details.

The competitors of the Group in the market who are not considered to be a SMP operator because of their low market share and limited coverage capacity are not subject to these obligations. These obligations and potential additional obligations imposed on the Group by the competition authorities vis-à-vis its competitors could materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

Perceived health risks from radio emissions and electromagnetic radiation may affect the Group's results of operations, especially if these perceived risks are substantiated

Public perception of possible health risks associated with cellular and other wireless communications technologies could affect the growth of wireless companies, which could in turn slow down the growth of the Group. In particular, negative public perception of these health risks could undermine the market acceptance of wireless communications services, increase opposition to the development and expansion of telecom infrastructures and lead to price increases of the infrastructure services where the infrastructures are located. The potential connection between radio frequency emissions and certain negative health or environmental effects has been the subject of substantial study by the scientific community in recent years and numerous health-related lawsuits have been filed against wireless carriers and wireless device manufacturers. If a scientific study or court decision in the jurisdictions in which the Group operates or

elsewhere resulted in a finding that radio frequency emissions pose health risks to consumers, it could negatively impact its customers and the market for wireless services, which could materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows. The Group's insurance coverage may not be sufficient to cover all or a substantial portion of any liability the Group may have.

Environmental and health regulations impose additional costs and may affect the Group's results of operations

In the countries in which the Group operates, it is subject to environmental laws and regulations, as well as to the EU laws and regulations, concerning issues such as damage caused by air emissions, noise emissions and electro-magnetic radiation. These laws which can impose liability for non-compliance, are increasingly stringent and may in the future create substantial environmental compliance liabilities and costs.

The Group's services are affected by the current electromagnetic emission rules applicable in terms of limiting the emissions coming from equipment of the Group's customers hosted by the Group. Despite the fact that the radio emitting equipment is hosted by the Group in its infrastructures, the Group's customers are liable for the emissions of their own equipment. In the event such rules were amended against the Group's interest, they could limit its growth capacity and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

While the Group intends to comply with applicable environmental legislation and regulatory requirements, such compliance may have an adverse effect on the Group's business or prove to be costly. In addition to potential clean-up liability, the Group may become subject to monetary fines and penalties for any violations of applicable environmental laws, regulations or administrative orders. This may also result in the closure or temporary suspension or the placement of adverse restrictions on the Group's operations. The Group may also, in the future, become involved in proceedings with various environmental authorities that may require it to pay fines, comply with more rigorous standards or other requirements or incur capital and operating expenses for environmental compliance. In addition, third parties may sue the Group for damages and costs resulting from environmental contamination emanating from its properties, or for damages arising on its properties.

The Group believes that it materially complies with applicable environmental and health requirements. Nevertheless, in many jurisdictions these laws are complex, subject to frequent change and are increasingly becoming more stringent. Further, there can be no assurance that new environmental taxes are passed affecting its assets. Any breach of any relevant environmental law or regulation could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Although the Group is currently not subject, and has not within the three-year period ended 31 December 2018, been subject, to any material litigation in respect of health, environmental or safety matters, there can be no assurance that breaches of these laws have not occurred or will not occur or be identified or that these laws will not change in the future in a manner that could have a material adverse effect on the business, prospects, results of operations, financial condition and cash flows of the Group. Environmental laws and regulations may also impose obligations to investigate and remediate or pay for the investigation and remediation of environmental contamination, and compensate public and private parties for related damages.

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

The Group and its customers are highly dependent on the availability of sufficient spectrum for the provision of certain services. The amount of spectrum available is limited and the process for obtaining it is highly complex and costly.

In the Broadcasting Infrastructure segment, the Group owns the infrastructures and equipment that TV and radio broadcasters use to compress and distribute their signals in Spain. In particular, the Group distributes and transmits signals for DTT, the leading TV platform in Spain. The evolution of technology standards, formats and coding technologies is likely to influence the future spectrum demand for broadcasting services. Even if the Group currently uses "multiplexing", a method by which multiple analogue signals or digital data streams are combined into one signal over a shared medium, with the aim of maximising the

limited capacity of the spectrum, the Group cannot guarantee that it, its customers or DTT broadcasters will have sufficient access to spectrum in the long-term to maintain and develop its services.

The Spanish government is responsible for the allocation of spectrum in Spain. On 24 September 2014 Royal Decree 805/2014, of 19 September, was published in the Official Gazette approving the National Technical Plan for DTT (the "**National Technical Plan for DTT**"). Under the so-called "Digital Dividend" in line with all EU countries, the Spanish government released the 800 megahertz ("**MHz**") band of frequencies previously used by DTT, to the benefit of the deployment of fourth generation mobile telecommunications technology ("**LTE**" (long-term evolution), a communication standard for high-speed data mobile devices) used by MNOs. The release of the 800 MHz band as a result of the reallocation of spectrum to MNOs represented a loss of 72 MHz of spectrum originally allocated to broadcasting. The digital migration was completed on 31 March 2015. The National Technical Plan for DTT reduced the number of private multiplex, a system of transmitting several messages or signals simultaneously on the same circuit or channel ("**MUX**") from eight to seven at a national level, and on a general basis, from two to one at the regional level. A second "Digital Dividend" is envisaged to occur in 2020, under the EU Decision 2017/899, which will constrain the amount of spectrum available for DTT broadcasting while increasing the spectrum for mobile broadband services (see "*Description of the Issuer— Regulation— Broadcasting Infrastructure—Digital Dividend and UHF band*"). There can be no assurance that the Spanish government will not re-allocate the spectrum in the future and further reduce the number of MUXs.

Since the allocation of spectrum is decided by the Spanish government, the Group is highly dependent on political decisions for the future of its DTT broadcasting business, which decisions are outside of its control. In the event that the number of MUXs available for DTT is further reduced, the Group's customers could lose some of its current DTT multiplex spectrum currently licensed. See "*Description of the Issuer – Regulation— Broadcasting Infrastructure*" for more details.

The Group depends upon spectrum allocation for many other wireless services that it provides, either in the Broadcast Infrastructure segment, Telecom Infrastructure Services or Other Network Services segment, such as Frequency Modulation ("**FM**"), Digital Audio Broadcasting ("**DAB/DAB+**"), TETRA, IoT and radio links. The Group cannot guarantee that the spectrum needed to appropriately render its services or the spectrum needed by its customers will be available in the future, and any change in spectrum allocation could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

The licences and assigned frequency usage rights that the Group uses for services such as connectivity have a finite maturity. The Group could be unable to renew or obtain its licences and frequency usage rights necessary for its business upon expiration of their terms or it may have to make significant investments to maintain its licences, either of which could have a material adverse effect on its business, prospects, results of operations, financial condition and cash flows.

Coverage obligations imposed on the Group's broadcasting clients may affect its business

Under the terms of the Spanish Audiovisual Communication Act, Law 7/2010 of 31 March (the "**LGCA**"), audiovisual licences granted to national DTT broadcasters in Spain require nearly complete coverage on a population basis as it imposes a 96% population coverage requirement for commercial operators and a 98% population coverage requirement for public operators. See "*Description of the Issuer — Regulation— Broadcasting Infrastructure—Spanish Audiovisual Communication Act*". Although these coverage obligations are imposed on the Group's customers (the TV and radio broadcasters) and not on the Group, the Group's failure to provide its customers with the required coverage levels could result in the loss of such customers, which in turn could materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

The current coverage obligation imposed by the LGCA may change in the future. If the coverage obligations of the audiovisual licences were reduced, the Group's revenues would be negatively affected, which in turn could materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

The Group is subject to risks inherent to the distribution of content broadcast by its customers over the Group's network

As an operator of audiovisual content, the Group's contracts with its customers typically provide that customers are fully responsible for the content of their programming, for ensuring that the content conforms to all applicable governmental regulations and for obtaining any local regulatory approvals relating to their broadcasting segment. While the Group does not believe that it is subject to any liability derived from governmental or third-party proceedings resulting from such content, and the Group attempts to reduce any possible liability through contractual indemnification from its customers and disclaimers, there is no guarantee that the Group would be successful in protecting itself against liability for such content arising from obscenity, defamation, negligence, copyright infringement, trademark infringement or otherwise. The Group may also be forced to implement measures, with or without additional investment requirements, to alter the way its services are provided to avoid any further liability, which in turn could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Failure to attract and retain high quality personnel could negatively affect the Group's ability to operate its business

The Group's ability to operate its business, grow and implement its strategies depends, in part, on the continued contributions of its senior executive officers and other key employees. The loss of any of its key senior executives, especially if lost to a competitor, could have an adverse effect on its business unless and until a replacement is found. The Group may not be able to locate or employ qualified executives on acceptable economic terms. Moreover, if the relationship with one or more of the Group's key employees ends for any reason, there is no assurance that the Group will be able to replace them in the short term with people of comparable experience and qualifications. Any material delay in replacing such individuals may have an adverse effect on the public perception of the strength of the Group's business, prospects, results of operations, financial condition and cash flows. In addition, the Group believes that its future success, including the ability to internationally expand the Group's business, will depend on its continued ability to attract and retain highly skilled personnel with experience in its key business areas. Demand for these persons is intense and the Group may not be able to successfully recruit, train or retain qualified managerial personnel, especially in new markets where the Group may operate.

Any failure by the Group to attract and retain skilled and experienced employees or the loss of any of its key employees, could harm its business and growth prospects and have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

The Group may be subject to litigation or other legal proceedings

The Group is subject to the risk of legal claims and proceedings and regulatory enforcement actions in the ordinary course of its business and otherwise. The results of legal and regulatory proceedings cannot be predicted with certainty. The Group cannot guarantee that the results of current or future legal or regulatory proceedings or actions will not materially harm the Group's business, prospects, results of operations, financial condition and cash flows, nor can it guarantee that it will not incur losses in connection with current or future legal or regulatory proceedings or actions that exceed any provisions that it may have set aside in respect of such proceedings or actions or that exceed any available insurance coverage, which may have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. As of 31 December 2018 the Group's provisions for labour-related lawsuits and civil proceedings did not change significantly with regards to the previous year 2017 (€1,908 thousand, and €1,526 thousand as of 31 December 2017 and 2016, respectively).

The Group is exposed to certain unforeseeable events, potentially entailing third party liability arising out of its activities. Unanticipated claims may also be brought against the Group based on the interference on someone else's rights. When a third-party claim is initiated against the Group, it may opt to settle the conflict out of court, or to litigate. See "*Description of the Issuer — Business — Legal proceedings*".

The Group may not be able to protect its intellectual property effectively from copying and use by others, including potential competitors, and may infringe intellectual property rights of others

The Group protects its logo, brand name, websites' domain names and content and proprietary technology by relying on domain names, trademarks, trade secret laws and confidentiality agreements.

However, not all of its industrial or intellectual property can be protected by registration, like the Master Service Agreement contract that the Group offers to its Telecom Infrastructure Services' customers. If someone else were to copy or otherwise obtain and use the Group's proprietary knowledge, technology or content without its authorisation or to develop similar knowledge or technology independently, the Group's competitive advantage based on its knowledge or technology could be reduced or even be eliminated. In addition, effective trademark and trade secret protection may not be available in every jurisdiction, and policing unauthorised use of the Group's proprietary information is difficult and expensive.

In addition, the Group may face claims for the infringement of patents, copyrights, trademarks or other intellectual property rights of others. Moreover, to the extent that its employees, contractors or other third parties with whom the Group does business use intellectual property owned by others in their work for the Group, disputes may arise as to the rights in related know-how and inventions. The Group endeavours to defend its intellectual property rights diligently, but intellectual property litigation is expensive and time-consuming and may divert managerial attention and resources from the Group's business objectives. Successful infringement claims against the Group could result in significant monetary liability. The Group could be required to obtain licences to use the intellectual property that is the subject of such infringement claims, which may be expensive to obtain, and resolution of these matters may not be available on acceptable terms within a reasonable time frame or at all. Intellectual property claims against the Group could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows, and such claims may result in a loss of intellectual property protections that relate to certain parts of its business.

The Issuer does not control certain of its subsidiaries

Although the Issuer has full control and a 100% stake in the vast majority of its subsidiaries, it has made and may continue to make equity investments, which may include minority investments, in certain strategic assets managed by or together with third parties, including public and private entities.

Investments in assets over which the Issuer has partial, joint or no control are subject to the risk that the other holders of interest in the assets, who may have different business or investment strategies than the Group or with whom the Group may have a disagreement or dispute, may have the ability to independently make or block business, financial or management decisions. Subject to the minority shareholders' rights granted by applicable laws and regulation, such holders of interest may be able to make or block decisions, among others, concerning the distribution of dividends or the appointment of members of management, which may be crucial to the success of the project or the Group's investment in the project, or they may otherwise implement initiatives which may be contrary to the Group's interests, creating impasses on decisions and affecting the Group's ability to implement its strategy. Additionally, the approval of other shareholders or partners may be required to sell, pledge, transfer, assign or otherwise convey the Group's interest in such assets. Alternatively, other shareholders may have rights of first refusal or rights of first offer in the event of a proposed sale or transfer of the Group's interests in such assets. These restrictions may limit the price or interest level for its interests in such assets, in the event the Group wants to sell such interests.

Other holders of interest in the Group's assets may become insolvent or file for bankruptcy at any time, or fail to fund their share of any capital contribution that might be required. Finally, they may be unable, or unwilling, to fulfil their obligations under the relevant shareholder or joint investment agreements or may experience financial or other difficulties that may adversely affect the Group's investment in a particular joint venture. This may result in litigation or arbitration procedures generating costs and diverting the Group's management team from their other managerial tasks. In certain of its joint ventures, the Group may also be reliant on the particular expertise of other holders of interest and, as a result, any failure by such holders to perform their obligations in a diligent manner could also adversely affect the relevant joint venture. If any of the foregoing were to occur, the Group's business, prospects, results of operations, financial condition and cash flows could be materially and adversely affected.

The Group depends on effective information systems and programs and uniform standards, controls and policies

The Group depends on its ability to effectively manage information systems and programs, which may be sub-contracted to third parties. This requires significant resources and expertise, along with the development of uniform standards, controls, procedures and policies. Likewise, managing information

systems and programmes requires a periodic review of such systems and programmes and the elimination of those not useful for the Group's business.

Effective information systems and programmes are necessary, among others, for:

- managing the collection of payments from the Group's service agreements;
- managing and allocating costs between the Group's customers or providers and the Group;
- quoting, accepting and inputting customer orders for services;
- provisioning, installing and delivering services;
- billing for services; and
- establishing an organised and updated inventory of the Group's infrastructures, the conditions of the Group's agreements with its customers and the conditions of the contracts for the land/rooftop which are particularly important under IFRS16 accounting standards.

Any failure to keep effective unified information systems and programmes could materially and adversely affect the Group's ability to implement its business plan, leading to a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Risks related to the Group's assets

The Group is exposed to risks derived from the development, expansion and maintenance of its infrastructure, including the need for ongoing capital expenditure

The Group's ability to maintain a high level of service depends on its ability to develop, expand and maintain its infrastructure, which requires substantial amounts of capital and other long-term expenditures, including those relating to the renewal, optimisation or improvement of existing networks, as well as regarding its ability to obtain sufficient financing to finance these projects and the performance of third-party technical supplies for the implementation of its expansion projects.

Capital expenditure amounts vary significantly from year to year as expenditures for renewals, new projects and planned expansion expenditures, as well as maintenance expenditures subject to cost increases, represent a significant portion of capital expenditures.

The Group has financed these expenditures in the past through a variety of means, including internally generated cash flows and external borrowings. In the future, it expects to make use of a combination of some of these sources, including bank and capital markets debt and equity market transactions, to manage its balance sheet and meet its financing requirements, although obtaining additional financing may be more costly or otherwise more difficult in the future as a result of the Group's leverage. See "*Risks related to the financial information incorporated by reference in this Information Memorandum and other financial risks—The Group is subject to risks related to its indebtedness*".. The actual amount and timing of the Group's future capital requirements may also differ from its estimates as a result of, among other things, unforeseen delays or cost overruns in implementing, regulatory reforms, unanticipated expenses, engineering and design changes and technological changes, such as unexpected phase-out of technologies. There can be no assurance that financing from external sources will be available at the time or in the amounts necessary or at competitive rates to meet the Group's requirements. If the Group was unable to obtain financing for capital expenditures, this could limit its ability to maintain its current operations or expand in the future, which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

The Group is subject to a number of construction, service provision, financing, operating, regulatory and other risks, some of which are beyond its control, including, but not limited to:

- shortage of materials, equipment and specialist labour required to maintain and develop its infrastructure;
- failure by sub-contractors to complete projects on time, on budget, or meet appropriate quality standards due to various factors, including any of the conditions described herein;

- labour disputes and disputes with sub-contractors, or litigation by subcontractors resulting from any of the risks described herein;
- inadequate infrastructure, including as a result of failure by third parties to fulfil their obligations relating to the provision of utilities and transportation links that are necessary or desirable for the successful operation of a project;
- failure to complete projects according to specifications;
- adverse weather conditions and natural disasters;
- accidents;
- unauthorised, rogue, or other illicit use of spectrum or telecom capacity;
- failure to attract customers to products to which capital expenditures must be committed prior to client contracting;
- changes in governmental priorities, spending programs or procurement processes; and
- an inability to obtain and maintain project development permission or requisite regulatory licences, permits or approvals.

The operation, administration, maintenance and repair of some of the Group's infrastructures requires coordination and integration of highly sophisticated and specialised hardware and software technologies and equipment, which, consequently, require significant operating expenses and capital expenditures, as well as highly-qualified personnel with the relevant technical know-how. Any failure in the functioning of any of such technologies or equipment may expose the Group to reputational risks, as well as the risk of losing clients, amongst other.

The occurrence of one or more of these events may have a material adverse effect on the Group's ability to complete its current or future infrastructure or growth projects as expected on schedule or within budget, if at all and which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

If the Group fails to retain rights to its infrastructure, its business may be adversely affected

The real property interests of the Group relating to its infrastructures consist primarily of ownership interests, fee interests, easements, licences and rights-of-way. A loss of these interests at a particular infrastructure may interfere with the Group's ability to operate infrastructures and generate revenues. In the context of acquisitions, it may not always have the ability to access, analyse and verify all information regarding titles and other issues prior to completing an acquisition of infrastructures and the absence of title or other issues can affect its rights to access and operate an infrastructure.

The Group owns the majority of its telecommunications infrastructures. Nevertheless, the vast majority of the land and rooftops where these infrastructures are located is operated and managed via lease contracts, sub-lease contracts or other types of contracts with third parties (with the exception of the United Kingdom, where the Group owns a large amount of the land where its sites are located). Thus, for various reasons, land owners could decide not to renew, or to adversely amend the terms of, the land lease contracts with the relevant Group company. In particular, the increasing presence of land lease aggregators (for instance, in Switzerland) may negatively affect the Group's ability to renew those contracts under commercially acceptable terms. For instance, the Group could lose its rights over the land, the land could be transferred to third parties or reversion of assets may be mandatory at the end of the relevant concession period. The Group also has long-term rights to use third party infrastructures and the non-compliance with its obligations would lead to the loss of the right to use these infrastructures. Lastly, expiration of certain concession agreements, the Group must revert back certain assets to the corresponding governmental authorities under the terms of such concession agreements (for instance, TowerCo underlying assets must be reverted back to the corresponding government authority in 2038).

The Group's inability to protect its rights to use the land where its infrastructures are located may have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Likewise, and in line with industry peers that operate telecom or broadcasting infrastructure, the Group may not always have all the necessary licences and permits of its infrastructure assets. The lack of necessary licences, property titles and permits could give rise to monetary fines and, as an interim measure, the authorities could order that the affected equipment or infrastructures be sealed-off or even decommissioned until the required authorisation or licence is obtained. Criminal liability could even arise in certain circumstances.

The occurrence of one or more of these events may have a material adverse effect on the Group's ability to complete its current or future infrastructure or growth projects as expected on schedule or within budget, if at all.

The Group's ability to use the infrastructures may be affected by administrative constraints

The use of the infrastructures in the jurisdictions where the Group operates is subject to zoning regulations or construction laws. Administrative laws may result in the obligation to acquire and/or modify infrastructures, thus increasing the investments and expenses required to operate them. The Group may be subject to additional costs, expenses and investments as to ensure compliance with the administrative requirements or regulations, which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

In addition, zoning authorities and community organisations may oppose to the construction of telecom infrastructure in their communities, which can delay, prevent or increase the cost of new infrastructure construction or modifications of infrastructures, additions of new antennas to an infrastructure or infrastructure upgrades, thereby limiting the ability of the Group to respond to customer demands and requirements.

Moreover, in the United Kingdom, agreements for equipment between site providers and operators of electronic communications networks are regulated by the Electronic Communications Code 2017 (the "**EC Code**"), which came into force on 28 December 2017 with the aim of supporting connectivity. One of the key changes, among others, introduced by the EC Code refers to the sums payable by operators to the occupiers of the land (as defined in the EC Code). The EC Code establishes, in general terms, that if an EC Code agreement is imposed by a court, the sums payable to the occupier must be calculated by reference to market value less any additional value deriving from electronic communications use. This results in a lower figure than that achieved by the former applicable regulation and may imply a decrease in the rents MNOs pay to the Group where it manages the land.

Any additional administrative constraints could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

The Group's infrastructure assets may be affected by natural disasters and other unforeseen events for which its insurance may not provide adequate coverage

The Group's infrastructures and equipment are subject to risks associated with natural disasters and other catastrophic events, such as ice and windstorms, geomagnetic storms, tornadoes, floods, hurricanes and earthquakes, arson, terrorist attacks as well as other unforeseen events. Any damage or destruction to the Group's infrastructure due to unforeseen events, may impact its ability to conduct its business. The Group may not have adequate insurance to cover the associated costs of repair or reconstruction for natural disasters and other catastrophic future events.

Additionally, if the loss of service is not deemed due to an unforeseeable force majeure event, the Group could be held responsible for failing to satisfy its obligations under its transmission contracts, which could result in service credit penalties or suspension of normal fees and annual charges. If the Group is unable to provide services to its customers, it could lead to a loss of customers, resulting in a corresponding material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Security breaches or other critical disruptions in the Group's technical or information infrastructure could result in material harm to its performance or its reputation

The Group works with sophisticated technical and advanced information technology infrastructure such as firewalls and reverse proxies to operate its business and deliver its services to its customers. These systems and services are vulnerable to interruptions or other failures resulting from, among other things, software, equipment or telecommunications failures, processing errors, computer viruses and malware, hackers or other security issues or supplier defaults. The Group's security measures may also be breached due to human error, malfeasance or otherwise. Such security measures may also be violated as a result of a third-party fraudulent attempt to access the Group's sensitive information, by means of inducing an employee to breach the system or directly violating its security measures. A breach of security measures implemented to its systems could impair the Group's ability to adequately carry out its operations. Likewise, a security breach or intrusion upon its information technology infrastructure could compromise the security of information stored in or transmitted through its systems, or even compromise the integrity of its technical systems more broadly.

The Group seeks to protect its computer systems and network infrastructure from physical intrusion as well as security breaches and other disruptions that could affect its telecom and information infrastructure. Security, backup and disaster recovery measures, however, may not be adequate or implemented properly to avoid errors, processing inefficiencies, security breaches, inability to use the systems or process transactions, loss of customers or other business disruptions. The Group's technical or information infrastructure could be attacked or compromised by means of the broadly accessible networks. Although it takes measures to maintain the security of these externally-facing networks, it is not possible to completely eliminate the risk created by the need for such accessible information infrastructure. There can be no assurance that its security measures will be adequate or successful at all times, and the costs of maintaining adequate security measures may increase substantially. Any such breach, or actions taken to repair or prevent a breach, could result in significant costs to the Group or harm its ability to successfully compete in one or more of its businesses, including reputational damage which could in turn, have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

Risks Related to the information incorporated by reference in this Information Memorandum and other financial risks

The consolidated statement of financial position of the Issuer includes very significant amounts of goodwill and other intangible assets.

The goodwill and other intangible assets (such as intangible assets for infrastructure services resulting from business combinations) recognised on the statement of financial position of the Issuer (which were €1,904,332 thousand and €1,920,516 thousand and €1,415,383 thousand, respectively, as of 31 December 2018, 2017, restated and 2016) represented 42.5%, 48.6% and 55.6% of the Group's total non-current assets as of 31 December 2018, 2017, restated and 2016, respectively. Any further acquisitions may result in the recognition by the Issuer of additional goodwill or other intangible assets.

Under International Financial Reporting Standards as adopted by the EU ("**IFRS-EU**"), the Issuer is required to amortise certain intangibles over the useful life of the asset and subject its goodwill and certain of its intangible assets to impairment testing rather than amortisation. Accordingly, on at least an annual basis, the Issuer assesses whether there have been impairments in the carrying value of the Issuer's goodwill and certain of the Issuer's intangible assets. If the carrying value of the asset is higher than its fair value, then it is written down to fair value by the recognition of an impairment loss in the income statement. An impairment of a significant portion of goodwill or other intangible assets could have a material adverse effect on the Issuer's reported results of operations and the equity reflected on the Issuer's statement of financial position, which in turn could have a material adverse effect on the Group's business, prospects, results of operations and financial condition. As of 31 December 2018 and 2017, the Issuer concluded that there was no need to make any provision for impairment of goodwill and intangible infrastructure for MNOs.

The historical consolidated financial information of the Issuer is not fully representative of its current financial condition and results of operations due to recent transactions that the Issuer has entered into which may affect the comparability of historical and future financial performance

During the years ended 31 December 2018, 2017 and 2016, the Issuer has entered into various transactions under which it completed, among others, the acquisition of a relevant number of infrastructures. See below a description of the most significant changes in the scope of consolidation and in the companies included in it during each financial period as reported in Note 2 to each of the respective Audited Consolidated Financial Statements.

- in the second half of 2018, Cellnex reached an agreement for the acquisition of 100% of the share capital of Xarxa Oberta de Comunicació i Tecnologia de Catalunya, S.A. ("**XOC**") from Imagina, S.A., a subsidiary of the Mediapro Group for a total of approximately €33 million. XOC is a concessionary company dedicated to the management, maintenance and construction of the fibre optic network of the Generalitat de Catalunya, and the expiration date of the concession is 2031. Additionally, through this agreement, Cellnex acquired a set of assets for an amount of €3 million, which were owned by companies of the Mediapro Group. As a result, the total acquisition price of the transaction amounted to €36 million. The actual cash outflow in relation to this transaction (Enterprise Value) has been €34 million following the incorporation of €2 million of cash balances on the balance sheet of the acquired company.
- During the first half of 2018, Tradia Telecom, S.A.U. ("**Tradia**") acquired, from Palol Inversiones, S.L.U., 100% of Zenon Digital Radio, S.L. ("**Zenon**") for a total of €2 million. The main corporate purpose of the acquired company, located in Barcelona, includes the commercialisation, development, installation and maintenance of TETRA systems.
- in the fourth quarter of 2017, the second extension of the Bouygues II Acquisition (as defined below) for the construction of up to 1,000 additional sites in France, as a result of which the agreement with Bouygues Telecom consists of the acquisition and construction of up to a maximum of 4,600 sites in France;
- in the third quarter of 2017, (i) the first extension of the Bouygues II Acquisition (as defined below) for the construction of up to 600 additional sites in France, which are to be gradually transferred to Cellnex France no later than 2020, (ii) the acquisition by Cellnex Italia of the remaining 10% of the share capital of Galata, S.p.A. ("**Galata**") owned by Wind, (iii) the acquisition of the 100% of Infracapital Alticom B.V. ("**Alticom**") (the "**Alticom Acquisition**"); and (iv) the acquisition of 100% of the share capital of Swiss Towers AG, wholly owned by Sunrise Communications International S.A. ("**Sunrise**"), by a consortium, 54% of which is owned by the Group and the remaining stakes by Swiss Life (the asset management arm of life insurance and pensions company) and Deutsche Telekom Capital Partners (the "**Swiss Towers Acquisition**");
- in the second quarter of 2017, Cellnex reached an agreement with K2W for the acquisition of up to 32 sites in the Netherlands for a total amount of €12.6 million;
- in the first quarter of 2017, the agreements with Bouygues Telecom for (a) the acquisition of up to 1,800 telecom infrastructures over a period of two years, and (b) to the construction of up to 1,200 telecom infrastructures over a period of five years (the "**Bouygues II Acquisition**");
- in the second half of 2016, (i) the acquisition of 100% of the share capital of Protelindo Netherlands, B.V. (which, in turn, owns all the shares of Protelindo Towers, B.V.), including 261 infrastructures, from Protelindo Luxemburg S.à r.l. and Management Tower Europe S.à r.l. (the "**Protelindo Acquisition**"), and (ii) the acquisition of 100% of the share capital of Shere Group Limited ("**Shere**" or the "**Shere Group**") and its underlying assets and liabilities, including 1,004 telecom infrastructures (the "**Shere Acquisition**"); (iii) the acquisition of 500 telecom infrastructures from Bouygues Telecom (the "**Bouygues Acquisition**"); and (iv) and agreement with Linkem to provide access to its portfolio of approximately 8,000 telecom infrastructures for the roll-out of Linkem's LTE network; and
- in the first half of 2016, the acquisition of 100% of the shares of the Italian company CommsCon Italia s.r.l. ("**CommsCon**"), which manages 949 nodes (DAS and small cells) (the "**CommsCon Acquisition**").

These acquisitions were accounted for as of their respective closing dates and, as a result, their total annual impact is not reflected during the full period covered by the historical consolidated financial information included elsewhere in this Information Memorandum. Some of the Group's acquisitions, such as the acquisitions of infrastructures from Bouygues Telecom and other acquisitions, have been structured as asset acquisitions, as opposed to share purchases, and therefore no historical financial statements (audited or unaudited) exist for the acquired assets and consequently no pro forma profit and loss account can be produced showing the full year impact of such acquisitions. Consequently, the historical financial information included in this Information Memorandum may not be fully comparable with the Group's current and future financial statements and may not be indicative of the Group's current and future financial condition or operating performance. As a result, it may be difficult to evaluate its business and prospects given the substantial modification of its infrastructure network.

The Group has early adopted IFRS 16 which has implied significant changes to the presentation of financial information

IFRS 16, which is mandatory for annual periods beginning on or after 1 January 2019, has been early adopted by the Group and, consequently, was applied in the condensed consolidated interim financial statements as of and for the six-month period ended 30 June 2018 (the "**Interim Consolidated Financial Statements**") and in the annual consolidated financial statements for the year ended 31 December 2018 (the "**2018 Audited Consolidated Financial Statements**"). IFRS 16 introduces significant changes in the accounting of leases, including "operating" leases, and thus affects the accounting treatment of the numerous lease agreements (more than 20,000 as of the date hereof) entered into by the Group in connection with the land and buildings owned by third parties where the Group locates its infrastructures.

While the adoption of IFRS 16 has no impact on the cash flow generating capacity of the Group, it has a significant effect on the Group's consolidated financial statements and, as a result, on commonly used financial ratios and performance metrics such as leverage ratios and EBITDA. Moreover, the implementation of IFRS 16 has required the Group to dedicate significant resources to extract, validate and analyse, through information systems and programs, certain information on the use of its infrastructures in order to correctly adopt IFRS 16.

The application of IFRS 16 in the 2018 Audited Consolidated Financial Statements, and its retroactive effect to and from 1 January 2017, resulted in the restatement of certain financial information, including, (i) the consolidated balance sheet as of 31 December 2017, (ii) the consolidated balance sheet as of 1 January 2017, and (iii) each of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2017, all of which are included in the 2018 Audited Consolidated Financial Statements as comparative unaudited financial information to the financial information as of and for the year ended 31 December 2018. The Group believes that the financial information presented therein as of dates prior to 31 December 2018 and for periods prior to the year ended 31 December 2018, is comparable with the financial information presented in the 2018 Audited Consolidated Financial Statements as of and for the year ended 31 December 2018. See "*Presentation of Financial and Other Information*".

However, as a result of the restatements and changes in the accounting policies, the 2018 Audited Consolidated Financial Statements may not be directly comparable with the 2017 Audited Consolidated Financial Statements and the 2016 Audited Consolidated Financial Statements, and investors should carefully consider the limitations of the presentation of the financial information in this Information Memorandum. See Notes 2.b. and 4 of the 2018 Audited Consolidated Financial Statements for more information.

The Group's results of operations may be negatively affected by changes to accounting standards. The Group reports its results and financial position in accordance with IFRS. Changes to IFRS or interpretations thereof may cause the Group's future reported results of operations and financial position to differ significantly from its historical results or from current expectations regarding its future results. Further, changes to IFRS or interpretations thereof may cause its historical results to differ from those previously reported due to the adoption of accounting standards on a retrospective basis. The Issuer monitors potential accounting changes and determines the potential impact and disclose significant future changes in its financial statements. Currently, there are a number of issued but not yet effective IFRS changes, as well as potential IFRS changes, which are expected to significantly impact the Group's results of operations and financial position in the future.

In addition, where the application of IFRS requires a large element of judgement, the risk of incorrect judgements being made may be heightened where the relevant IFRS standard has been recently introduced as there would be an absence of a developed practice in its application. Changes to IFRS or interpretations thereof could impact the Group's reported results of operations, financial condition and cash flows in the future and could also cause a potential downgrade from a rating agency.

The Group is subject to foreign currency risks

As the Group's reporting currency is the euro, fluctuations in the value of other currencies in which borrowings are instrumented and transactions are carried out with respect to the euro may have an effect on future commercial transactions, recognised assets and liabilities, and net investments in foreign operations.

Furthermore, the Group operates and holds assets in the United Kingdom and in Switzerland, both of which are outside the Eurozone. It is therefore exposed to foreign currency risks and in particular to the risk of currency fluctuation in connection with exchange rate between the euro, on the one hand, and the pound sterling and the Swiss franc, on the other. The Group's strategy for hedging foreign currency risk in investments in non-euro currencies must tend towards a full hedge of this risk, and must be implemented over a reasonable period depending on the market and the prior assessment of the effect of the hedge. Hedging arrangements can be instrumented via derivatives or borrowings in local currency, which act as a natural hedge.

The majority of the Group's transactions are denominated in euro. However, as of 31 December 2018 and 31 December 2017, restated, the contributions to the Group's income in a functional currency other than the euro amounted to €65,209 thousand (7.3% of the Group's operating income) and €32,042 thousand (4.1% of the Group's operating income), respectively. As of 31 December 2018 and 31 December 2017, restated, the contributions to the Group's total assets in a functional currency other than the euro amounted to €789,685 thousand (15.4% of the Group's total assets) and €803,790 thousand (18.1% of the Group's total assets), respectively. The volatility in the exchange rate between the euro, and, respectively, the pound sterling and the Swiss franc may have negative consequences on the Group, affecting its overall performance, business, results in operations, financial condition and cash flows.

The estimated sensitivity of the consolidated income statement and of the consolidated equity to a 10% change in the exchange rate of the main currencies in which the Group operates with regard to the rate in effect at yearend is as follows:

Functional currency (10% change)	For the year ended 31 December			
	2018 (audited)		2017 (unaudited) (restated)	
	(in thousands of €)			
	Income	Equity ⁽¹⁾	Income	Equity ⁽¹⁾
GBP.....	947 (5,095)	12,884 (26,624)	963 (2,059)	11,165 (11,962)
CHF.....				

(1) Impact on equity from translation differences arising in the consolidation process.

The Group is subject to interest rate risks

The Group is exposed to interest rate risk through its current and non-current borrowings. Borrowings issued at floating rates expose the Group to cash flow interest rate risk, while fixed-rate borrowings expose the Group to fair value interest rate risk.

As of 31 December 2018 and 31 December 2017, the Group's fixed rate debt amounted to €2,507 million and €1,894 million, respectively, representing 81% and 75%, respectively, of its total debt (€3,096 million and €2,532 million, respectively), whereas the Group's variable rate debt amounted to €89 million and €37 million, respectively, representing 19% and 25%, respectively, of its total debt.

As of 31 December 2018, the Group's weighted average cost of debt (considering both drawn and undrawn borrowings) was 1.9% (2.0% as of 31 December 2017) and the weighted average cost of debt (considering only drawn down borrowings) was 2.2% (2.4% as of 31 December 2017).

Any increase in interest rates would increase the Group's finance costs relating to its variable-rate indebtedness and increase the costs of refinancing its existing indebtedness and issuing new debt, which could adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

The Group is subject to credit risks

A significant portion of the revenues of each of the Group's segments derives from a limited number of customers (see "*Risks related to the industry and businesses in which the Group operates—A substantial portion of the revenue of the Group is derived from a small number of customers*" above), many of which are long-term customers and have high-value contracts with the Group.

The Group is sensitive to changes in the creditworthiness and financial strength of such customers. The Group depends on the continued financial strength of its customers, such as MNOs, media broadcasters and public administrations, which operate with substantial leverage and many of which are not investment grade or do not have a credit rating. Adverse changes in the creditworthiness and financial strength of one of the Group's significant customers may result in decreased demand for the Group's services, if at all, or expose us to the possibility of one or more breaches of their obligations to us, which may in turn materially adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

Credit risk also arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, and other debt, including unsettled receivables and committed transactions.

An increase in the Group's level of exposure to credit risk, or its failure to actively manage it, could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

The Group is subject to liquidity risks

Liquidity risk arises from a mismatch between the Group's cash requirements and the sources thereof. The Group carries out a prudent management of liquidity risk and, given the dynamic nature of its businesses, the policy of the Group is to maintain flexibility in funding sources through the availability of committed credit facilities. Due to this policy, the Group had available liquidity of approximately €1.5 billion, considering cash and available credit lines as of 31 December 2018. However, the Group may not be able to draw down or access liquid funds in a sufficient amount and at a reasonable cost to meet the Group's payment obligations at all times. Failure to maintain adequate liquidity levels may materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows, and, in extreme cases, threaten the Group's future as a going concern and lead to insolvency.

The Group is subject to inflation risks

Despite a long period of historically low inflation, there is no assurance that inflation may not increase as a result of, among others, the monetary policies of the European Central Bank, the Bank of England and the Swiss National Bank. Inflation could result in a significant increase of the Group's operating costs. In addition, most of the Group's infrastructure services contracts with its customers are indexed to inflation, with deflation leading to lower amounts of revenues received from these customers. As a consequence, inflation and/or deflation could adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

The Group is subject to risks related to its indebtedness

The Group's indebtedness may increase, from time to time, in the future for potential new acquisitions, fundamental changes to corporate structure or joint ventures and issuances made in connection with any of the foregoing. The Group's present or future leverage could have significant negative consequences on business, prospects, results of operations, financial condition, corporate rating downgrade and cash flows, including:

- placing the Group at a possible competitive disadvantage to less leveraged competitors and competitors that may have better access to capital resources, including with respect to acquisitions and forcing the Group to forego certain business opportunities;

- requiring the dedication of a substantial portion of cash flow from operations to service Group debt, thereby reducing the amount of cash flow available for other purposes, including, among others, capital expenditures and dividends;
- requiring the Group to issue debt or equity securities or to sell some of its core assets, possibly not on the best terms, to meet payment obligations;
- accepting financial covenants in the Group's financing contracts such as limitations on the incurrence of debt, restrictions in the amount and nature of the Group's investments or the obligation to pledge certain Group's assets;
- a potential downgrade from a rating agency, which can make obtaining new financing more difficult and expensive; and
- requiring the Group to early repay the outstanding debt in the event that the relevant change of control clause is triggered.

The financing contracts of the Group do not have financial covenants or limitations on the distribution and payment of dividends. All the loans and credit facilities entered into by Cellnex and its subsidiaries are unsecured and unsubordinated, have no guarantees or shares pledged, rank pari passu with the rest of the Group's unsecured and unsubordinated borrowings, and do not require Cellnex nor its subsidiaries to comply with any financial ratio. However, most of these contracts are subject to cross default provisions and some require Cellnex to maintain a minimum rating of Ba2 by Moody's Investors Service, Inc., or BB by Fitch Ratings Ltd. or Standard & Poor's Financial Services LLC. As of the date of this Information Memorandum, Cellnex holds a long-term "BBB-" (Investment Grade) with negative outlook, according to the international credit rating agency Fitch Ratings Ltd., and a long-term "BB+" with stable outlook, according to the international credit rating agency Standard & Poor's Financial Services LLC. Cellnex does not hold a credit rating from Moody's Investors Service, Inc. In addition, as of the date of this Information Memorandum, the Group is not in default under any payment obligation, either of principal or interest.

Changes to tax rates or other provisions of the tax law may adversely affect the value of the Group's deferred tax assets and liabilities

The Group has significant deferred tax liabilities (amounting to €333.3 million as of 31 December 2018) and deferred tax assets (amounting to €55.3 million as of 31 December 2018). Changes to tax rates or other provisions of applicable tax laws (for example, the deductibility of items) which may be enacted in the regions where the Group operates, may affect the timing or realisation of future deferred tax liabilities or assets. In particular, an increase in tax rates or the elimination of certain deductions could increase the expected future cost of existing deferred tax liabilities, which could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

The Group is subject to fraud and compliance risks

The operations of the Group are also subject to anti-bribery and anti-corruption laws and regulations that govern and affect where and how its business may be conducted. The Group has established certain systems to monitor compliance with applicable laws and regulations and provides training to its employees to ensure compliance with such laws and regulations. As of the date of this Information Memorandum, the Group has not been the subject of any anti-corruption or anti-bribery sanction.

The Group has a code of conduct (the "**Ethics' Code**") approved by the Issuer's board of directors (the "**Board of Directors**") and communicated to all employees. The Group has created a corporate compliance function to improve compliance with the Group's Ethics' Code, implemented through specific regulations for each country and the establishment of whistle-blowing channels and the supervision of oversight and control measures to prevent criminal acts.

The Group has also established an Internal Control over Financial Reporting System ("**ICFRS**") and it has a corporate risk control unit that is responsible for carrying out tests to verify compliance with the policies, manuals and procedures defined for the ICFRS, and for validating the effectiveness of controls in place to mitigate the risks related to these processes.

However, there can be no assurance that any policies and procedures established by the Group will be followed at all times or effectively detect and prevent all violations of the applicable laws and regulations in every jurisdiction in which one or more of its employees, consultants, agents, commercial partners, contractors, sub-contractors or joint venture partners are located. As a result, the Group could be subject to penalties and reputational damage if its employees, agents, suppliers or business partners take actions in violation of the compliance systems as well as violate any anti-corruption or anti-bribery laws. Violations of such laws may also lead to other consequences such as the early termination of the financing contracts, which together with the above, could materially and adversely affect the business, prospects, results of operations, financial conditions and cash flows of the Group.

Risk related to the Issuer's ownership structure

The Issuer's significant shareholders' interests may differ from those of the Issuer

ConnecT S.p.A. ("**ConnecT**"), which owns 29.9% of Cellnex's share capital, is the current largest shareholder of the Issuer as of the date of this Information Memorandum. As of the date of this Information Memorandum and pursuant to the information available on the CNMV's website, Sintonia S.p.A. ("**Sintonia**") holds approximately 60% of ConnecT's share capital. Sintonia, in turn, is a sub-holding company wholly-owned by Edizione S.R.L. ("**Edizione**"). ConnecT has a significant influence over those matters requiring shareholders' approval, including the appointment and dismissal of the members of the Board of Directors, the payment of dividends, changes in the issued share capital of the Issuer and the adoption of certain amendments to the bylaws. In addition, ConnecT has appointed four out of twelve of Cellnex's Directors, including the non-executive Chairman. There can be no assurance that the current largest significant shareholder, or any other current or future significant shareholder, will act in a manner that is in the best interest of other shareholders of the Issuer, which could, in turn, adversely affect the Group's business, prospects results of operations, financial condition and cash flows.

Risks Relating to the Notes

Risks in relation to Notes held by Spanish corporate entities

Despite the Issuer's opinion that, due to the Notes not being placed in Spain (on the basis that there will be no public offer into Spain, as contemplated in "*Selling Restrictions – The Kingdom of Spain*") there is a possible exemption from withholding tax on payments to Spanish corporate Noteholders, the Spanish tax authorities may determine that the Notes have been placed, totally or partially, in Spain and that such exemption does not apply to any of the Notes. If such determination were made, income derived from the transfer of the Notes by Noteholders could be subject to withholding tax at the applicable rate, as at the date of this Information Memorandum 19%. No additional amounts will be payable by the Issuer in such circumstances.

Risks related to the Spanish Insolvency Act

The Spanish insolvency law (*Ley 22/2003, de 9 de julio, Concursal*) (the "**Spanish Insolvency Law**"), as further amended, regulates court insolvency proceedings, and may lead either to the restructuring of the debts of the Issuer or to the liquidation of its assets, as well as restructuring schemes out of insolvency.

Under the Spanish Insolvency Law, the claims of creditors are classified as credits against the estate (*créditos contra la masa*), general and special privileged credits (*créditos privilegiados generales y especiales*), ordinary credits (*créditos ordinarios*) or subordinated credits (*créditos subordinados*). On insolvency of an entity under the Spanish Insolvency Law, ordinary creditors rank ahead of subordinated creditors but behind privileged creditors and creditors with claims against the estate. It is intended that claims against the Issuer under the Notes respectively will be classified as ordinary credits. However, certain actions or circumstances that are beyond the control of the Issuer may result in these claims being classified as subordinated credits. For example, under Article 92.5 of the Spanish Insolvency Law, the claims of those persons especially related to the Issuer will be classified as subordinated creditors.

The following persons may be considered especially related to the Issuer:

- (a) shareholders holding, directly or indirectly, (i) 5% or more of the Issuer's share capital at the moment in which the credit right arises, if the Issuer is a quoted company; or (ii) 10% or more of the Issuer's capital at the moment in which the credit arises, if the Issuer is not a quoted company.

In the event the shareholder is a natural person, those persons who are specially related to him as provided in the Spanish Insolvency Act are also deemed as persons specially related to the Issuer;

- (b) actual or shadow directors and general attorneys (including those who acted as such in the 2 years leading up to the declaration of insolvency); and
- (c) members of the same group of companies as the Issuer and their common shareholders, if the latter comply with the requirements established in article 93.2.1 of the Spanish Insolvency Law.

Furthermore, any person who acquires credits that were held by one of the above persons is also presumed to be especially related if the acquisition takes place in the 2 years leading up to the declaration of insolvency. This presumption is rebuttable.

The claims of Noteholders may, therefore, to the extent they are considered especially related to the Issuer, be subordinated as a result of the application of the provisions of the Spanish Insolvency Law. Noteholders should be aware of this subordination risk and take those precautions they consider appropriate to ensure that their claims are not subordinated.

A substantial reform of the Spanish Insolvency Law approved in 2014 focused on pre-insolvency instruments, refinancing agreements ("*acuerdos de refinanciación*") and arrangements ("*convenios*"). The key issues addressed by such reform are, among others, as follows:

- (a) No enforcement of security in pre-insolvency scenarios under article 5Bis of the Spanish Insolvency Act: Spanish Insolvency Law already included a notification system for distressed companies, when negotiations with creditors had been started for the purposes of agreeing a refinancing agreement (as defined by the Spanish Insolvency Act) or an advanced composition agreement to be filed within the insolvency procedure, which suspended the obligation of the insolvent company to file for insolvency in a period of 3 months, and prevented creditors from filing for its insolvency. Once this 3 months term elapses, the company must file for insolvency within the next month if the state of insolvency persists. Following the referred reform, when the abovementioned 5Bis notification has been made, secured creditors can enforce their security but such enforcement will be automatically suspended in the event the secured assets affected by such enforcement are needed for the continuity of the business activity of the debtor.
- (b) Protected refinancing agreements: The protected restructuring agreements were introduced in the Spanish Insolvency Law in 2011 in order to establish a "safe harbour" for restructuring processes, so the claw back period did not affect them and the transactions carried out under these restructuring agreements were not subject to scrutiny and potential revocation when the company became insolvent. However, their success has been limited given certain constraints previously included in the law. Last reforms carried out aimed to further encourage the use of these pre-insolvency agreements.
- (c) Spanish "schemes of arrangement": the refinancing agreements described above are designed to protect the actions carried out pursuant to them from the claw-back period upon insolvency of the company. The Spanish Insolvency Law expands the content of the refinancing agreement and allows the cram down of dissenting creditors holding financial claims against the borrowers (including secured creditors) within refinancing agreements when meeting certain requirements, mainly regarding majority thresholds.

The Spanish Insolvency Law also provides, among other things, that: (i) any claim may become subordinated if it is not reported to the insolvency administrators (*administradores concursales*) within 1 month from the last official publication of the court order declaring the insolvency in the Spanish Official Gazette (*Boletín Oficial del Estado*), unless the claim is recorded in the borrower's accountancy and documentation, (ii) acts deemed detrimental for the insolvency estate of the insolvent debtor carried out during the 2 year period preceding the date of its declaration of insolvency may be rescinded, even if no fraud nor link to the insolvency exist (some legal presumptions of "detrimental acts", rebuttable and non-rebuttable, are established in the Spanish Insolvency Act), (iii) provisions in a bilateral contract granting one party the right to terminate by reason only of the other's insolvency are not enforceable, and (iv) accrual of interest (other than interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall be suspended as from the date of the declaration of insolvency and any

amount of interest accrued up to such date and unpaid (other than any interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall become subordinated.

Suitability

Prospective investors in the Notes should determine the suitability of that investment in light of their particular circumstances and should consult with their legal, business and tax advisers to determine the consequences of an investment in the Notes and to arrive at their own evaluations of the investment.

Ratings of the Issuer or of Notes could cause fluctuations in the price at which Notes are traded

Notes issued under the Programme are currently expected to be unrated. However, the Issuer may in the future solicit a rating for itself and/or its debt (including one or more issues of Notes under the Programme) from one or more credit rating agencies. Should any such assigned rating(s) be published, there can be no assurances as to whether or not any such rating will be investment grade. The publication of any such rating could lead to fluctuations in the price at which the Notes are traded in the secondary market, especially if the rating is below investment grade.

The Issue Price may be greater than the market value of the Notes

The Issue Price specified in the relevant Pricing Supplement may be higher than the market value of the Notes as at the Issue Date, and the price, if any, at which a Dealer or any other person is willing to purchase the Notes in secondary market transactions is likely to be lower than the Issue Price. In particular, the Issue Price may take into account amounts with respect to commissions relating to the issue and sale of the Notes as well as amounts relating to the hedging of the Issuer's obligations under the Notes, and secondary market prices are likely to exclude such amounts. In addition, whilst the proprietary pricing models of Dealers are often based on well recognised financial principles, other market participants' pricing models may differ or produce a different result.

There is no active trading market for the Notes

Notes issued under the Programme will be new securities that may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular issue, such issue is to be consolidated with and form a single series with an issue of Notes that is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications have been made for the Notes issued under the Programme to be listed on the Official List of Euronext Dublin and admitted to trading on its regulated market, there is no assurance that such applications will be accepted, that any particular issue of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular issue of Notes.

Exchange rate fluctuations may affect the value of the Notes

If an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the unit of currency in which principal and interest on the Notes is paid (the "**Payment Currency**"), this could present certain risk relating to currency conversions. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Payment Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Payment Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal. Any of the foregoing events could adversely affect the price of the Notes.

The Notes may be redeemed by the Issuer prior to maturity

Notes may be redeemable prior to maturity at the Issuer's option in certain circumstances, and an optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may

elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when their cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

As the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

Bearer Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depository or common safekeeper, as applicable, for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments to the common depository or paying agent (in the case of a New Global Note) for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that may convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

The value of and return on any Notes linked to a benchmark may be adversely affected by ongoing national and international regulatory reform in relation to benchmarks or future discontinuance of benchmarks

LIBOR, EURIBOR and other interest rate or other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. Regulation (EU) No. 2016/1011 (the "**Benchmark Regulation**") was published in the Official Journal of the European Union on 29 June 2016. and has applied from 1 January 2018 (with the exception of provisions specified in Article 59 (mainly on critical benchmarks) that have applied since 30 June 2016). The Benchmark Regulation could have a material impact on any Notes linked to LIBOR, EURIBOR or another "benchmark" rate or index, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. In addition, the Benchmark Regulation stipulates that each administrator of a "benchmark" regulated thereunder must be licensed by the competent authority of the Member State

where such administrator is located. There is a risk that administrators of certain "benchmarks" will fail to obtain a necessary licence, preventing them from continuing to provide such "benchmarks". Other administrators may cease to administer certain "benchmarks" because of the additional costs of compliance with the Benchmark Regulation and other applicable regulations, and the risks associated therewith. There is also a risk that certain benchmarks may continue to be administered but may in time become obsolete.

Risks relating to the proposed discontinuation of LIBOR and other benchmarks

On 27 July 2017, the UK Financial Conduct Authority (the "FCA") announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**2017 FCA Announcement**"). On 12 July 2018, the FCA further announced that the LIBOR benchmark may cease to be a regulated benchmark under the Benchmark Regulation (the "**2018 FCA Announcement**"). The 2017 FCA Announcement and the 2018 FCA Announcement indicate that the continuation of LIBOR on the current basis (or at all) cannot and will not be guaranteed after 2021 and that planning a transition to alternative reference rates that are based firmly on transactions, such as reformed SONIA (the Sterling Over Night Index Average), must begin.

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area.

Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or the benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions, or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to LIBOR, EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The "Forms of Notes" set out below provide for certain fallback arrangements in the event that a published benchmark, such as LIBOR, (including any page on which such benchmark may be published (or any successor service)) becomes unavailable. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

Risks related to the Spanish withholding tax regime

The Issuer considers that, pursuant to the provisions of the Law 10/2014 and Royal Decree 1065/2007, as amended, it is not obliged to withhold taxes in Spain on any interest paid on the Notes to any Noteholder, irrespective of whether such Noteholder is tax resident in Spain. The foregoing is subject to the Issue and Paying Agent complying with certain information procedures described in "*Taxation—Taxation in Spain—Information about the Notes in connection with Payments*" below.

The Issuer and the Issue and Paying Agent will, to the extent applicable, comply with the relevant procedures to facilitate the collection of information concerning the Notes. The procedures may be modified, amended or supplemented to, among other reasons, reflect a change in applicable Spanish law, regulation, ruling or interpretation thereof. Under Royal Decree 1065/2007, the Issuer may make payments free of Spanish withholding tax, provided that the Notes comply, among others, with the following requirements: (i) the Notes are regarded as listed debt securities issued under Law 10/2014; and (ii) they are initially registered at a foreign clearing and settlement entity that is recognised under Spanish regulations or under those of another OECD member state. The Issuer expects that the Notes will meet the

requirements referred to in (i) and (ii) above and that, consequently, payments made by the Issuer to Noteholders should be paid free of Spanish withholding tax, provided that the Issue and Paying Agent complies with the procedural requirements referred to above. Notwithstanding the foregoing, if the Issue and Paying Agent fails to submit to the Issuer the relevant information in a timely manner, the Issuer will withhold tax at the then-applicable rate (as at the date of this Information Memorandum, 19%) from any payment in respect of the relevant Notes. The Issuer will not pay any additional amounts with respect to any such withholding as a result of such failure by the Issue and Paying Agent to comply with the relevant procedural requirements.

Investors who are not resident in Spain for tax purposes and are entitled to exemption from Non-Resident Income Tax on income derived from the Notes, but where the Issuer does not timely receive from the Issue and Paying Agent the information above about the Notes by means of a certificate the form of which is attached as Annex I of this Information Memorandum, would have to apply directly to the Spanish tax authorities for any refund to which they may be entitled, according to the procedures set forth in the Spanish Non Resident Income Tax Law.

If the Spanish Tax Authorities maintain a different opinion as to the application by the Issuer of withholding to payments made to Spanish tax residents (individuals and entities subject to Corporate Income Tax (*Impuesto sobre Sociedades*)), the Issuer will be bound by the opinion and, with immediate effect, will make the appropriate withholding. If this is the case, identification of Noteholders may be required and the procedures, if any, for the collection of relevant information will be applied by the Issuer (to the extent required) so that it can comply with its obligations under the applicable legislation as interpreted by the Spanish Tax Authorities. If procedures for the collection of the Noteholders information are to apply, the Noteholders will be informed of such new procedures and their implications.

Notwithstanding the above, in the case of Notes held by Spanish tax resident individuals (and, under certain circumstances, by Spanish entities subject to Corporate Income Tax and deposited with a Spanish resident entity acting as depository or custodian, payments in respect of such Notes may be subject to withholding by such depository or custodian (currently 19%).

INFORMATION INCORPORATED BY REFERENCE

The following information shall be deemed to be incorporated in, and to form part of, this Information Memorandum:

1. the translation into English of the audited consolidated financial statements of the Issuer for the year ended 31 December 2018 and the translation into English of the auditors' report thereon;
2. the translation into English of the audited consolidated financial statements of the Issuer for the year ended 31 December 2017 and the translation into English of the auditors' report thereon; and
3. the translation into English of the unaudited consolidated interim financial information of the Issuer in respect of the three-month period ended 31 March 2019.

Copies of the documents specified above as containing information incorporated by reference in this Information Memorandum may be inspected, free of charge, upon reasonable notice, at the registered offices (which are set out below) of the Issuer and the Issue and Paying Agent. Copies of these documents have also been filed with Euronext Dublin.

TERMS AND CONDITIONS

Issuer:	Cellnex Telecom, S.A.
Risk Factors:	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Notes are discussed under " <i>Risk Factors</i> " above.
Dealers:	Banca March, S.A., Banco de Sabadell, S.A., Banco Santander, S.A., BNP Paribas, BRED Banque Populaire, S.A., Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, and ING Bank N.V.
Issue and Paying Agent:	The Bank of New York Mellon, London Branch
Listing Agent:	The Bank of New York Mellon SA/NV, Dublin Branch
Maximum Amount of the Programme:	The outstanding principal amount of the Notes will not exceed €500,000,000 (or its equivalent in other currencies) at any time. The Maximum Amount may be increased from time to time in accordance with the Dealer Agreement.
Form of the Notes:	The Notes will be in bearer form. Each issue of Notes will initially be represented by one or more global notes (each a " Global Note " and together the " Global Notes "). Each Global Note which is not intended to be issued in new global note form (a " Classic Global Note " or " CGN "), as specified in the relevant Pricing Supplement, will be deposited on or around the relevant issue date with a depository or a common depository for Euroclear Bank SA/NV (" Euroclear ") and/or Clearstream Banking, S.A. (" Clearstream, Luxembourg ") and/or any other relevant clearing system. Each Global Note which is intended to be issued in new global note form (a " New Global Note " or " NGN "), as specified in the relevant Pricing Supplement, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Global Notes may be exchanged in whole (but not in part) for Definitive Notes in the limited circumstances set out in the Global Notes (see " <i>Certain Information in Respect of the Notes – Form of the Notes</i> ").
Delivery:	Global Notes will be deposited with a common depository for Euroclear and Clearstream, Luxembourg or with any other clearing system. Account holders will, in respect of Global Notes, have the benefit of a Deed of Covenant dated 6 June 2019 (the " Deed of Covenant "), copies of which may be inspected during normal business hours at the specified office of the Issue and Paying Agent. Definitive Notes (if any are printed) will be available in London for collection or for delivery to Euroclear, Clearstream, Luxembourg or any other recognised clearing system.
Currencies:	Notes may be denominated in euros, U.S. Dollars, Sterling, and/or CHF or any other currency subject to compliance with any applicable legal and regulatory requirements.
Term of Notes:	The tenor of the Notes shall be not less than one day or more than 364 days from and including the date of issue, to (but excluding) the maturity date, subject to compliance with any applicable legal and regulatory requirements.

Denomination of the Notes:	Notes may have any denomination, subject to compliance with any applicable legal and regulatory requirements. The initial minimum denominations for Notes are US\$500,000, €100,000, £100,000, and CHF500,000, or such other denominations in those currencies which may be changed from time to time, subject in the case of each currency (including those listed above) (i) to compliance with all applicable legal and regulatory requirements and (ii) to the minimum denomination being at least equal to the euro equivalent of €100,000 (except in the case of Notes to be placed in the United Kingdom, in which case the minimum denomination will be the euro equivalent of £100,000, or higher), and provided, however, that the Notes of each issuance may only be issued in equal denominations.
	Notes may, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 ("FSMA") unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see " <i>Selling Restrictions</i> ".
Listing and Trading:	Application has been made to Euronext Dublin for Notes issued under the Programme during the period of twelve months after the date of this Information Memorandum to be admitted to the Official List and to trading on the regulated market of Euronext Dublin. Notes may be listed, traded and/or quoted on any other listing authority, stock exchange and/or quotations system, as may be agreed between the Issuer and the relevant Dealer. No Notes may be issued on an unlisted basis.
Expense of the admission to trading	The expense in relation to the admission to trading of each issue of Notes will be specified in the relevant Pricing Supplement.
Yield Basis:	The Notes may be issued at a discount or at a premium or may bear fixed or floating rate interest.
Tax Redemption:	Early redemption will only be permitted for tax reasons as described in the terms of the Notes.
Redemption on Maturity:	The Notes may be redeemed at par or on a different basis if so set out in the relevant Pricing Supplement.
Issue Price:	The Issue Price of each issue of Notes will be set out in the relevant Pricing Supplement.
Status of the Notes:	The Notes constitute direct, general, unconditional and unsecured obligations of the Issuer and in the event of insolvency (<i>concurso</i>) of the Issuer (unless they qualify as subordinated debts (<i>créditos subordinados</i>) under Article 92 of Law 22/2003 (<i>Ley Concursal</i>) dated 9 July 2003 or equivalent legal provision which replaces it in the future and subject to any legal and statutory exceptions) will rank <i>pari passu</i> without any preference among themselves and with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future.
Selling Restrictions:	Offers and sales of Notes and the distribution of this Information Memorandum and other information relating to the Issuer and the Notes are subject to certain restrictions, details of which are set out under " <i>Selling Restrictions</i> " below.

Taxes:

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required.

Information requirements under Spanish Tax Law:

Under Spanish Law 10/2014 and Royal Decree 1065/2007 as amended, the Issuer is required to provide the Spanish tax authorities with certain information relating to the Notes in a timely manner.

If the Issue and Paying Agent fails to provide the Issuer with the required information described under "*Taxation — Taxation in Spain — Information about the Notes in connection with payments*", the Issuer may be required to withhold tax (as at the date of this Information Memorandum, at a rate of 19 per cent.).

If this were to occur, affected Noteholders will receive a refund of the amount withheld, with no need for action on their part, if the Issue and Paying Agent submits the required information to the Issuer no later than the 10th calendar day of the month immediately following the relevant payment date. In addition, Noteholders may apply directly to the Spanish tax authorities for any refund to which they may be entitled. The Issuer will not pay additional amounts in respect of any such withholding tax.

Investors should note that none of the Issuer, the Dealers or the Clearing Systems accept any responsibility relating to the procedures established for the collection of information concerning the Notes.

Governing Law:

The Notes and any non-contractual obligations arising out of or in connection with them will be governed by and construed in accordance with English law, except for the Status of the Notes that will be governed by, and constituted in accordance with, Spanish law.

DESCRIPTION OF THE ISSUER

General information

Cellnex (formerly, Abertis Telecom Terrestre, S.A.U.) was incorporated in Spain on 25 June 2008 and operates under the Spanish Companies Act ("*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el Texto Refundido de la Ley de Sociedades de Capital*") as a Spanish publicly listed company (*sociedad anónima cotizada*). The Issuer is registered in the Commercial Registry of Madrid in volume 36,551 of the Companies Section, folio 55 and sheet M-656490. The Issuer holds Spanish tax identification number A64907306 and its legal entity identifier (LEI) code is 5493008T4YG3AQUI7P67.

The registered office of Cellnex is at Calle Juan Esplandiú, 11-13, 28007 Madrid, Spain and its telephone number is +34 93 503 1000.

The Issuer operates under the commercial name "Cellnex".

Share capital

As at the date of this Information Memorandum, the share capital of the Issuer amounts to €74,668,263.25 corresponding to 298,673,053 shares, all of which are fully subscribed and paid-up, with a nominal value of €0.25 each and belonging to a single class and series. All of the Issuer's shares are represented in book-entry form and the book-entry registry is kept by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. ("**Iberclear**"), domiciled at Palacio de la Bolsa, Plaza de la Lealtad, 1, 28014 Madrid, Spain.

Cellnex's shares are listed on the Madrid, Barcelona, Valencia and Bilbao stock exchanges (the "**Spanish Stock Exchanges**"), and trade through the automated quotation system of the Spanish Stock Exchanges (*Sistema de Interconexión Bursátil*).

Major shareholders

As at the date of this Information Memorandum, Cellnex's largest shareholder is ConneCT with a shareholding of 29.9%. Regarding Cellnex shareholder structure, in June 2018 Abertis sold, through a process known as an "accelerated placement", 9,499,013 Shares, representing 4.1% of the total share capital of the Issuer. In addition, in July 2018, Abertis sold to ConneCT 69,273,289 Shares, which represent 29.9% of the total share capital of the Issuer. As of the date of this Information Memorandum, and pursuant to the information available on the CNMV's website, Sintonia holds approximately 60% of ConneCT's share capital and each of Infinity Investments, S.A. ("**Infinity**") and Raffles Infra Holdings Limited ("**Raffles**") hold approximately 20% of ConneCT's share capital.

History and Development

In 2000, Cellnex's predecessor, Acesa Telecom, S.A. ("**Acesa Telecom**"), embarked upon its journey in the audiovisual sector and in mobile radio-communications for security and emergency corps by acquiring 100% of the shares of Tradia Telecom, S.A.U. ("**Tradia**"). In 2003, the audiovisual business of Retevisión I, S.A.U. ("**Retevisión**") became part of the Group, strengthening the Group's presence in the Spanish telecommunications sector.

The Group started its Telecom Infrastructure Services business in 2001 on the back of its broadcasting services and experience. In 2012, the Group started an expansion process with the acquisition of 1,000 telecommunication infrastructures from Telefónica Móviles, S.A. ("**Telefónica**"). In its positioning strategy in the telecommunications infrastructure sector, in 2013 and 2014 the Group agreed to purchase up to 3,244 infrastructures from Telefónica and Xfera Móviles, S.A.U. ("**Yoigo**"). The above-mentioned acquisitions were performed through our subsidiary On Tower, S.A.U. ("**On Tower**") and they were structured as assets acquisitions.

In 2014, the Group started its international expansion by acquiring TowerCo and its portfolio of 306 telecom infrastructures as of the time of acquisition along Italian motorways. Also, it deployed the first IoT network in Spain, positioning itself as a reference player in the construction of an "IoT Ecosystem" in Spain ("**IoT Ecosystem**").

In 2015, the Group continued its expansion in Italy, entering into an agreement with WIND Telecomunicazioni S.p.A. ("**Wind**") for the acquisition of 90% of the capital stock of Galata, whose assets included 7,377 infrastructures. On 7 May 2015, the Shares were admitted to listing on the Spanish Stock Exchanges under the symbol "**CLNX**" and, as a consequence of the preceding initial public offering, Abertis sold 66% of Cellnex's share capital.

In the first half of 2016, six new DTT channels began their emissions, all of which had signed contracts with the Group. Also in the first half of 2016, the Group started its operations in the Netherlands through the agreement reached with Protelindo Luxemburg S.à r.l. and Management Tower Europe S.à r.l. The Group also acquired CommsCon in Italy. In June 2016, the IBEX 35 Technical Advisory Committee approved the entry of Cellnex into the main stock index of the Spanish market. In the second half of 2016, the Group started its operations in France with the agreement reached with Bouygues Telecom and also entered into an agreement for the acquisition of the Shere Group in the UK.

On 19 January 2017, the managers of the FTSE4GOOD sustainability index announced that Cellnex had been incorporated into that index, valuing the quality in managing risks associated with environmental, social and corporate governance factors. Also in the first quarter of 2017, the Group reached an agreement with Bouygues Telecom for the acquisition and building of up to 3,000 urban infrastructures in France, which was subsequently extended in order to acquire up to 1,600 additional urban sites in France.

Additionally, the Group entered into three relevant agreements. Firstly, JCDecaux and the Group announced their commercial alliance in Italy and Spain to speed up the roll-out of DAS networks and "Small Cells" to improve the capacity and quality of 4G coverage (and 5G in the future) in urban areas. Secondly, the Group and Haya Real Estate ("**HRE**"), the largest Spanish real estate management services and property assets company, have signed an exclusive cooperation agreement to identify ideal locations among the property assets managed by HRE in urban locations and, if appropriate, to locate buildings suitable for housing telecommunication infrastructures that will make it possible to roll out telecommunications networks. Thirdly, the Group entered into a framework agreement with Iliad Italia, S.p.A. providing full flexibility for its network deployment.

In the same year, a consortium of investors led by the Issuer announced the acquisition and building of infrastructures in Switzerland, and the acquisition of Alticom in the Netherlands. The acquisition of Alticom strengthened and consolidated the Group's position among neutral telecommunications infrastructure operators in the Netherlands. Alticom's long-range network (high towers with large equipment capacity) hosts wireless voice, data and audiovisual content transmission equipment and complements the network of urban and rural sites that Cellnex Netherlands already managed in the Netherlands. The characteristics of Alticom's sites are a key element to the future roll-out of 5G. The sites are connected to the optical fibre backbone and can host remote servers to enhance data processing and storage capacity to the end users of 5G-based applications which is essential for meeting the exponentially increasing demand and requirements of an increasing number of people and connected objects: 50 billion by 2020.

In the first half of 2018, the Group acquired, from Palol Inversiones, S.L.U., 100% of Zenon. The main corporate purpose of the acquired company, located in Barcelona, includes the commercialisation, development, installation and maintenance of TETRA systems. Also, during the first half of 2018, Cellnex Switzerland and Heliot, S.A., Sigfox's operator in Switzerland, have signed an agreement to roll out the first global IoT network operated in Switzerland.

In July 2018, Cellnex reached an agreement for the acquisition of 100% of the share capital of XOC from Imagina, a subsidiary fully owned by the Mediapro Group, for a total enterprise value of €34 million. XOC is a concessionary company dedicated to the management, maintenance and construction of the fibre optic network of the Generalitat de Catalunya, and the expiration date of the concession is 2031.

Also during the second half of 2018, Cellnex signed an agreement with Nearby Sensors S.L. ("**Nearby Sensors**") under which the Issuer acquired, through its fully owned subsidiary Tradia, an ownership interest of approximately 15% in the share capital of Nearby Sensors in exchange for a contribution of €0.5 million. Nearby Sensors, established in 2013, is based in Barcelona and its business relates to the rolling out IoT, edge computing, and the automation of IT-OT hybrid processes (industrial IoT) that are expected to emerge with the roll-out of 5G.

Regarding Cellnex shareholder structure, in June 2018 Abertis sold, through a process known as an "accelerated placement", 9,499,013 Shares, representing 4.1% of the total share capital of the Issuer. In

addition, in July 2018, Abertis sold to ConneCT 69,273,289 Shares, which represent 29.9% of the total share capital of the Issuer. As of the date of this Information Memorandum, and pursuant to the information available on the CNMV's website, Sintonia holds approximately 60% of ConneCT's share capital and each of Infinity and Raffles hold approximately 20% of ConneCT's share capital.

In the second half of 2018, Cellnex reached an agreement with Bouygues Telecom to build up to 88 strategic telecom centres in a five-year term, and to acquire up to 62 additional strategic telecom centres. These centres are strategic facilities with traffic concentration capabilities which will play a key role in the future deployment of 5G networks. The transaction allowed the Group to strengthen the industrial collaboration between Cellnex and Bouygues Telecom, as well as the Group's presence in the French 5G ecosystem. As a result of the above as of 31 December 2018, in accordance with the agreements reached with Bouygues during 2016, 2017, and 2018, Cellnex has committed to acquire and build up to approximately 5,250 sites.

In the fourth quarter of 2018, Cellnex extended the agreement between Cellnex Switzerland and Sunrise, including an additional acquisition of 133 sites in Switzerland for an amount of CHF 39 million (€34 million), which have been transferred to Swiss Towers on 1 January 2019, and also an extension of the build-to-suit project with Sunrise agreed in up to 75 additional sites to be built (increasing the agreement to build sites from up to 400 to up to 475 sites). Also in the fourth quarter of 2018, Cellnex has acquired to MNOs, through Cellnex's fully owned subsidiary On Tower, 375 sites in 2018 for an amount of €45 million, which have been totally transferred to Cellnex as of 31 December 2018.

Recent developments

Convertible Bonds

In January 2018, the Group issued €500 million aggregate principal amount of convertible bonds (the "**Original Convertible Bond**"). The shares underlying the bonds are equivalent to 6.8% of Cellnex' share capital, based on the initial conversion price (at the time of issuance). Additionally, in January 2019, Cellnex resolved to carry out an additional tap issuance of convertible bonds, under the same terms and conditions applicable to the Original Convertible Bond, which consolidated and currently forms a single series with it, for an aggregate principal amount of €200 million (the "**Additional Convertible Bond**"). The shares underlying the bonds are equivalent to 2.3% of Cellnex' share capital, based on the initial conversion price (at the time of issuance). The Original Convertible Bond and the Additional Convertible Bond (together, the "**Convertible Bonds**") carry a coupon of 1.5% payable annually in arrear. The Convertible Bonds are traded on the Open Market (*Freiverkehr*) of the Frankfurt Stock Exchange.

Capital Increase

In February 2019, the Group made an offering in respect of 66,989,813 new shares at a subscription price of €17.89 per new share, equivalent to c.€1,200 million. Each share held by eligible shareholders entitled its holder to receive one preferential subscription right. The exercise of 38 preferential subscription rights entitled the exercising holder to subscribe for 11 new shares against payment of the subscription price in cash. The shares are listed on the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges.

Acquisition of mobile network sites in France, Italy and Switzerland

On 7 May 2019, the Issuer announced agreements with Iliad France, Iliad Italy and Salt (Switzerland) to acquire 10,700 mobile network sites in France, Italy and Switzerland and roll out a "built to suit" programme for up to 4,000 new sites. The Issuer will acquire 5,700 sites in France currently operated by Free, the French mobile network operator controlled by Iliad. In France, the Issuer will hold 70% of the new company that will manage the sites. The Issuer will also acquire 2,200 Iliad sites in Italy and has reached an agreement with the Swiss mobile network operator Salt, to acquire its 2,800 sites. In Switzerland, the Issuer will control 90% of the new company that will operate the sites. The agreements reached with these three operators also foresee the roll out of a built to suit program in the three countries between 2020 and 2027, involving up to 2,500 new sites in France, up to 1,000 new sites in Italy, and up to 500 sites in Switzerland. The total planned cash expenditure by the Issuer for the acquisition of the 10,700 sites is EUR 2.7 billion.

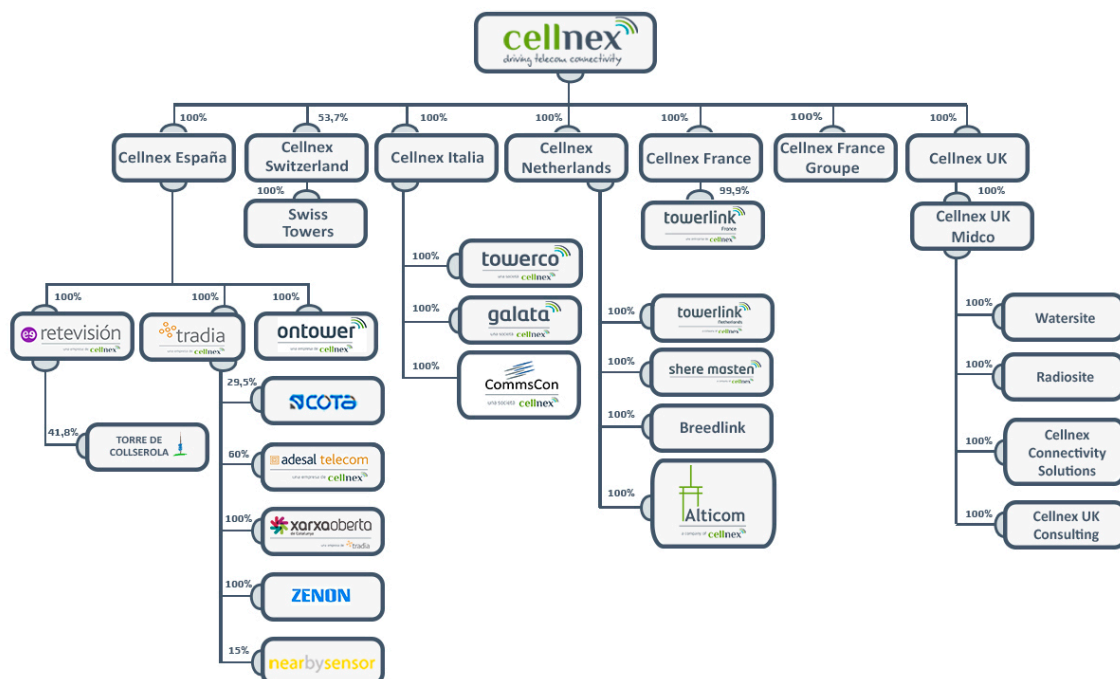
The Issuer and Iliad (France and Italy) will sign two master agreements in both countries for an initial period of 20 years, with automatic extensions of 10 years. In Switzerland, the Issuer will sign a contract

with Salt on similar terms. Completion of these transactions is subject to the usual administrative procedures, including relevant merger control clearance by the competition authorities. The closing of the agreements is expected by the latter half of 2019.

Corporate Structure

Cellnex is the parent company of the Group. The Group conducts its operations through directly and indirectly owned subsidiaries and joint ventures.

The following summary chart sets forth the Group's corporate structure as of the date of this Information Memorandum.



Business

General Overview

The Group provides services related to infrastructure management for terrestrial telecommunications through the following three business segments: (i) Telecom Infrastructure Services, (ii) Broadcasting Infrastructure and (iii) Other Network Services. The Group's primary customers in these 3 segments are: MNOs, broadcast companies and other public and private customers. Its portfolio of infrastructures is used to provide several of the above-mentioned services and many infrastructures are used for more than one segment.

- Telecom Infrastructure Services is the Group's main business by turnover. It provides a wide range of integrated network infrastructure services to enable access to the Group's wireless infrastructure by MNOs and other wireless telecommunications and broadband network operators, allowing such operators to offer their own telecommunication services to their customers.
- Broadcasting Infrastructure is the Group's second main area of activity by turnover, and its largest activity in Spain. The Group is the only operator offering nationwide coverage of the DTT service. Its services consist of the distribution and transmission of digital TV and radio signals, the operation and maintenance of broadcasting networks and the provision of connectivity for media content, over-the-top ("OTT") broadcasting and other services. Through the provision of broadcasting services, the Group has developed unique know-how that has helped to develop the other services in its portfolio.

- **Other Network Services.** The Group provides the infrastructure required to develop a connected society by providing the following network services: data transport, security and control, Smart communication networks including Internet of Things (IoT), Smart services and managed services and consulting. As an infrastructure operator, the Group can facilitate, streamline and accelerate the deployment of these services through the efficient connectivity of objects and people, in both rural and urban environments, helping to build genuine Smart territories.

As of 31 December 2018, Cellnex had 25,032 infrastructures (23,440 sites and 1,592 nodes), operating 18%, 22%, 6%, 1%, 6% and 21% of telecom infrastructures in Spain, Italy, the Netherlands, the UK, France and Switzerland, respectively (source: Arthur D. Little, latest available data).

The Group provides services, through its customers, to more than 200 million people throughout Europe. In addition, the Group is the main broadcasting infrastructure operator in Spain, as it enjoys the number one position in DTT.

Telecom Infrastructure Services

Overview

Operating income from the Group's Telecom Infrastructure Services activity was €82,758 thousand for the year ended 31 December 2018, which represented 65% of its consolidated operating income for such period and €471,585 thousand and €382,539 thousand for the years ended 31 December 2017 and 2016 which represented 59.7% and 54.3% of its consolidated operating income for such periods, respectively.

The Group's backlog as of 31 December 2018 for the Telecom Infrastructure Services activity was approximately €3.4 billion, assuming the contracts taken into account for purposes of the backlog calculation were renewed (by the Group, its counterparties or both, as the case may be to their maximum permitted terms).

Services

The Group provides to its customers in Telecom Infrastructure Services coverage related services and access to the Group's telecom or broadcasting infrastructures to MNOs to co-locate their equipment on the Group's infrastructures, offering additional services that allow MNOs to rationalise their networks and optimise costs, through the dismantling of duplicate infrastructures (decommissioning) and building up new infrastructures (built-to-suit) in strategic sites that can offer service to one or more MNOs. These services have the aim to complete the deployment of 4G and 5G in the future, reduce areas with no signal coverage and extend network densification. The Group acts as a neutral operator for MNOs (without an MNO as a shareholder having (i) more than 50% of the voting rights or (ii) the right to appoint or dismiss the majority of the members of the board) and other telecom operators who generally require complete access to network infrastructure in order to provide services to end users.

The Group acts as a multi-infrastructure operator. Its customers are responsible for the individual communication equipment hosted in the Group's telecom and broadcasting infrastructures. Revenue is primarily generated from customer services agreements. The Group generally receives monthly payments from customers, payable under long-term contracts (up to 40 years, including extensions). The annual payments vary considerably depending upon numerous factors, including, but not limited to, infrastructure location, the number and type of customer's equipment on the infrastructure, ground space required by the customer, customer ratio, equipment at the infrastructure and remaining infrastructure capacity. The main costs typically include related services (which are primarily fixed, with annual cost escalations) such as energy and ground costs, property taxes and repairs and maintenance.

The Group maintains the MNOs' equipment installed in its infrastructures. However, the vast majority of the land and rooftops where these infrastructures are located is operated and managed via lease contracts, sub-lease contracts or other types of contracts with third (with the exception of the United Kingdom, where the Group owns a large amount of the land where sites are located). In general, MNOs engage in the maintenance of their own equipment under their responsibility, although in some cases they may subcontract to the Group the maintenance of their equipment as a separate and additional service. In these cases, the maintenance services are usually awarded through bidding processes to companies capable of providing such services, such as vendors of equipment, maintenance and installation companies and other companies with sufficient capacity to provide the services, such as the Group itself.

The Group has an extensive experience in DAS network solutions. The Group has deployed more than 1,500 DAS nodes, with a customer ratio of 3 MNOs per infrastructure, in venues such as stadiums, skyscrapers, shopping malls, dense outdoor areas, airports, underground lines and railway stations. DAS is a network of spatially distributed antennas connected to a common source, thus providing wireless service within a specific geographic area. The system can support a wide variety of technologies and frequencies, obviously including 2G, 3G, 4G and 5G in the future. The Group works as a real neutral host, together with the MNOs, in order to provide the optimal solution for the increasing need for coverage and densification in complex scenarios. The Group manages the complete life cycle of the solution: infrastructure acquisition, design, installation, commissioning, O&M, supervision and service quality assurance.

Customers and Contracts

The Group estimates, based on public information including annual reports, investor presentations and other published data, that it is the leading neutral operator (i.e. without an MNO as a shareholder having (i) more than 50% of the voting rights or (ii) the right to appoint or dismiss the majority of the members of the board) of telecom and broadcasting infrastructures in Europe by number of infrastructures as at 31 December 2018. As such, the Group's customer base includes the main MNOs in Spain, Italy, the Netherlands, the UK, France and Switzerland, and it has close and long-standing relationships with some of the largest European MNOs and Spanish media broadcasting operators.

MNOs require the Group's services mainly to increase network coverage, optimise their operating costs and reduce capital expenditures and avoid any difficulties in the co-location of their networks among MNOs.

The Group has existing master service agreements ("**MSAs**") and master lease agreements ("**MLAs**") with the main MNOs, including Telefónica, Tim, Vodafone, Yoigo, Wind Tre, KPN, Bouygues Telecom and Sunrise. Such agreements are framework agreements providing certain terms that govern the contractual relationships related to the Group's infrastructures with such MNOs during the term of the MSA / MLA. In particular, the MSAs / MLAs specify the services that the Group provides and the economic terms of the agreement. In the case of smaller MNOs, the Group may enter into individual separate agreements negotiated ad hoc for each particular case as opposed to MSAs / MLAs.

In general, the Group's services contracts for co-location services with anchor customers have an initial non-cancellable term of 10 to 20 years, with multiple renewal terms (up to 40 years for anchor customers including renewals), and payments that typically increase based on an inflationary index like the consumer price index ("**CPI**") or on fixed escalators. The Group's customer contracts have historically had a high renewal rate. In this regard, the Group has experienced a very high renewal rate of its MSAs / MLAs with MNO customers over the last 10 years although no agreement with anchor customers has reached its term.

In the vast majority of cases, the service contracts with costumers may not be terminated prior to the end of their current term except in extraordinary cases, such as loss of a licence or failure to perform by the Group. In general, each customer contract that is renewable will automatically renew at the end of its term unless the customer provides prior notice of its intent not to renew. The Group's customers tend to renew their service agreements because suitable alternative infrastructures may not exist or be available and repositioning an infrastructure in their network may be expensive and may adversely affect the quality of their network. The vast majority of the contracts with the Group's anchor customers may only be renewed for the entirety of the infrastructures and not for a portion thereof (all or nothing clause), none of which has been renegotiated as of the date hereof.

Competition

The Group estimates, based on public information including annual reports, investor presentations and other published data, that it is the leading independent wireless telecom infrastructure operator in Europe by number of infrastructures, with presence in Spain, Italy, France, Switzerland, the Netherlands and the United Kingdom. In all countries in which the Group operates, it competes primarily against other infrastructures operators who provide regional co-location services, such as Inwit or Telxius. Furthermore, MNOs often operate their own infrastructures or share infrastructures with other MNOs. In general, it faces competition for infrastructure services from various companies, such as other independent wireless infrastructure owners or operators, including owners or operators of towers, rooftops, water infrastructures, Small Cells, broadcast infrastructures, or utility poles, among others.

Broadcasting Infrastructure

Overview

Operating income from the Group's Broadcasting Infrastructure activity was €32,773 thousand for the year ended 31 December 2018, which represented 26% of its consolidated operating income for such period and €37,258 thousand and €35,234 thousand for the years ended 31 December 2017 and 2016 which represented 30.1% and 33.4% of its consolidated operating income for such periods, respectively.

The Group's backlog as of 31 December 2018 for the Broadcasting Infrastructure activity was approximately €356.6 million.

The Group's Broadcasting Infrastructure activity consists of the distribution and transmission of TV and radio signals as well as the O&M of broadcasting networks, the provision of connectivity for media contents, OTT broadcasting services and other services.

The provision of these services requires unique high mast infrastructures that, in most cases, only the Group owns, substantial spectrum management know-how, and the ability to comply with very stringent service levels. In Spain, the broadcast infrastructures the Group manages cover more than 99% population coverage with DTT and 95% with radio, which is a combined portfolio larger than all of its competitors combined.

The Group's Broadcasting Infrastructure activity is characterised by predictable, recurrent and stable cash flows as well as by the high technical know-how that allows the Group to provide consulting services. Economies of scale acquire special relevance in this activity. Although it is a mature business in Spain, the Broadcasting Infrastructure activities have proved very resilient to adverse economic conditions like the ones experienced in Spain in recent years, driven by the fact that the Group's revenues do not directly depend on macroeconomic factors but on the demand for TV and radio broadcasting services by broadcasting companies.

Services

The Group classifies the services that it provides to its customers as a broadcast network operator in three groups:

1. Digital TV (distribution and broadcasting of DTT, DTT premium & Hybrid TV)

The Group operates as a media distribution player throughout the entire broadcasting value chain by owning the infrastructures and equipment that TV broadcasters use to compress and distribute the signal in Spain.

The TV value chain encompasses a wide range of contractual relationships between a highly diverse set of market players and from a contractual and technical point of view consists of six key steps. These include content production (which can be done internally or externally), content aggregation, media operations (i.e., programming), compression and multiplexing, signal distribution and signal transmission. The Group is a leading player in the latter three stages of the value chain and a growing player in media operations.

The digital TV spectrum is owned by the Spanish State and is typically licensed to public TV entities for non-limited time periods and to the various media groups which own private TV channels for 15-year periods, with automatic renewal. Most of the current licences are valid until 2025, with some of them until 2030, with expected automatic renewal afterwards. However, to the extent broadcasters do not own any equipment or infrastructures (and do not intend to own them), the Group acts as an infrastructure and network services provider to the channels, effectively being responsible for bringing the signal from studios to the broadcasting infrastructures and transmitting it to the end users.

DTT's strong position, with a screen share of 77% (as of December 2017) in Spain is expected to remain stable in the mid to long term as it is supported by a number of features and trends and significant advantages relative to other platforms: (i) it is the only TV platform to offer more than 30 channels in the Spanish language free of charge and with coverage of more than 99% of the population; (ii) it is the most popular public and commercial channels are broadcast on DTT; (iii) it is less costly for a TV entity to reach a TV household in Spain via DTT than via direct-to-home

("DTH"); (iv) hybrid TV services, which take benefit of broadband and broadcast, were launched nationally in the third quarter of 2018 and are expected to bring interactivity, enrich the DTT platform and yield new revenue streams for the broadcasters; (v) the diversity and the quality of the channels available are expected to increase with the wide adoption of new technologies keeping the DTT platform innovative and competitive; (vi) its superior coverage and traffic capacity; and (vii) the Spanish regulator has stated on numerous occasions that they are highly supportive of DTT and, to date, is working on the spectrum roadmap for the next decade in order to bring certainty to the broadcast industry according to the Decision (EU) 2017/899.

The Group is the technological provider of the HbbTV of LOVEStv, the new audiovisual platform of DTT developed by the public radio broadcaster RTVE and the two large Spanish private radio broadcasting groups, Atresmedia and Mediaset Spain. This platform will allow the viewer to see the contents of the last week from the television, as well as viewing programs from the beginning even if they have already started.

2. Radio (distribution and transmission of analogue and digital radio)

The Group is one of the main players in the value chain of Spanish radio infrastructure. It is able to provide services across the whole radio broadcasting value chain. The Group distributes radio signals, both analogue and digital, with analogue FM being the dominant platform in Spain. Regarding the analogue FM radio, the Group owns and manages a network infrastructure and the necessary equipment to provide broadcasting services to public and private customers. The Group also hosts radio stations that want to self-broadcast using its infrastructure.

The Group believes it is the largest radio broadcast operator in Spain. It broadcasts FM, AM and DAB services and the largest players in Spain broadcast using the Group's infrastructures. The Group is also a significant provider of infrastructures to the other players although these tend to rely more on self-broadcasting.

3. Other broadcasting services (O&M, connectivity and others)

The Group provides maintenance and connectivity services to its broadcasting customers.

Customers and Contracts

The Group's customers within the Broadcasting Infrastructure activity include all national and most regional and local TV broadcasters as well as leading radio station operators in Spain. Some of the key customers for DTT services include Atresmedia, CTTI, Mediaset España, Net Televisión, Veo Televisión and Radio Televisión Española.

The DTT broadcasting contracts do not have any volume risk, they have instead stable and visible pricing of MUXs, are fully compliant with applicable regulations and contain attractive indexation terms. The main features of the Group's DTT broadcasting contracts are:

- Medium-term contracts with high renewal rates. Complying with legal limitations, the Group usually enters into either 5-year or 4-year maximum term contracts. The Group has experienced a high rate of renewal for these types of contracts in the recent past, although price pressure from customers can be possible when renegotiating contracts.
- No volume risk. For each MUX distributed, the Group receives a "flat fee", as long as the conditions attached to the audiovisual licences for TV channels do not change.
- Stable and visible pricing. The prices the Group charges its customers are negotiated between the parties although the Group has to fulfil a series of regulatory requirements. In order to price its services, the Group uses a method which has been fully disclosed to the telecom regulator and competition authorities.
- Indexation to CPI that allows the Group to cover increases in operational costs.

The Group's key customers for radio services include Catalunya Radio, Cope, Grupo Radio Blanca, Onda Cero and RNE. The Group's contracts with radio stations typically have a term of five years and the prices are usually indexed to inflation.

The main customers for the Group's other broadcasting services (O&M, connectivity and others) include, amongst others, Televisió de Catalunya, Elecnor and Radio Televisión Española. These contracts have an initial term of three years.

Competition

According to the CNMC, the Group is the leading audiovisual media infrastructure operator in Spain with an overall audiovisual market share (TV and radio) of approximately 84% as measured by revenues as of 31 December 2016 (latest available). According to the CNMC, the total TV and radio broadcast services at the national and regional level generated €195 million of operating income for the same period, not including pay TV and subsidies. The Group currently enjoys the number one position in DTT nationwide broadcasting coverage.

Other Network Services

Overview

Operating income from the Group's Other Network Services activity was €82,340 thousand for the year ended 31 December 2018, which represented 9.2% of its consolidated operating income for such period and €80,500 thousand and €86,812 thousand for the years ended 31 December 2017 and 2016 which represented 10.2% and 12.3% of its consolidated operating income for such periods respectively.

The Group's backlog as of 31 December 2018 for this activity was approximately €153.3 million.

Services

The Group classifies the type of services that it provides in this activity in five groups:

1. *Connectivity services*: these services include connectivity between different nodes of the telecommunication networks (backhaul) of the Group's clients and/or connectivity with its customers' premises (enterprise leased lines), using radio-links, fibre or satellite. The Group also provides specialised leased lines to telecom operators such as MNOs or fixed network operators ("**FNOs**"), public administrations, and small and medium enterprises as well as companies in rural areas of Spain enabling high speed connectivity.
2. *PPDR services*: the Group operates seven regional and two municipal TETRA networks which are critical for the communication needs of regional governments and municipalities where the networks are located and a highly reliable Global Maritime Distress and Safety System ("**GMDSS**") for the Maritime Rescue Service for the Safety of Life at Sea, which provides communication services to ships in distress and risk situations in the coastal areas around Spain. The Group also operates the Automatic Identification System (" **AIS** ") for the Spanish Maritime Safety Agency, an arm of the Spanish Ministry of Transport and Public Works.
3. *O&M*: the Group manages and operates infrastructure (as opposed to outsourcing it to third parties) and provides maintenance services of customer equipment and infrastructure to the Group's customers (other than its broadcasting customers that are serviced by the Broadcasting Infrastructure activity).
4. *Urban telecom infrastructure*: the Group provides communications networks for smart cities and specific solutions for efficient resource and service management in the cities.
5. *Fibre optic*: the Group uses fibre optic to connect its, or its clients', infrastructures (macro cells, DAS and Small Cells) and edge computing facilities.

Customers and Contracts

The Group's main customers for its connectivity services are BT, Colt and Vodafone. Connectivity contracts usually have an initial term of three years and the fees charged are linked to the number of circuits deployed and the capacity used.

The Group serves multiple national, regional and local public entities for which it acts as a trusted supplier of mission critical services and infrastructure. Some of the key customers for the public safety and

emergency networks services include the Ministry of Defense, the National Maritime Rescue, the Generalitat of Catalonia and the Generalitat of Valencia.

The main customers for the O&M services are Enel, Naturgy, Telefónica and Vodafone. Although it varies depending on the particular service, the O&M contracts usually have an initial term from two to ten years and the fees that the Group charges its customers are linked to the quantity of equipment to be maintained and the particular type of maintenance provided.

The key customers for the urban telecom infrastructure services are the city council of Barcelona and Securitas Direct. Some of the customers of other services are Ferrocarrils de la Generalitat of Catalonia and UTE Energía L9.

Competition

The Group's main competitors in the provision of connectivity services are telecom operators providing wholesale access such as Orange, Telefónica and Vodafone.

Within the PPDR activity, the Group's main competitor at a national level is Telefónica's TETRAPOL network. In the other services that the Group provides within this line of activity there is a wide range of competitors operating.

The Group's main competitors in the provision of O&M services and trading are Ericsson, Huawei and others.

The Group's main competitors in the provision of Smart City services are companies such as Indra, Schneider Electric and Telefónica.

Employees

At 31 December 2018, the Group had a total of 1,437 employees.

Legal Proceedings

At any given time, the Group may be a party to litigation or be subject to non-litigated claims arising out of the normal operations of its business. As of the date of this Information Memorandum the material legal proceedings outstanding are summarised below and they all refer to antitrust and state aid proceedings where the Issuer and Retevisión are involved. If any of these legal proceedings were not resolved in the Group's favour, it could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

- On 19 May 2009, the CNMC imposed a fine of €22.7 million on Cellnex (at the time, Abertis Telecom, S.A.U.) for an alleged abuse of dominant position in the market for transportation and broadcasting of TV signal in Spain, contrary to article 2 of Spanish Act on Defense of Competition (*Ley 15/2007, de 3 de julio, de Defensa de la Competencia*, "LDC") and article 102 of the Treaty on the Functioning of the EU ("TFEU"). In the opinion of the CNMC, the Issuer had allegedly abused its market power by (i) demanding substantial sums of money from its customers as a penalty for early termination of contracts; (ii) establishing contracts of excessive duration; and (iii) offering discounts if customers purchased more than one service. The decision also imposed on the Issuer a duty to grant certain customers of carrier support services (Sogecable, Telecinco and Net TV) the right to terminate certain contracts unilaterally and for whatever reason, by giving three months' prior notice. Such notice can be given both for a partial termination of any of the regional territories (*placas regionales*) or for the entire national territory. The Issuer requested the deferral of the payment of the fine until the Court ruled on the matter, a deferral that was granted on 10 January 2010. The Issuer also appealed the decision of the CNMC before the Spanish High Court (*Audiencia Nacional*) which on 16 February 2012 denied the appeal and upheld the decision on all grounds. The Issuer further appealed the decision of the Spanish High Court to the Supreme Court on 12 June 2012. The Supreme Court ruled on 23 April 2015 and partially granted the appeal and declared that the CNMC resolution regarding the calculation of the fine was not in accordance with law and ordered the CNMC to recalculate it. On 29 September 2016 the CNMC issued a decision recalculating the aforementioned amount (€18.7 million), which was appealed to the Spanish High Court on 9 December 2016. As of 31 December 2018, the Group has a recorded provision for a

total of €16 million, maintaining the one recorded as of 31 December 2017. The Spanish High Court has not yet issued a ruling on the matter.

- On 8 February 2012, the Spanish antitrust authorities imposed a fine of €3.7 million on Cellnex (at the time, Abertis Telecom, S.A.U.) for an alleged abuse of dominant position in the DTT-signal transport business in Spain contrary to article 2 LDC and article 102 of the TFEU. The alleged infringement derived from the Issuer establishing margin squeezing prices for (i) wholesale access to its broadcast centres and infrastructures in Spain; and (ii) retail transport services for distribution of OTT signals. The Issuer filed an appeal against the Spanish antitrust authorities' decision before the Spanish High Court (*Audiencia Nacional*) on 21 March 2012 and also requested the deferral of the payment of the fine until the Court rules on the matter, a deferral that was granted on 18 June 2012. The Spanish High Court ruled on 20 February 2015 and partially upheld the appeal of Cellnex. Cellnex further appealed the decision of the Spanish High Court to the Supreme Court on 26 May 2015. On 23 March 2018, the Supreme Court dismissed Cellnex's appeal and therefore confirmed the existence of an abuse of dominant market position and also set out that the CNMC shall recalculate the fine. A nullity incident was filed by Cellnex before the Supreme Court (Tribunal Supremo) which was dismissed on 19 July 2018. On 10 October 2018 Cellnex appealed before the Constitutional Court (*Tribunal Constitucional*) the decision of the Supreme Court. The Constitutional Court dismissed Cellnex's appeal on 13 February 2019 and, as a result, Cellnex is liable for paying the fine imposed by the CNMC. After the corresponding calculation procedure, the CNMC has ruled that the amount of the fine should not be amended. Cellnex will file an appeal against such decision. With regard to these proceedings, as of 31 December 2018, Cellnex registered a provision amounting to €7 million, which led to a total provision with regards to these proceedings, as of 31 December 2018, amounting to €23 million.
- Moreover, and as a result of the spin-off of Abertis Telecom, S.A.U. (currently Abertis Telecom Satélites, S.A.U., "**Abertis Telecom Satélites**") on 17 December 2013, Cellnex assumed any rights and obligations that may arise from the aforementioned legal proceedings, as they relate to the spun-off business (terrestrial telecommunications). An agreement has therefore been entered into between Cellnex and Abertis Telecom Satélites, stipulating that if the aforementioned amounts have to be paid, Cellnex will be responsible for paying these fines. At 31 December 2018, Cellnex has provided three guarantees amounting to €32.5 million (€32.5 million and €36.4 million at 31 December 2017 and 2016, respectively) to cover the disputed rulings with the CNMC explained above in addition to the provisions recorded and referred to in the paragraphs above.
- On 19 June 2013, the EC issued a decision concluding that Retevisión and other terrestrial platform operators had received state aid in the form of €260 million scheme to finance the digitalisation and extension of the terrestrial TV network in remote areas of Spain during the digital switch-over process and that such state aid was incompatible with the EU rules. The decision ordered the Kingdom of Spain to recover the aid by 10 November 2013, which according to the EC amounted to an aggregate of €40 million for Retevisión. On 9 October 2013 Retevisión filed an appeal before the General Court of the EU against such decision which was rejected by a decision on 26 November 2015. The Group has filed on 5 February 2016 an appeal with the European Court of Justice as the Group considers there are sufficient grounds for the appeal to succeed and considers that the public contest was not state aid incompatible with the EU rules. On 20 December 2017, the European Court of Justice issued a judgment in which, considering one of the appeals filed, it immediately annulled the Commission's decision, *erga omnes*, with the consequence that as such date the decision was annulled by a final judgment and that the recovery obligations incumbent upon the public administrations and the obligations of the companies to return the amounts had lapsed.

In the period between the decision of the EC and the judgement of the European Court of Justice, the governments of Aragon, Andalusia and Madrid proceeded with the provisional execution of the state aid repayment orders. As a consequence of the annulment of the decision of the EC, Retevisión recovered those amounts.

- On 1 October 2014, the EC issued a decision concluding that Retevisión and other terrestrial and satellite platform operators had received state aid in the form of a €56.4 million scheme to finance the digitalisation and extension of the terrestrial TV network in remote areas of Castile-La Mancha (a Spanish region) during the digital switch-over process and that such state aid was incompatible with the EU rules. The decision ordered the Kingdom of Spain through the regional government

of Castile-La Mancha to recover the aid. On 29 October 2015, the government of Castile-La Mancha began an aid recovery proceeding for €719 thousand, which the Group is opposing and was declared lapsed *ex officio* on 4 July 2016. On 15 December 2016 the General Court of the European Union passed a ruling which dismissed the appeals. The Group filed on 23 February 2017 an appeal with the European Court of Justice. On 26 April 2018 the European Court of Justice has issued a judgment dismissing the Group's appeal, confirming the abovementioned decision of the EC. On 26 November 2018, the government of Castile-La Mancha restarted the aid recovery proceeding. After the appealing of the Group, the government of Castile-La Mancha has ruled a decision by which it reduces the amount to be recovered from €719 thousand to €249 thousand. On March 2019, the government of Castile-La Mancha received such amount. The Group has filed an appeal against such decision.

- On 3 July 2018, the Issuer received a notice of initiation of a tax audit for the concepts corporate income tax (consolidated group), corresponding to the 2015 and 2016 fiscal years, and value added tax, corresponding to the periods between April and December of 2015 (individual) and 2016 (VAT group). Besides, the corporate income tax and value added tax for fiscal year 2014 and the value added tax for the first quarter of fiscal year 2015 is also being audited by the Spanish tax authorities due to the fact that the Abertis Group (former shareholder of the Issuer) received a notice of initiation of a tax audit for the concepts corporate income tax (consolidated group) and value added tax (VAT group) for fiscal years 2014, 2015 and 2016.

Regulation

Telecom Infrastructure Services activity

Despite the existence of laws and regulations applicable to this activity in all markets in which the Group operates, such as obligations with respect to network sharing or regulations related to emission and power on infrastructures, the Telecom Infrastructure Services activity that the Group develops is not subject to specific sector-related regulation in any country in which it operates.

Broadcasting Infrastructure activity

The Broadcasting Infrastructure activity is an "electronic communications activity" regulated by the Spanish General Telecommunications Act (Law 9/2014, of 9 May) (the "**GTA**"), which implemented the EU regulations on the matter in Spain, including, among others, (i) Directive 2002/21/EC of the European Parliament and of the Council of 7 March 2002 on a common regulatory framework for electronic communications networks and services, as further amended; (ii) the Commission Recommendation of 9 October 2014, on Relevant Product and Service Markets (2014/710/EC)(the "**2014 Commission Recommendation**") regarding the relevant markets of products and services within the electronic communications sector that are eligible for ex ante regulation pursuant to Directive 2002/21/CE; and (iii) the Guidelines 2002/C165/03 on market analysis and the assessment of significant market power ("**SMP**") under the European regulatory framework for electronic communications networks and services. The European institutions have recently approved Directive (EU) 2018/1972 of the European Parliament and of the Council, of 11 December 2018, establishing the European Electronic Communications Code (the "**ECC**"), which repeals most of the prior regulation on this matter (as set forth in Annex XII therein). The member states of the EU shall transpose the ECC into their national legal regimes by 21 December 2020.

The national regulation authorities ("**NRAs**") on electronic communication matters in Spain are:

1. the CNMC, since its creation in 2013 has assumed many of the functions performed by its predecessor, the Commission of the Telecommunications Market ("**CMT**"); and
2. the Spanish Secretary of State for the Digital Progress (*Secretaría de Estado para el Avance Digital* or "**SEAD**"), part of the Ministry of Economy and Entrepreneurship, and responsible, among others, for the registration of MNOs and the management and control of the radioelectric spectrum.

European regulations

In order to promote competition in the provision of electronic communications networks and services, the European directives that comprised the "Telecom Package" approved in 2002 contemplates that NRAs shall carry out periodic market reviews consisting of three main steps:

1. **Relevant market definition:** identify markets displaying characteristics which may justify the imposition of ex ante regulatory obligations. Any market which satisfies the following three criteria in the absence of regulation will be subject to ex ante regulation:
 - barriers to entry;
 - low tendency towards competition; and
 - insufficiency of ex post competition law remedies.
2. **Significant Market Power (SMP) operators' identification:** NRAs must carry out an analysis of the relevant markets, taking into account the guidelines set by the European regulations. Where an NRA concludes that there is no effective competition in a market, it must identify the operators with SMP in that market; and
3. **Imposition of ex ante obligations on the SMP operators in the market:** taking into account the circumstances and particularities of the market, the NRA may impose the appropriate ex ante obligations to attempt to ensure the maintenance of an effective competition in the analysed market.

The 2014 Commission Recommendation mentioned above identifies in its Annex the markets that shall require an analysis by the NRAs. Those markets do not include the wholesale access to transmission infrastructures, identified as "Market 18" (a market in which the Issuer operates), as it was excluded from those that, prima facie, require an analysis of the NRAs by the prior recommendation on this matter issued by the Commission (Recommendation 2007/879/EC of 17 December 2007, the "**2007 Commission Recommendation**"). To reach this conclusion the 2007 Commission Recommendation argued that:

- significant changes were underway, with greater competition between platforms due to the transition from analogue to digital TV;
- certain obligations could solve platform accessibility problems that certain TV channels could face, so that *ex ante* regulation was no longer necessary; and
- the NRAs have the power to impose infrastructure sharing obligations without regulating the market.

In any case, NRAs maintain the capacity to apply the three-criteria test established in the European regulations to any electronic communications market in order to assess whether, on the basis of national circumstances, a market not included in the 2014 Commission Recommendation might nonetheless still be subject to ex ante regulation in a particular member state.

The Spanish General Telecommunications law of 2003 contained the standards that authorised the former CMT to carry out market reviews under the terms described. These standards are currently set out in the GTA.

Definition and market analysis of the television broadcasting transmission service

The former CMT (current CNMC) has conducted three reviews of this market. The first two were approved in 2006 and 2009. On 30 April 2013 the latest revision was approved, which is currently in force. In April 2018 the CNMC has started the procedures for a new revision of the referred market.

In a resolution of the Market 18, the CMT (current CNMC) defined the market for broadcasting transmission services by terrestrial waves as that which "includes technical activities consistent in making available audiovisual content produced by broadcasters to the public through telecommunication services as a distribution channel by means of terrestrial waves". Additionally, it geographically distinguished the following markets (i) one national market, (ii) 19 regional markets corresponding to each of the territories of the autonomous communities and autonomous cities, and (iii) 308 local markets defined in terms of boundaries contained in the technical television plan.

The CNMC concluded in its resolution that the market was non-competitive, susceptible to ex ante regulation and therefore imposed certain obligations on the Group due to its deemed condition of being an SMP operator.

The CNMC considers that there are certain high and non-transitory barriers to market entry in the broadcasting transmission services market mainly because (i) sunk costs are particularly relevant in the market; (ii) there are significant economies of scale that allow the historical operators to obtain significant reductions in average unit costs; (iii) the service requires an infrastructure that is not easily reproducible and under which no alternative supply is available; and (iv) the existence of legal obstacles to the occupation of the public domain for the installation of networks.

The main obligations imposed on the Group due to its status as an SMP operator are:

- **Access to other operators.** Obligation to facilitate access to its broadcasting infrastructures of national network to other operators, that reasonably request it, at regulated prices either (i) via co-location and other forms of capacity sharing, or (ii) via interconnection to the Group's equipment when the infrastructure is not replicable, space is no longer available or when the infrastructures are used for national population coverage over 93%.
- **Price control.** Access to third parties must be granted at regulated cost-oriented access prices. The model to determine fair and reasonable prices is based on the Group's costs of production. The goal is to avoid margin squeeze and other predatory or anticompetitive prices. The CNMC determines the system of cost accounting and approves an appropriate return on capital employed.
- **Regulatory accounting obligations.** The Group must keep a separate accounting of costs and revenue for individual services in order to verify that there is no cross-financing between retail and wholesale prices.
- **Non-discrimination obligation on access conditions.** The Group must provide resources to third operators equivalent to those provided to itself.
- **Notification obligations.** All agreements reached with national TV broadcasters must be notified to the CNMC as well as all agreements to grant access to broadcast operations to the Group's infrastructures.
- **Access reference offer.** There is an obligation of transparency under which the Group must publish a reference offer for the regulated service, including infrastructure lists, characteristics, service-level agreements and the economic terms. The Group's regulated prices must not exceed the prices set out in the relevant reference offer. The Reference Offer for Access to Issuers Sites of the Group ("ORAC") is available on the website of the Issuer and of the CNMC (www.cnmc.es).
- **Determination of the specific terms of access.** In any dispute between operators where no voluntary agreements are reached, the CNMC will assess the reasonableness of the access request and, if applicable, will dictate the agreement conditions.
- **Obligations on downstream markets.** There is a general prohibition of anticompetitive behaviours.

On 6 October 2018, the CNMC published a public consultation process to analyse and revise the television broadcasting transmission market. With this new process, the CNMC aims to maintain the Group's status as SMP operator while advocating for a more flexible regulatory framework to foster the number of agreements to access the Group's infrastructure and, thus, increasing the number of alternative suppliers for broadcasters. In particular, the proposal aims (i) to replace the cost-oriented pricing obligation by an obligation to set reasonable prices for access, (ii) to make equally available the access to co-location and interconnection to the Group's infrastructures and, (iii) to remove the obligation to publish the reference offer for access to issuers sites of Cellnex (*Oferta de Referencia para el Acceso a los Centros emisores de Cellnex*).

The CNMC, after completion of the public consultation process on 7 November 2018 and receipt of observations or suggestions from any third party during such public consultation process, will draw up a draft proposal to be sent to the European Commission ("EC"), as well as to the Spanish Ministries for the Economy and Entrepreneurship (*Ministerio de Economía y Empresa*) and Industry, Trade and Tourism (*Ministerio de Industria, Comercio y Turismo*).

General Telecommunications Act ("GTA")

The Group's main activity is supplied under free competition in the electronic communications sector, which is regulated by the GTA.

The GTA is the law regulating the electronic communications sector in Spain, which includes network operations and the provision of electronic communications services and associated resources with the exclusion of services regulated by the General Audiovisual Communications Act (Law 7/2010, of 31 March).

In general, any natural or legal person who wants to provide services in the electronic communications market must obtain the appropriate authorisation certificate that is attained by a system of prior communication to the CNMC, currently operating the Register of Operators (except for those services using radio spectrum and subject to obtaining the appropriate authorisation certificate from SEAD prior to its use).

The Group holds the necessary authorisation certificates for the transmission services of signals using the radio spectrum (the only service offered by the electronic communications market) and it is registered in the Register of Operators. The appropriate authorisation certificates required for the use of the radio spectrum for radio and television broadcast are not held by the Group and are held by the Group's clients (i.e., the different operators that provide final telecom services such as TV broadcasters, FM/AM radio broadcasters, etc.). The Group is required to verify that its clients have those authorisation certificates prior to providing transmission and broadcasting service of the signal.

The spectrum used by wireless telecom networks (such as FM, DTT, mobile or PDDR, among others) is a scarce resource that is managed and controlled by the competent organisations of the public administration. Specifically, although the allocation of the different uses of the spectrum is governed by general principles applicable at the European and international level, member states of the EU are responsible for setting the frequency bands authorised for each of the applications. Specifically, in Spain the SEAD is responsible for this. The frequency allocation is performed in the National Frequency Allocation Table, which determines which frequencies are valid for each of the applications and the technical conditions of use thereof.

The GTA provides an overall framework within which operators can develop their activity, based on the principles of transparency, non-discrimination and proportionality in order to promote free competition and interoperable networks and services. It aims to establish the CNMC conditions to apply ex ante regulations for this market and to resolve disputes between operators.

The GTA also regulates the following aspects relevant to the development of the Group's activity:

- rights of operators and deployment of public electronic communications networks, which is the general framework for the implementation and deployment of the Group's networks;
- infrastructure and public electronic communications networks in buildings, as it affects the reception of broadcast services provided by us;
- radio public domain, because the Group is required to verify that its customers have the authorisation certificates needed to use it in their activity, and whose regulation is implemented by the recently enacted Royal Decree 123/2017, of 24 February, approving the regulation on the use of radio public domain;
- taxes on telecommunications; and
- inspection and sanction system.

Spanish Audiovisual Communication Act ("LGCA")

The Spanish Audiovisual Communication Act 2010 (LGCA) states that radio and audiovisual broadcasting are services of general interest that can generally be provided in a competitive environment by anybody subject to prior notice to SEAD, and only subject to the constraints derived from the limitations of the spectrum and the protection of the interests of citizens. The audiovisual media services provided by the Spanish Government, however, are considered a public service.

The prior regime based on administrative concessions was substituted by a licence regime. Services requiring the use of radio spectrum will have to follow a tender process to obtain the relevant licences. These licences generally have terms of 15 years, with renewal mechanisms. The civil radio spectrum allocated to each DTT operator consists of a specific bandwidth that allows him or her to broadcast one or more channels within a digital MUX. For audiovisual content to reach viewers, DTT operators need a broadcast network that carries the DTT signal from the DTT operators at production centres. This broadcast network consists of a series of transmitters and relay stations where the transmission systems, infrastructure telecommunications equipment, power cables, air conditioning and other equipment which are installed to enable the DTT signal to be carried.

Audiovisual licences granted to national DTT broadcasters in Spain require nearly complete coverage on population basis: a 96% population coverage requirement for commercial operators and a 98% population coverage requirement for public operators. Currently, the Issuer is the only Spanish operator which provides the DTT broadcasting services with this total national coverage.

A new Directive amending the Audiovisual Media Services Directive 2010/13/EU of the European Parliament and the Council has been passed on 2 October 2018, which will have to be transposed into Spanish law by amending the LGCA. However, it is not likely that the licence regime referred to above will be affected.

Digital Dividend and UHF Band

The analogue switch-off ("**ASO**") and the implementation of DTT in Spain were completed in April 2010. The Royal Decree 805/2014, of 19 September, approved the National Technical Plan for Digital Terrestrial Television. Among other matters, this new Technical Plan allowed the release of the so-called "Digital Dividend", so that part of the 800 MHz band of frequencies used by DTT has been available from March 2015 to mobile operators which were awarded the frequencies through auctions conducted in 2011. As a consequence of the reallocation of the frequencies, the number of MUXs available for DTT service was reduced from eight to seven at a national level and, on a general basis, from two to one at the regional level.

A third Digital Dividend is not expected to take place in the medium term. Regarding the first Digital Dividend, Royal Decree 805/2014, of 19 September, approved the National Technical Plan for DTT. Among other matters, this new Technical Plan allowed the release of the so-called "Digital Dividend", so that part of the 800 MHz band of frequencies used by DTT was made available from March 2015 to mobile operators which were awarded the frequencies through auctions conducted in 2011. As a consequence of the reallocation of the frequencies, the number of MUXs available for DTT service was reduced from eight to seven at a national level and, on a general basis, from two to one at the regional level.

On 17 April 2015, the Spanish government approved a resolution that was published in the Spanish Official Gazette on 18 April 2015 and that contained the basis for a public tender for the award of six new DTT national licences: two standard definition ("**SD**") channels within the RGE2 MUX, another SD channel within the MPE4 MUX, and three high definition ("**HD**") channels within the MPE5 MUX. The licences have been awarded and the winners were: SD licences awarded to Grupo Secuoya, Kiss and 13TV and HD licences awarded to Mediaset, A3media and Real Madrid. These new channels began their emissions in April 2016.

The World Radio Communication Conference 2015 (WRC 2015) held in Geneva during November 2015 made important decisions on the UHF band, impacting the Group's business:

- 700 MHz band (694 – 790 MHz): the WRC15 agreed on the technical details in order to be used by mobile services (LTE) and defined the co-primary allocation of the band to broadcast and mobile services.
- Sub 700 MHz band (470 – 694 MHz): the WRC15 agreed on keeping the primary use of the band for Digital Terrestrial Television and to avoid any new debate about the use of the band till World Radio Communication Conference 2023.

In February 2016 and, taking into account the outcome of the WRC15, the European Commission published a draft Decision setting out the use of the UHF band for the coming years. On 17 May 2017 the Decision

(EU) 2017/899 of the European Parliament and of the Council, of 17 May 2017, on the use of the 470-790 MHz frequency band in the Union was approved:

- 700 MHz band: The so-called second Digital Dividend, by 30 June 2020, Member States shall allow the use of the 700 MHz frequency band for terrestrial systems capable of providing wireless broadband electronic communications services only under harmonised technical conditions established by the Commission. Member States may, however, delay allowing the use of the 700 MHz frequency band for up to two years on the basis of one or more of the duly justified reasons set out in the Decision.
- Sub 700 MHz band: Member States shall ensure availability at least until 2030 of the sub-700 MHz frequency band for the terrestrial provision of broadcasting services, including free television, and for use by wireless audio PMSE (programme-making and special events) on the basis of national needs, while taking into account the principle of technological neutrality. Member States shall ensure that any other use of the sub-700 MHz frequency band on their territory is compatible with the national broadcasting needs in the relevant Member State and does not cause harmful interference to, or claim protection from, the terrestrial provision of broadcasting services in a neighbouring Member State.

In addition, no later than 30 June 2018, Member States were requested to adopt and publish their respective national plan and schedule ("national roadmap"), including detailed steps for fulfilling their obligations as set out above. Member States had to draw up their national roadmaps after consulting all relevant stakeholders.

The Spanish Government published on 29 June 2018 its national roadmap for the liberalisation of the second Digital Dividend after several public consultations, excepted by 30 June 2020, following the EU calendar. There appears to be a consensus among relevant stakeholders (including both the telecommunication and broadcasting sectors) agreeing on the need for a non-disruptive transition and on keeping the DTT competitively by ensuring the current number of MUXs. Among the main milestones of the roadmap calendar, it was declared that several legal instruments were to be approved by the end of 2018 in order, among others, to approve the new National Technical Plan for DTT, and to approve a compensation regime for the costs of adaptation of reception facilities to new frequencies and to compensate the forced updates in broadcasters' transmission equipment.

As a consequence, on 22 January 2019, the Spanish government submitted to public consultation the draft of Royal Decree approving the new National Technical Plan for DTT and ruling certain aspects of the liberalisation of the second Digital Dividend. The public consultation is open until 18 February 2019.

Among the main provisions of this draft, the Spanish Government states that (i) the 700MHz band will be ready for mobile services by 30 June 2020, becoming available for pan-European advanced electronic communication services, such as 5G mobile services (within the 5G National Plan), as requested by the EU legislation; and (ii) the sub-700MHz (470-694 MHz) band will continue to be used for television broadcasting until, at least, 2030. The current number of MUXs (and their coverages) on the sub 700MHz band will also be maintained, as well as the offer of DTT channels.

A third Digital Dividend is not expected to take place in the medium term.

Competition Law

Practices restricting competition are prohibited in Spain under applicable competition regulations. Such practices include, among others, (i) the abuse of a dominant position and (ii) prohibited collusive agreements.

The prohibition of competition-restricting practices is the result of both EU and Spanish law. European and Spanish competition laws (articles 101 and 102 of the TFEU and articles 1 and 2 of the Law 15/2007, of July 3, on Competition) regulate these practices in a similar manner. EU laws regulate any prohibited practices that may affect trade between EU member states and Spanish laws regulate practices that have a domestic effect.

If the relevant competition authorities (generally the EC on the European level, and the CNMC on the national level) determine that a company has abused its dominant position or is party to a prohibited agreement, they may order the Group to cease such anti-competitive practices and/or impose sanctions

which may include fines up to 10% of the revenues obtained by the offending company in the year preceding the resolution.

Actions constituting the abuse of a dominant position, or any clauses in agreements prohibited by the competition regulations are void and therefore not enforceable. Engaging in competition-restricted practices may trigger the filing of civil claims by third parties that suffered an economic loss. The competition regulation prohibits any agreement between competitors aimed at price fixing, either directly or indirectly, or other relevant commercial conditions, limiting production, allocation of markets or customers, or boycott to third parties.

The competition regulation also prohibits certain practices in connection with the supplier-customer relationship. In this case, there are no absolute prohibitions as they depend on the market share of the parties, duration of the clauses and characteristics of the restrictions of competition.

Regarding the abuse of a dominant position, the Group enjoys a dominant position in the market affected by the practice. Thus, before examining whether a specific conduct is abusive, it is necessary to determine the relevant market and the position of the Group in such market. Defining the relevant market is of great importance because it determines the position of the Group in the market. This definition must be done from two perspectives: product/service and geographical. It is therefore crucial to assess the substitutability between goods and services and the homogeneity of competition conditions between regions.

A dominant position is defined as a position of economic or commercial strength that enables a party to behave independently of its suppliers, competitors and customers. There is no legal definition of dominant position either in the Spanish or European regulation, however there are different criteria that are used to assess whether such a position exists or not. One such criterion is market share which gives an indication of the existence of dominance. In this regard, market shares below 30% generally exclude the possibility of the existence of dominance. In any event, the particular circumstances applicable to each case should be carefully analysed.

Abuse may take different forms. Article 2 of the LDC and Article 102 of the TFEU list the most important: (i) application of non-equitable prices or other trading conditions or services, (ii) limiting production, distribution or technical development to the unreasonable detriment of companies or consumers; (iii) unjustified refusal to satisfy purchases of products or services demands; (iv) applying discriminatory conditions to commercially equivalent situations, which places some competitors at a disadvantage compared to others; or (v) the subordination of certain services to contracting others that are not related to them.

Other Network Services activity

Despite the existence of laws and regulations applicable to this activity, the Other Network Services activity that the Group develops is not subject to specific sector-related regulation.

Board of Directors of the Issuer

The Issuer's Bylaws provide for a Board of Directors consisting of between 4 and 13 members. The Board of Directors of the Issuer currently consists of 12 Directors. The composition of the Board of Directors of the Issuer at the date of this Information Memorandum and the status of its members in accordance with the provisions of the Bylaws and the Board of Directors regulations (*Reglamento del Consejo de Administración* or "**Board of Directors Regulations**") of the Issuer are shown below:

<u>Name</u>	<u>Nature</u>	<u>Title</u>	<u>Principal activities outside the Issuer</u>
Mr. Marco Patuano	Proprietary	Chairman	CEO of Edizione, director of Atlantia S.p.A., Autogrill S.p.A., AC Milan S.p.A. and Benetton Group S.r.l.
Mr. Tobías Martínez Gimeno	Executive	Chief Executive Officer	N/A
Mr. Bertrand Boudewijn Kan	Independent	Vice Chairman	Among other responsibilities, he is currently a member of the supervisory board of UWC Netherlands, the advisory

<u>Name</u>	<u>Nature</u>	<u>Title</u>	<u>Principal activities outside the Issuer</u>
			board of Wadhvani Asset Management and the Board of Directors of Simmin.
Mr. Giampaolo Zambelletti	Independent	Coordinating Director	Vice President of Unidad Editorial S.A., board member of Banca Farmafactoring and President of RCS Investimenti.
Mr. Pierre Blayau	Independent	Director	President of CCR (Caisse Central de Reassurance) and independent director on the boards of FIMALAC and Canal + Group.
Mr. Leonard Peter Shore	Independent	Director	Chairman of Minnamurra Partners Ltd.
Ms. Concepción del Rivero Bermejo	Independent	Director	Senior advisor of Ericsson, member of the advisory boards of Roca Salvatella and Made in Mobile, member of the board of the International Women Forum y member of Women Corporate Director
Mr. Carlo Bertazzo	Proprietary	Director	General Manager of Edizione, member of the board of directors of Atlantia, Aeroporti di Roma and Sintonia
Ms. Elisabetta De Bernardi Di Valserra	Proprietary	Director	Member of the board of directors of Atlantia and Getlink
Mr. John Benedict McCarthy*	Proprietary	Director	Global Head of Infrastructure, Real Estate and Infrastructure Department at Abu Dhabi Investment Authority
Ms. Anne Bouverot	Independent	Director	Independent member of the board of directors of Capgemini and Edenred.
Ms. María Luisa Guijarro Piñal	Independent	Director	N/A

* On 28 May 2019, Mr. John Benedict McCarthy has given notice of his intention to resign and his replacement remains to be appointed.

The business address of the Issuer's Directors and Executive Officers is currently Juan Esplandiú 11-13, 28007, Madrid, Spain.

During the financial year ended 31 December 2018, the Board of Directors held 13 meetings. Since the beginning of the current year and until the date of this Information Memorandum, the Board of Directors has met on seven occasions.

Senior Management of the Issuer

The Senior Management of the Group is carried out by the Chief Executive Officer and the people identified below:

<u>Name</u>	<u>Title</u>	<u>Principal activities outside the Issuer</u>
Mr. Luis Deulofeu Fuguet	Deputy CEO	Member of the Board of Sanef and president of HIT (Holding d'Infrastructures de Transport)
Mr. Alexandre Mestre Molins	General Manager of Global Business	President of TowerCo
Mr. Antoni Brunet Mauri	Corporate and Public Affairs Director	Member of the Plenary Committee of the Chamber of Commerce, Member of the Economic Policy Table of the before mentioned Chamber and also

<u>Name</u>	<u>Title</u>	<u>Principal activities outside the Issuer</u>
		Member of the Plenary Committee of the Chamber of Spain.
Mr. Javier Martí de Veses Estades	General Secretary	Member of the Advisory Board of Telecommunications of the Ministry of Telecommunications and Information.
Mr. José Manuel Aisa Mancho	Chief Financial Officer and Corporate Development Director	N/A
Mr. Alberto López Prior	Resources & Transformation Director	N/A
Mr. Daniel Fernández Capo	Global Operations Director	N/A

Conflicts of Interest

As set forth above, some of the Directors are also officers and/or employees of companies within the Edizione group or the Abu Dhabi Investment Authority group.

There are no other potential conflicts of interest between any duties owed by the Directors or Senior Management to the Issuer and their private interests or other duties.

Conflicts of interest of the Directors of the Issuer are governed by the Internal Rules of Conduct in the Securities Markets (the "**Rules of Conduct**") and additionally by the Board of Directors Regulations which establishes that a Director shall notify the Board of Directors of the existence of conflicts of interest, direct or indirect, that he or any person related to him may have in relation with the interests of the Issuer and refrain from intervening agreements or decisions of the Issuer in the transaction to which the conflict refers.

Regarding Senior Management and as provided in the Rules of Conduct, a senior manager shall notify the General Secretary of any potential conflicts of interest that may arise and shall act at all times with loyalty to the Issuer and regardless of their own interests or those of others and refrain from intervening or influencing decisions of matters affected by the conflict and from accessing confidential information affecting any such conflict.

CERTAIN INFORMATION IN RESPECT OF THE NOTES

Key information

The persons involved in the Programme and the capacities in which they act are specified at the end of this Information Memorandum.

The net proceeds of the issue of the Notes will be used for the general corporate purposes of the Group.

Information Concerning the Securities to be admitted to trading

Total amount of Notes admitted to trading

The aggregate amount of each issue of Notes will be set out in the applicable Pricing Supplement.

The maximum aggregate principal amount of Notes which may be outstanding at any one time is €500,000,000 (or its equivalent in other currencies). Such amount may be increased from time to time in accordance with the Dealer Agreement.

Type and class of Notes

Global Notes shall be issued (and interests therein exchanged for definitive Notes, if applicable) in the following minimum denominations (or integral multiples thereof):

- (a) for Euro Notes, €100,000 (and integral multiples of €1,000 in excess thereof);
- (b) for U.S.\$ Notes, U.S.\$500,000 (and integral multiples of U.S.\$1,000 in excess thereof);
- (c) for Sterling Notes, £100,000 (and integral multiples of £1,000 in excess thereof); or
- (d) for CHF Notes, CHF500,000,

or such other conventionally accepted denominations in those currencies or such other currency as may be agreed between the Issuer and the relevant Dealer from time to time, subject in the case of each currency (including those listed above) (i) to compliance with all applicable legal and regulatory requirements and (ii) to the minimum denomination being at least equal to the euro equivalent of €100,000 (except in the case of Notes to be placed in the United Kingdom, in which case the minimum denomination will be the euro equivalent of £100,000, or higher), and provided, however, that the Notes of each issuance may only be issued in equal denominations.

Notes may, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Selling Restrictions*".

The international security identification number of each issue of Notes will be specified in the relevant Pricing Supplement.

Legislation under which the Notes have been created

The Notes and any non-contractual obligations arising out of or in connection with them are governed by, and construed in accordance with, English law, except for the Status of the Notes that will be governed by, and constituted in accordance with, Spanish law.

Form of the Notes

The Notes will be in bearer form. Each issue of Notes will initially be represented by a Global Note which will be deposited with a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each Classic Global Note, as specified in the relevant Pricing Supplement, will be deposited on or around the relevant issue date with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each New Global Note, as specified in the relevant Pricing Supplement, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Global Note may, if so

specified in the relevant Pricing Supplement, be exchangeable for Notes in definitive bearer form in the limited circumstances specified in the relevant Global Note.

On 13 June 2006 the European Central Bank (the "ECB") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "Eurosystem"), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

Currency of the Notes

Notes may be issued in Euro, Sterling, United States dollars, Swiss francs and such other currencies as may be agreed between the Issuer and the relevant Dealer(s) from time to time and subject to the necessary regulatory requirements having been satisfied.

Status of the Notes

The Notes constitute and at all times shall constitute direct, unsecured and unsubordinated obligations of the Issuer ranking *pari passu* without any preference among themselves and with all present and future unsecured and unsubordinated obligations of the Issuer, other than those preferred by mandatory provisions of law and other statutory exceptions.

In the event of insolvency (*concurso*) of the Issuer, under the Spanish Insolvency Law claims relating to Notes will be ordinary credits (*créditos ordinarios*) as defined by the Spanish Insolvency Law unless they qualify as subordinated credits (*créditos subordinados*) in the limited circumstances set out in Article 92 of the Spanish Insolvency Law. Ordinary credits rank below credits against the insolvency estate (*créditos contra la masa*) and privileged credits (*créditos privilegiados*).

Rights attaching to the Notes

Each issue of Notes will be the subject of a Pricing Supplement which, for the purposes of that issue only, supplements the terms and conditions set out in the relevant Global Note or, as the case may be, definitive Notes and must be read in conjunction with the relevant Notes. See "Forms of Notes" and "Form of Pricing Supplement".

Maturity of the Notes

The Maturity Date applicable to each issue of Notes will be specified in the relevant Pricing Supplement. The term of the Notes shall be not less than 1 day or more than 364 days from and including the Issue Date to, but excluding, the Maturity Date, subject to applicable legal and regulatory requirements.

Optional Redemption for Tax Reasons

The Issuer may redeem Notes (in whole but not in part) if it has or will become obliged to pay additional amounts pursuant to the terms and conditions of the Notes as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction) which change or amendment becomes effective on or after the issue date of the relevant Notes and such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

Prescription

Claims for payment of principal and interest in respect of the Notes shall become prescribed and void unless made, in the case of principal, within ten years after the Maturity Date (or, as the case may be, the Relevant Date) or, in the case of interest, five years after the relevant Interest Payment Date in each case as specified in the relevant Pricing Supplement.

Yield Basis

Notes may be issued on the basis that they will be interest bearing or they may be issued at a discount (in which case they will not bear interest). The yield basis in respect of Notes bearing interest will be set out in the relevant Pricing Supplement.

Authorisations and approvals

The establishment and update of the Programme and the issuance of Notes pursuant thereto was authorised by resolutions of the board of directors of the Issuer adopted on 26 April 2018 and 8 May 2019.

The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Admission to trading and dealing arrangements

Application has been made to Euronext Dublin for Notes issued under the Programme during the period of twelve months after the date of this Information Memorandum to be admitted to the Official List and to trading on the regulated market of Euronext Dublin. Notes may be listed, traded and/or quoted on any other listing authority, stock exchange and/or quotations system, as may be agreed between the Issuer and the relevant Dealer. No Notes may be issued on an unlisted basis.

The Bank of New York Mellon, London Branch at One Canada Square, London E14 5AL, United Kingdom is the Issue and Paying Agent in respect of the Notes.

The Bank of New York Mellon SA/NV, Dublin Branch at Riverside II, Sir John Rogerson's Quay, Grand Canal Dock, Dublin 2, Ireland is the Listing Agent in respect of the Notes.

Expense of the admission to trading

The expense in relation to the admission to trading of each issue of Notes will be specified in the relevant Pricing Supplement.

Additional Information

The legal advisers and capacity in which they act are specified at the end of this Information Memorandum.

FORMS OF NOTES

Part A – Form of Multicurrency Bearer Permanent Global Note (Interest Bearing/Discounted)

THE SECURITIES REPRESENTED BY THIS GLOBAL NOTE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE SECURITIES OF THE ISSUE OF WHICH THIS SECURITY FORMS PART.]

CELLNEX TELECOM, S.A.

(Incorporated as a limited liability company (sociedad anónima) in the Kingdom of Spain)

€500,000,000

EURO-COMMERCIAL PAPER PROGRAMME

1. For value received, Cellnex Telecom, S.A. (the "**Issuer**") promises to pay to the bearer of this Global Note on the Maturity Date set out in the Pricing Supplement or on such earlier date as the same may become payable in accordance with paragraph 4 below (the "**Relevant Date**"), the Nominal Amount, or, as the case may be, Redemption Amount set out in the Pricing Supplement, together with interest thereon if this is an interest bearing Global Note, at the rate and at the times (if any) specified herein and in the Pricing Supplement. Terms defined in the Pricing Supplement attached hereto but not otherwise defined in this Global Note shall have the same meaning in this Global Note.

All such payments shall be made in accordance with an issue and paying agency agreement dated 6 June 2019 (as amended, restated or supplemented from time to time, the "**Agency Agreement**") between the Issuer and The Bank of New York Mellon, London Branch as the issue and paying agent the "**Issue and Paying Agent**"), a copy of which is available for inspection at the office of the Issue and Paying Agent at One Canada Square, London E14 5AL, United Kingdom, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Global Note at the office of the Issue and Paying Agent referred to above by transfer to an account denominated in the Specified Currency set out in the Pricing Supplement maintained by the bearer with (i) a bank in the principal financial centre in the country of the Specified Currency, or (ii) if this Global Note is denominated or payable in euro by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Union. The Issuer undertakes that, so long as the Notes are listed, traded and/or quoted on any listing authority, stock exchange and/or quotation system, there will at all times be a paying agent with a specified office in such place as may be required by the rules and regulations of the relevant listing authority, stock exchange and/or quotation system.

Notwithstanding the foregoing, presentation and surrender of this Global Note shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Global Note denominated in U.S. dollars, payments shall be made by transfer to an account denominated in U.S. Dollars in the principal financial centre of any country outside of the United States that the Issuer or Issue and Paying Agent so chooses.

2. If the Pricing Supplement specifies that the New Global Note form is applicable, this Global Note shall be a "**New Global Note**" or "**NGN**" and the Nominal Amount of Notes represented by this Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs (as defined below). The records of the ICSDs (which expression in this Global Note means the

records that each ICSD holds for its customers which reflect the amount of such customers' interests in the Notes (but excluding any interest in any Notes of one ICSD shown in the records of another ICSD)) shall be conclusive evidence of the Nominal Amount of Notes represented by this Global Note and, for these purposes, a statement issued by an ICSD (which statement shall be made available to the bearer upon request) stating the Nominal Amount of Notes represented by this Global Note at any time shall be conclusive evidence of the records of the ICSD at that time.

If the Pricing Supplement specifies that the New Global Note form is not applicable, this Global Note shall be a "**Classic Global Note**" or "**CGN**" and the Nominal Amount of Notes represented by this Global Note shall be the Nominal Amount stated in the Pricing Supplement or, if lower, the Nominal Amount most recently entered by or on behalf of the Issuer in the relevant column in the Schedule hereto.

3. Taxation:

- (a) *Gross up:* All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note:
- (i) held by or on behalf of a Noteholder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note; or
 - (ii) to, or to a third party on behalf of, a Spanish-resident legal entity subject to the Spanish Corporate Income Tax if the Spanish tax authorities determine that the Notes do not comply with applicable exemption requirements including those specified in the reply to a non-binding Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made; or
 - (iii) to, or to a third party on behalf of, a Noteholder if the Issuer does not receive in a timely manner certain information about the Notes of such Noteholder as it is required by the applicable Spanish tax laws and regulations, including a duly executed and completed certificate from the Issue and Paying Agent, pursuant to Law 10/2014 and Royal Decree 1065/2007 of 27 July, as amended by Royal Decree 1145/2011 of 29 July, and any implementing legislation or regulation; or
 - (iv) where the relevant Note is presented or surrendered for payment more than 30 days after the Maturity Date except to the extent that the Noteholder would have been entitled to
 - (v) such additional amounts on presenting or surrendering such Note for payment on the last day of such period of 30 days; or
 - (vi) any combination of items (i) through (iv) above.
- (b) *Taxing jurisdiction:* If the Issuer becomes subject at any time to any taxing jurisdiction other than the Kingdom of Spain, references in these Conditions to the Kingdom of Spain shall be construed as references to the Kingdom of Spain and/or such other jurisdiction.
- (c) *FATCA:* Notwithstanding any other provision of the terms to the contrary, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any deduction or

withholding imposed or required pursuant to an agreement described in Section 1471(b) of the Code, or otherwise imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

4. The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 14 days' notice to the Noteholders (which notice shall be irrevocable), at the Redemption Amount specified in the Pricing Supplement, together with (if this Note is an interest bearing Note) interest accrued to the date fixed for redemption, if:
 - (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in paragraph 3 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision thereof or any authority or agency thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date specified in the Pricing Supplement; and
 - (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, *provided, however*, that no such notice of redemption shall be given earlier than 14 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Issue and Paying Agent:

- (a) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (b) an opinion of independent legal advisers of recognised standing at the cost of the Issuer to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of any such notice as is referred to in this paragraph, the Issuer shall be bound to redeem the Notes in accordance with this paragraph.

5. The Issuer or any subsidiary of the Issuer may at any time purchase Notes in the open market or otherwise and at any price.
6. All Notes so purchased by the Issuer otherwise than in the ordinary course of business of dealings in securities or as a nominee shall be cancelled and shall not be reissued or resold. All Notes so purchased by any subsidiary of the Issuer may be cancelled, held by such subsidiary or resold.
7. On each occasion on which:
 - (a) *Definitive Notes*: Notes in definitive form are delivered; or
 - (b) *Cancellation*: Notes represented by this Global Note are to be cancelled in accordance with paragraph 6,

the Issuer shall procure that:

- (i) if the Pricing Supplement specifies that the New Global Note form is not applicable, (i) the aggregate principal amount of such Notes; and (ii) the remaining Nominal Amount of Notes represented by this Global Note (which shall be the previous Nominal Amount hereof less the aggregate of the amount

referred to in (i) above) are entered in the Schedule hereto, whereupon the Nominal Amount of Notes represented by this Global Note shall for all purposes be as most recently so entered; and

- (ii) if the Pricing Supplement specifies that the New Global Note form is applicable, details of the exchange or cancellation shall be entered *pro rata* in the records of the ICSDs and the Nominal Amount of the Notes entered in the records of the ICSDs and represented by this Global Note shall be reduced by the principal amount so exchanged or cancelled.
8. The payment obligations of the Issuer represented by this Global Note constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and upon insolvency of the Issuer (and unless they qualify as subordinated debts (*creditos subordinados*) under article 92 of the Law 22/2003 (*Ley Concursal*) dated 9 July 2003 or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions) rank *pari passu* and rateably without any preference among themselves and the payment obligations of the Issuer under the Notes rank at least *pari passu* with all other unsecured unsubordinated indebtedness, present and future, of the Issuer.
9. If the Maturity Date (or, as the case may be, the Relevant Date) or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day (unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day) and the bearer of this Global Note shall not be entitled to any interest or other sums in respect of such postponed payment.

As used in this Global Note:

"Payment Business Day" means any day other than a Saturday or Sunday which is either (i) if the Specified Currency set out in the Pricing Supplement is any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the Specified Currency set out in the Pricing Supplement or (ii) if the Specified Currency set out in the Pricing Supplement is euro, a day which is a TARGET Business Day; and **"TARGET Business Day"** means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) System, which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

10. This Global Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof free and clear of any equity, set-off or counterclaim on the part of the Issuer against any previous bearer hereof.
11. This Global Note is issued in respect of an issue of Notes of the Issuer and is exchangeable in whole (but not in part only) for duly executed and authenticated bearer Notes in definitive form (whether before, on or, subject as provided below, after the Maturity Date):
- (a) if one or both of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A., Luxembourg ("**Clearstream. Luxembourg**" and, together with Euroclear, the international central securities depositaries or "**ICSDs**") or any other relevant clearing system(s) in which this Global Note is held at the relevant time is closed for business for a continuous period of 14 days or more (other than by reason of weekends or public holidays, statutory or otherwise) or if any such clearing system announces an intention to, or does in fact, permanently cease to do business; or
 - (b) if default is made in the payment of any amount payable in respect of this Global Note.

Upon presentation and surrender of this Global Note during normal business hours to the Issuer at the offices of the Issue and Paying Agent (or to any other person or at any other office outside the

United States as may be designated in writing by the Issuer to the bearer), the Issue and Paying Agent shall authenticate and deliver, in exchange for this Global Note, bearer definitive notes denominated in the Specified Currency set out in the Pricing Supplement in an aggregate nominal amount equal to the Nominal Amount of this Global Note.

12. If, upon any such default and following such surrender, definitive Notes are not issued in full exchange for this Global Note before 5.00 p.m. (London time) on the thirtieth day after surrender, this Global Note (including the obligation hereunder to issue definitive notes) will become void and the bearer will have no further rights under this Global Note (but without prejudice to the rights which the bearer or any other person may have under a Deed of Covenant dated 6 June 2019 (as amended, restated or supplemented as of the date of issue of the Notes) entered into by the Issuer).
13. If this is an interest bearing Global Note, then:
 - (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Global Note falling due for payment prior to the Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in paragraph 1 shall be payable on such fifteenth day;
 - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Global Note, the Issuer shall procure that:
 - (i) if the Pricing Supplement specifies that the New Global Note form is not applicable, the Schedule hereto shall be duly completed by the Issue and Paying Agent to reflect such payment; and
 - (ii) if the Pricing Supplement specifies that the New Global Note form is applicable, details of such payment shall be entered pro rata in the records of the ICSDs.
14. If this is a fixed rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:
 - (a) interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Pricing Supplement or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days at the Rate of Interest specified in the Pricing Supplement with the resulting figure being rounded to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and
 - (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an "**Interest Period**" for the purposes of this paragraph.
15. If this is a floating rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:
 - (a) in the case of a Global Note which specifies LIBOR as the Reference Rate in the Pricing Supplement, the Rate of Interest will be the aggregate of LIBOR and the Margin specified in the Pricing Supplement (if any) above or below LIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Pricing Supplement or, if none is specified, on the basis of actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days.

As used in this Global Note (and unless otherwise specified in the Pricing Supplement):

"**LIBOR**" shall be equal to the rate defined as "LIBOR-BBA" in respect of the Specified Currency (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Global Note, (the "**ISDA Definitions**")) as at 11.00 a.m. (London time) or as near thereto as practicable on the second London Banking Day before the first day of the relevant Interest Period or, if this Global Note is denominated in Sterling, on the first day thereof (a "**LIBOR Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified in the Pricing Supplement in relation to the Reference Rate; and "**London Banking Day**" shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

- (b) in the case of a Global Note which specifies EURIBOR as the Reference Rate in the Pricing Supplement, the Rate of Interest will be the aggregate of EURIBOR and the Margin specified in the Pricing Supplement (if any) above or below EURIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Pricing Supplement or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Global Note (and unless otherwise specified in the Pricing Supplement), "**EURIBOR**" shall be equal to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) as at 11.00 .m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a "**EURIBOR Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified in the Pricing Supplement in relation to the Reference Rate;

- (c) in the case of a Global Note which specifies EONIA as the Reference Rate in the Pricing Supplement, the Rate of Interest will be the aggregate of EONIA and the Margin specified in the Pricing Supplement (if any), determined on each TARGET Business Day during the relevant Interest Period as specified below. Interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Pricing Supplement or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Global Note (unless otherwise specified in the Pricing Supplement) "**EONIA**", for each day in an Interest Period beginning on, and including, the first day of such Interest Period and ending on, but excluding, the last day of such Interest Period, shall be equal to the overnight rate as calculated by the European Central Bank and appearing on the Reuters Screen EONIA Page in respect of that day at 11.00 a.m. (Brussels time) on the TARGET Business Day immediately following such day (each an "**EONIA Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified in the Pricing Supplement in relation to the Reference Rate;

- (d) the Calculation Agent specified in the Pricing Supplement will, as soon as practicable after (i) 11.00 a.m. (London time) on each LIBOR Interest Determination Date or (ii) 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date or (iii) on each EONIA Interest Determination Date (as the case may be), determine the Rate of Interest and calculate the amount of interest payable (the "**Amount of Interest**") for the relevant Interest Period. "**Rate of Interest**" means (A) if the Reference Rate is LIBOR, the rate which is determined in accordance with the provisions of paragraph 15(a), (B) or if the

Reference Rate is EURIBOR, the rate which is determined in accordance with the provisions of paragraph 15(b); and (C) if the Reference Rate is EONIA, the rate which is determined in accordance with the provisions of paragraph 15(c) (as the case may be). The Amount of Interest payable per Note shall be calculated by applying the Rate of Interest to the Nominal Amount, multiplying such product by Day Count Convention specified in the Pricing Supplement or, if none is specified, by the actual number of days in the Interest Period concerned divided by 360 or, if this Global Note is denominated in Sterling, by 365 and rounding the resulting figure to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards). If the Rate of Interest cannot be determined in accordance with the provisions of this paragraph 15, the Rate of Interest shall be determined as at the last preceding Interest Period (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties;

- (e) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an "**Interest Period**" for the purposes of this paragraph; and
 - (f) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the clearing system(s) in which this Global Note is held at the relevant time or, if this Global Note has been exchanged for bearer definitive Notes pursuant to paragraph 11, will be published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*).
16. If the proceeds of this Global Note are accepted in the United Kingdom, the Nominal Amount shall be not less than £100,000 (or the equivalent in any other currency).
17. Instructions for payment must be received at the office of the Issue and Paying Agent referred to above together with this Global Note as follows:
- (a) if this Global Note is denominated in United States dollars, Swiss francs, euro or Sterling, at least one Business Day prior to the relevant payment date; and
 - (b) in all other cases, at least two Business Days prior to the relevant payment date.

As used in this paragraph, "**Business Day**" means:

- (i) in the case of payments in euro, a TARGET2 Business Day,
 - (ii) in the case of payments in Sterling, a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London; and
 - (iii) in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the Specified Currency set out in the Pricing Supplement.
18. Upon any payment being made in respect of the Notes represented by this Global Note, the Issuer shall procure that:
- (a) *CGN*: if the Pricing Supplement specifies that the New Global Note form is not applicable, details of such payment shall be entered in the Schedule hereto and, in the case of any payment of principal, the Nominal Amount of the Notes represented by this Global Note shall be reduced by the principal amount so paid; and

- (b) *NGN*: if the Pricing Supplement specifies that the New Global Note form is applicable, details of such payment shall be entered pro rata in the records of the ICSDs and, in the case of any payment of principal, the Nominal Amount of the Notes entered in the records of the ICSDs and represented by this Global Note shall be reduced by the principal amount so paid.
19. This Global Note shall not be validly issued unless manually authenticated by The Bank of New York Mellon, London Branch as issue and paying agent.
20. If the Pricing Supplement specifies that the New Global Note form is applicable, this Global Note shall not be valid for any purpose until it has been effectuated for and on behalf of the entity appointed as common safekeeper by the ICSDs.
21. This Global Note and any non-contractual obligations arising from or connected with it are governed by, and shall be construed in accordance with, English law, except for the status of the Global Note that will be governed by, and constituted in accordance with, Spanish law.

The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Global Note (including a dispute regarding the existence, validity or termination of this Global Note). The parties to this Global Note agree that the English courts are the most appropriate and convenient courts to settle any such dispute and accordingly no such party will argue to the contrary.

The Issuer irrevocably appoints Cellnex UK Limited, 1 – 2 Broadgate Circle, London EC2M 2QS as its agent for service of process in any proceedings before the English courts in connection with this Global Note. If any person appointed as process agent is unable for any reason to act as agent for service of process, the Issuer will appoint another agent, and failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Issue and Paying Agent. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings. This paragraph 21 does not affect any other method of service allowed by law.

22. So long as this Global Note is held on behalf of a clearing system, notices to the Noteholders of Notes represented by this Global Note may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by this Global Note or by delivery of the relevant notice to the Noteholder of the Global Note, except that, for so long as such Notes are admitted to trading in the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin all notices shall be published in a manner which complies with its rules and regulations.
23. Claims for payment of principal and interest in respect of this Global Note shall become prescribed and void unless made, in the case of principal, within ten years after the Maturity Date (or, as the case may be, the Relevant Date) or, in the case of interest, five years after the relevant Interest Payment Date.
24. No person shall have any right to enforce any provision of this Global Note under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

AUTHENTICATED by
THE BANK OF NEW YORK MELLON,
LONDON BRANCH without recourse, warranty
 or liability and for authentication purposes only

Signed on behalf of:
CELLNEX TELECOM, S.A.

By: _____
 (Authorised Signatory)

By: _____
 (Authorised Signatory)

EFFECTUATED for and on behalf of

.....
as common safekeeper without recourse,
warranty or liability

PRICING SUPPLEMENT

[Completed Pricing Supplement to be attached]

PART B – Form of Multicurrency Definitive Note

THE SECURITIES REPRESENTED BY THIS NOTE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE SECURITIES OF THE ISSUE OF WHICH THIS SECURITY FORMS PART.

CELLNEX TELECOM, S.A.

(Incorporated as a limited liability company (sociedad anónima) in the Kingdom of Spain)

€500,000,000

EURO-COMMERCIAL PAPER PROGRAMME

Nominal Amount of this Note:

1. For value received, Cellnex Telecom, S.A. (the "**Issuer**") promises to pay to the bearer of this Note on the Maturity Date set out in the Pricing Supplement or on such earlier date as the same may become payable in accordance with paragraph 3 below (the "**Relevant Date**"), the above-mentioned Nominal Amount, or, as the case may be, the Redemption Amount set out in the Pricing Supplement, together with interest thereon if this is an interest bearing Note, at the rate and at the times (if any) specified herein and in the Pricing Supplement. Terms defined in the Pricing Supplement attached hereto but not otherwise defined in this Note shall have the same meaning in this Note.

All such payments shall be made in accordance with an issue and paying agency agreement dated 6 June 2019 (as amended, restated or supplemented from time to time, the "**Agency Agreement**") between the Issuer and The Bank of New York Mellon, London Branch as the issue and paying agent the "**Issue and Paying Agent**"), a copy of which is available for inspection at the office of the Issue and Paying Agent at One Canada Square, London E14 5AL, United Kingdom, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Note at the office of the Issue and Paying Agent referred to above by transfer to an account denominated in the Specified Currency set out in the Pricing Supplement maintained by the bearer with (i) a bank in the principal financial centre in the country of the Specified Currency, or (ii) if this Note is denominated or payable in euro by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Union. The Issuer undertakes that, so long as the Notes are listed, traded and/or quoted on any listing authority, stock exchange and/or quotation system, there will at all times be a paying agent with a specified office in such place as may be required by the rules and regulations of the relevant listing authority, stock exchange and/or quotation system.

2. Taxation:
 - (a) *Gross up:* All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding

or deduction been required, except that no such additional amounts shall be payable in respect of any Note:

- (i) held by or on behalf of a Noteholder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note; or
 - (ii) to, or to a third party on behalf of, a Spanish-resident legal entity subject to the Spanish Corporate Income Tax if the Spanish tax authorities determine that the Notes do not comply with applicable exemption requirements including those specified in the reply to a non-binding Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made; or
 - (iii) to, or to a third party on behalf of, a Noteholder if the Issuer does not receive in a timely manner certain information about the Notes of such Noteholder as it is required by the applicable Spanish tax laws and regulations, including a duly executed and completed certificate from the Issue and Paying Agent, pursuant to Law 10/2014 and Royal Decree 1065/2007 of 27 July, as amended by Royal Decree 1145/2011 of 29 July, and any implementing legislation or regulation; or
 - (iv) where the relevant Note is presented or surrendered for payment more than 30 days after the Maturity Date except to the extent that the Noteholder would have been entitled to such additional amounts on presenting or surrendering such Note for payment on the last day of such period of 30 days; or
 - (v) any combination of items (i) through (iv) above.
- (b) *Taxing jurisdiction:* If the Issuer becomes subject at any time to any taxing jurisdiction other than the Kingdom of Spain, references in these Conditions to the Kingdom of Spain shall be construed as references to the Kingdom of Spain and/or such other jurisdiction.
- (c) *FATCA:* Notwithstanding any other provision of the terms to the contrary, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the Code, or otherwise imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.
3. This Note may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 14 days' notice to the Noteholders (which notice shall be irrevocable), at the Redemption Amount specified in the Pricing Supplement, together with (if this Note is an interest bearing Note) interest accrued to the date fixed for redemption, if:
- (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in paragraph 2 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision thereof or any authority or agency thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date specified in the Pricing Supplement; and
 - (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, *provided, however*, that no such notice of redemption shall be given earlier than 14 days

prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Issue and Paying Agent:

- (a) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (b) an opinion of independent legal advisers of recognised standing at the cost of the Issuer to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of any such notice as is referred to in this paragraph, the Issuer shall be bound to redeem the Notes in accordance with this paragraph.

4. The Issuer or any subsidiary of the Issuer may at any time purchase Notes in the open market or otherwise and at any price.
5. All Notes so purchased by the Issuer otherwise than in the ordinary course of business of dealings in securities or as a nominee shall be cancelled and shall not be reissued or resold. All Notes so purchased by any subsidiary of the Issuer may be cancelled, held by such subsidiary or resold.
6. The payment obligations of the Issuer represented by this Note constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and upon insolvency of the Issuer (and unless they qualify as subordinated debts (*creditos subordinados*) under article 92 of the Law 22/2003 (Ley Concursal) dated 9 July 2003 or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions) rank *pari passu* and rateably without any preference among themselves and the payment obligations of the Issuer under the Notes rank at least *pari passu* with all other unsecured unsubordinated indebtedness, present and future, of the Issuer.
7. If the Maturity Date (or, as the case may be, the Relevant Date) or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day (unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day) and the bearer of this Note shall not be entitled to any interest or other sums in respect of such postponed payment.

As used herein:

"Payment Business Day" means any day other than a Saturday or Sunday which is either (i) if the Specified Currency set out in the Pricing Supplement is any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the Specified Currency set out in the Pricing Supplement or (ii) if the Specified Currency set out in the Pricing Supplement is euro, a day which is a TARGET Business Day; and

"TARGET Business Day" means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) System, which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

8. This Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof free and clear of any equity, set-off or counterclaim on the part of the Issuer against any previous bearer hereof.

9. If this is an interest bearing Note, then:
- (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Note falling due for payment prior to the Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in paragraph 1 shall be payable on such fifteenth day; and
 - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Note, the Schedule hereto shall be duly completed by the Issue and Paying Agent to reflect such payment.
10. If this is a fixed rate interest bearing Note, interest shall be calculated on the above-mentioned Nominal Amount as follows:
- (a) interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Pricing Supplement or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Note is denominated in Sterling, 365 days at the Rate of Interest specified in the Pricing Supplement with the resulting figure being rounded to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and
 - (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an "**Interest Period**" for the purposes of this paragraph.
11. If this is a floating rate interest bearing Note, interest shall be calculated on the above-mentioned Nominal Amount as follows:
- (a) in the case of a Note which specifies LIBOR as the Reference Rate in the Pricing Supplement, the Rate of Interest will be the aggregate of LIBOR and the Margin specified in the Pricing Supplement (if any) above or below LIBOR. Interest shall be payable on the above-mentioned Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Pricing Supplement or, if none is specified, on the basis of actual number of days in such Interest Period and a year of 360 days or, if this Note is denominated in Sterling, 365 days.

As used in this Note (and unless otherwise specified in the Pricing Supplement):

"**LIBOR**" shall be equal to the rate defined as "LIBOR-BBA" in respect of the Specified Currency (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Note, (the "**ISDA Definitions**")) as at 11.00 a.m. (London time) or as near thereto as practicable on the second London Banking Day before the first day of the relevant Interest Period or, if this Note is denominated in Sterling, on the first day thereof (a "**LIBOR Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified in the Pricing Supplement in relation to the Reference Rate; and "**London Banking Day**" shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

- (b) in the case of a Note which specifies EURIBOR as the Reference Rate in the Pricing Supplement, the Rate of Interest will be the aggregate of EURIBOR and the Margin specified in the Pricing Supplement (if any) above or below EURIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined

below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Pricing Supplement or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 day.

As used in this Note (and unless otherwise specified in the Pricing Supplement), "**EURIBOR**" shall be equal to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) as at 11.00 .m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a "**EURIBOR Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified in the Pricing Supplement in relation to the Reference Rate;

- (c) in the case of a Note which specifies EONIA as the Reference Rate in the Pricing Supplement, the Rate of Interest will be the aggregate of EONIA and the Margin specified in the Pricing Supplement (if any), determined on each TARGET Business Day during the relevant Interest Period as specified below. Interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Pricing Supplement or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Note (unless otherwise specified in the Pricing Supplement) "**EONIA**", for each day in an Interest Period beginning on, and including, the first day of such Interest Period and ending on, but excluding, the last day of such Interest Period, shall be equal to the overnight rate as calculated by the European Central Bank and appearing on the Reuters Screen EONIA Page in respect of that day at 11.00 a.m. (Brussels time) on the TARGET Business Day immediately following such day (each a "**EONIA Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified in the Pricing Supplement in relation to the Reference Rate;

- (d) the Calculation Agent specified in the Pricing Supplement will, as soon as practicable after (i) 11.00 a.m. (London time) on each LIBOR Interest Determination Date or (ii) 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date or (iii) on each EONIA Interest Determination Date (as the case may be), determine the Rate of Interest and calculate the amount of interest payable (the "**Amount of Interest**") for the relevant Interest Period. "**Rate of Interest**" means (A) if the Reference Rate is LIBOR, the rate which is determined in accordance with the provisions of paragraph 11(a), (B) or if the Reference Rate is EURIBOR, the rate which is determined in accordance with the provisions of paragraph 11(b); and (C) if the Reference Rate is EONIA, the rate which is determined in accordance with the provisions of paragraph 11(c) (as the case may be). The Amount of Interest payable per Note shall be calculated by applying the Rate of Interest to the Nominal Amount, multiplying such product by Day Count Convention specified in the Pricing Supplement or, if none is specified, by the actual number of days in the Interest Period concerned divided by 360 or, if this Note is denominated in Sterling, by 365 and rounding the resulting figure to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards). If the Rate of Interest cannot be determined in accordance with the provisions of this paragraph 11, the Rate of Interest shall be determined as at the last preceding Interest Period (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties;

- (e) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an "**Interest Period**" for the purposes of this paragraph; and
 - (f) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the bearer of this Note or, if that is not practicable, will be published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*).
12. If the proceeds of this Note are accepted in the United Kingdom, the Nominal Amount shall be not less than £100,000 (or the equivalent in any other currency).
13. Instructions for payment must be received at the office of the Issue and Paying Agent referred to above together with this Note as follows:
- (a) if this Global Note is denominated in United States dollars, Swiss francs, euro or Sterling, at least one Business Day prior to the relevant payment date; and
 - (b) in all other cases, at least two Business Days prior to the relevant payment date.

As used in this paragraph, "**Business Day**" means:

- (i) in the case of payments in euro, a TARGET2 Business Day,
 - (ii) in the case of payments in Sterling, a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London; and
 - (iii) in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the Specified Currency set out in the Pricing Supplement.
14. This Note shall not be validly issued unless manually authenticated by The Bank of New York Mellon, London Branch as issue and paying agent.
15. This Note and any non-contractual obligations arising from or connected with it are governed by, and shall be construed in accordance with, English law, except for the status of the Notes that will be governed by, and constituted in accordance with, Spanish law.

The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Note (including a dispute regarding the existence, validity or termination of this Note). The parties to this Note agree that the English courts are the most appropriate and convenient courts to settle any such dispute and accordingly no such party will argue to the contrary.

The Issuer irrevocably appoints Cellnex UK Limited, 1–2 Broadgate Circle, London EC2M 2QS as its agent for service of process in any proceedings before the English courts in connection with this Note. If any person appointed as process agent is unable for any reason to act as agent for service of process, the Issuer will appoint another agent, and failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Issue and Paying Agent. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings. This paragraph 15 does not affect any other method of service allowed by law.

16. If this Note has been admitted to trading in the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin all notices shall be published in a manner which complies with its rules and regulations.
17. Claims for payment of principal and interest in respect of this Note shall become prescribed and void unless made, in the case of principal, within ten years after the Maturity Date (or, as the case

may be, the Relevant Date) or, in the case of interest, five years after the relevant Interest Payment Date.

18. No person shall have any right to enforce any provision of this Note under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

AUTHENTICATED by
THE BANK OF NEW YORK MELLON,
LONDON BRANCH without recourse, warranty
or liability and for authentication purposes only

By: _____
(*Authorised Signatory*)

Signed on behalf of:
CELLNEX TELECOM, S.A.

By: _____
(*Authorised Signatory*)

SCHEDULE

Payments of Interest

The following payments of interest in respect of this Note have been made:

<u>Date Made</u>	<u>Payment From</u>	<u>Payment To</u>	<u>Gross Amount Paid</u>	<u>Withholding</u>	<u>Net Amount Paid</u>	<u>Notation on behalf of Issue and Paying Agent</u>
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

PRICING SUPPLEMENT

[Completed Pricing Supplement to be attached]

FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed in respect of each issue of Notes issued under the Programme and will be attached to the relevant Global or Definitive Notes on issue.

CELLNEX TELECOM, S.A.

Legal Identity Identifier (LEI): 5493008T4YG3AQUI7P67

€500,000,000 Euro-Commercial Paper Programme (the "Programme")

Issue of [Aggregate Principal Amount of Notes] [Title of Notes]

PART A – CONTRACTUAL TERMS

This document constitutes the Pricing Supplement (as referred to in the Information Memorandum dated 6 June 2019 (as amended, updated or supplemented from time to time, the "**Information Memorandum**") in relation to the Programme) in relation to the issue of Notes referred to above (the "**Notes**"). Terms defined in the Information Memorandum, unless indicated to the contrary, have the same meanings where used in this Pricing Supplement. Reference is made to the Information Memorandum for a description of the Issuer, the Programme and certain other matters. This Pricing Supplement is supplemental to and must be read in conjunction with the full terms and conditions of the Notes. This Pricing Supplement is also a summary of the terms and conditions of the Notes for the purpose of listing.

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of this Pricing Supplement and the Information Memorandum [as so supplemented]. The Information Memorandum [and the supplemental Information Memorandum] [is][are] available for viewing during normal business hours at the registered office of the Issuer at Juan Esplandiú 11-13, 28007, Madrid, Spain, and at the offices of the Issue and Paying Agent at One Canada Square, London, E14 5AL, United Kingdom.

The particulars to be specified in relation to the issue of the Notes are as follows:

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Pricing Supplement.]

- | | | |
|-----|---------------------|--|
| 1. | Issuer: | Cellnex Telecom, S.A. |
| 2. | Type of Note: | Euro commercial paper |
| 3. | Series No: | [•] |
| 4. | Dealer(s): | [•] |
| 5. | Specified Currency: | [•] |
| 6. | Nominal Amount: | [•] |
| 7. | Issue Date: | [•] |
| 8. | Maturity Date: | [•] <i>[May not be less than 1 day nor more than 364 days]</i> |
| 9. | Issue Price: | [•] |
| 10. | Denomination(s): | [•] |
| 11. | Redemption Amount: | [Redemption at par][•] per Note of [•]
Denomination][<i>other</i>] |
| 12. | Delivery: | [Free of/against] payment |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [•] [per cent. per annum]
- (ii) Interest Payment Date(s): [•]
- (iii) Day Count convention (if different from that specified in the terms and conditions of the Notes): [Not Applicable/*other*]
- [The above-mentioned Day Count Convention shall have the meaning given to it in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced at the Issue Date.]²
- (iv) other terms relating to the method of calculating interest for Fixed Rate Notes (if different from those specified in the terms and conditions of the Notes): [Not Applicable/*give details*]
14. **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Interest Payment Dates: [•]
- (ii) Calculation Agent (party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Issue and Paying Agent)): [*Name*] shall be the Calculation Agent]
- (iii) Reference Rate: [•] months [LIBOR/EURIBOR/EONIA]
- (iv) Margin(s): [+/-][•] per cent. per annum
- (v) Day Count Convention (if different from that specified in the terms and conditions of the Notes): [Not Applicable/*other*]
- (vi) Any other terms relating to the method of calculating interest for floating rate Notes (if different from those set out in the terms and conditions of the Notes): [The above-mentioned Day Count Convention shall have the meaning given to it in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced at the Issue Date.]³

² Delete text in square brackets unless a Day Count Convention which is different from that specified in the terms and conditions of the Notes is used.

³ Delete text in square brackets unless a Day Count Convention which is different from that specified in the terms and conditions of the Notes is used.

GENERAL PROVISIONS APPLICABLE TO THE NOTES

15. Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin with effect from [•]/[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market*] with effect from [•].]
16. Clearing System(s): Euroclear, Clearstream, Luxembourg
17. Issue and Paying Agent: The Bank of New York Mellon, London Branch
18. ISIN: [•]
19. Common code: [•]
20. FISN: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available]
21. CFI: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available]
22. Any clearing system(s) other than Euroclear Bank, SA/NV, Clearstream Banking, S.A. and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
23. New Global Note: [Yes][No]
24. Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "**yes**" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] /
[No. While the designation is specified as "**no**" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being

satisfied that Eurosystem eligibility criteria have been met.]]

LISTING AND ADMISSION TO TRADING APPLICATION

This Pricing Supplement comprises the Pricing Supplement required to list and have admitted to trading the issue of Notes described herein pursuant to the €500,000,000 Euro-Commercial Paper Programme of Cellnex Telecom, S.A.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of:

CELLNEX TELECOM, S.A. as Issuer

By: _____
Duly authorised

Dated: _____

PART B – OTHER INFORMATION

1. **INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]**

Need to include a description of any interest, including conflicting ones, that is material to issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by inclusion of the following statement:

["Save as discussed in "Selling Restrictions", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]

2. **ESTIMATED TOTAL EXPENSES RELATED TO THE ADMISSION TO TRADING**

Estimated total expenses: [•]

3. **[Fixed Rate Notes only – YIELD**

Indication of yield: [•]

TAXATION

The following is a general description of certain Spanish tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Information Memorandum and is subject to any change in law that may take effect after such date.

Taxation in Spain

The following is a general description of certain Spanish tax considerations. The information provided below does not purport to be a complete summary of tax law and practice currently applicable in the Kingdom of Spain and is subject to any changes in law and the interpretation and application thereof, which could be made with retroactive effect.

Introduction

The information provided below does not purport to be a complete analysis of the tax law and practice currently applicable in Spain, and it is not intended to be, nor should it be construed to be, legal or tax advice, and does not address all the tax consequences applicable to all categories of investors, some of which (such as look through entities, pension funds, undertakings for collective investment in transferable securities or Noteholders by reason of employment) may be subject to special rules. This analysis is a general description of the tax treatment under the Spanish legislation currently in force in the common territory of Spain and, hence, it does not indicate the tax treatment applicable under the regional tax regimes in the Historical Territories of the Basque Country and the Community of Navarre, or under the provisions passed by Autonomous Communities which may apply to specific investors for specific taxes. References in this section to Noteholders include the beneficial owners of the Notes, where applicable.

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this Information Memorandum:

If:

- (a) of general application, Additional Provision One of Law 10/2014, of 26 June on the management, supervision and solvency of credit institutions ("**Law 10/2014**"), as well as Royal Decree 1065/2007 ("**Royal Decree 1065/2007**"), of 27 July, as amended by Royal Decree 1145/2011 of 29 July ("**Royal Decree 1145/2011**"), establishing information obligations in relation to preferential holdings and other debt instruments and certain income obtained by individuals resident in the EU and other tax rules;
- (b) for individuals with tax residency in Spain who are personal income tax ("**Personal Income Tax**") taxpayers, Law 35/2006, of 28 November on Personal Income Tax and on the partial amendment of the Corporate Income Tax Law, Non Residents Income Tax Law and Wealth Tax Law as amended, (the "**Personal Income Tax Law**"), and Royal Decree 439/2007, of 30 March, promulgating the Personal Income Tax Regulations as amended by, along with Law 19/1991, of 6 June on Wealth Tax as amended and Law 29/1987, of 18 December, on Inheritance and Gift Tax as amended;
- (c) for legal entities resident for tax purposes in Spain which are corporate income tax ("**Corporate Income Tax**") taxpayers, Law 27/2014, of 27 November, of the Corporate Income Tax Law, and Royal Decree 634/2015, of 10 July, promulgating the Corporate Income Tax Regulations as amended (the "**Corporate Income Tax Regulations**"); and
- (d) for individuals and legal entities who are not resident for tax purposes in Spain and are non-resident income tax ("**Non-Resident Income Tax**") taxpayers, Royal Legislative Decree 5/2004, of 5 March, promulgating the Consolidated Text of the Non-Resident Income Tax Law, and Royal Decree 1776/2004, of 30 July, promulgating the Non-Resident Income Tax Regulations as amended, along with Law 19/1991, of 6 June, on Wealth Tax, as amended and Law 29/1987, of 18 December, on Inheritance and Gift Tax, as amended.

Whatever the nature and residence of the holder of a beneficial interest in the Notes (each, a "**Beneficial Owner**"), the acquisition and transfer of the Notes will be exempt from indirect taxes in Spain, for example exempt from transfer tax and stamp duty, in accordance with the consolidated text of such tax promulgated by Royal Legislative Decree 1/1993, of 24 September, and exempt from value added tax, in accordance with Law 37/1992, of 28 December, regulating such tax.

4 Individuals with Tax Residency in Spain

4.1 Individual Income Tax (Impuesto sobre la Renta de las Personas Físicas)

Both interest periodically received and income deriving from the transfer, redemption or repayment of the Notes would constitute a return on investment obtained from the transfer of own capital to third parties in accordance with the provisions of Section 25.2 of the Personal Income Tax Law, and should be included in each investor's taxable savings and taxed at the tax rate applicable from time to time, currently at the rate of 19% for taxable income up to €6,000; 21% for taxable income between €6,000.01 to €50,000 and 23% for taxable income in excess of €50,000.

As a general rule, both types of income are subject to a withholding tax on account at the rate of 19%. According to Section 44.5 of Royal Decree 1065/2007, of 27 July, the Issuer will make interest payments to individual Noteholders who are resident for tax purposes in Spain without withholding provided that the relevant information about the Notes set out in Annex I is submitted by the Issue and Paying Agent in a timely manner.

Notwithstanding the above, withholding tax at the applicable rate of 19% may have to be deducted by other entities (such as depositaries, institutions or financial entities) provided that such entities are resident for tax purposes in Spain or have a permanent establishment in Spanish territory.

In any event, individual Noteholders may credit the withholding against their Personal Income Tax liability for the relevant fiscal year.

4.2 Reporting Obligations

The Issuer will comply with the reporting obligations set out in the Spanish tax laws with respect to Noteholders who are individuals resident in Spain for tax purposes.

4.3 Wealth Tax (Impuesto sobre el Patrimonio)

Individuals with tax residency in Spain are subject to Wealth Tax to the extent that their net worth exceeds €700,000 (subject to any exceptions provided under relevant legislation in an autonomous region (*Comunidad Autónoma*)). Therefore, they should take into account the value of the Notes which they hold as at 31 December in each year, the applicable rates ranging between 0.2% and 2.5% although the final tax rates may vary depending on any applicable regional tax laws, and some reductions may apply.

In accordance with article 3 of the Royal Decree-Law 27/2018, of 28 December ("**RDL 27/2018**"), as from year 2020, a full exemption on Wealth Tax would apply (*bonificación del 100%*), and therefore from year 2020 and onwards, individuals resident in Spain will be released from formal and filing obligations in relation to this Wealth Tax, unless the application of this full exemption is postponed or revoked again.

4.4 Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals with tax residency in Spain who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to inheritance and gift tax in accordance with the applicable Spanish regional or federal rules. As at the date of this Information Memorandum, the applicable tax rates currently range between 7.65% and 81.6% depending on the relevant factors although the final tax rate may vary depending on any applicable regional tax laws.

5 Legal Entities with Tax Residency in Spain

5.1 Corporate Income Tax (Impuesto sobre Sociedades)

Both interest periodically received and income deriving from the transfer, redemption or repayment of the Notes must be included in the taxable income of legal entities with tax residency in Spain and will be subject to Corporate Income Tax (CIT) at the current general rate of 25% following the rules for this tax for Corporate Income Tax purposes in accordance with the rules for Corporate Income Tax.

No withholding on account of CIT will be imposed on interest or on income derived from the redemption or repayment of the Notes by the Issuer, by Spanish CIT taxpayers, provided that certain requirements (including certain formalities to be complied with by the Issue and Paying Agent described in "*Information about the Notes in connection with Payments*", below) are met.

However, in the case of Notes held by Spanish resident entity and deposited with a Spanish resident entity acting as depositary or custodian, payments of interest and income obtained upon the transfer of the Notes may be subject to withholding tax at the current rate of 19 per cent., withholding that will be made by the depositary or custodian, if the Notes do not comply with the exemption requirements specified in the ruling issued by the Spanish Tax Authorities (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made.

Notwithstanding the above, amounts withheld, if any, may be credited by the relevant investors against its final CIT liability.

5.2 Reporting Obligations

The Issuer will comply with the reporting obligations set out in the Spanish tax laws with respect to Noteholders who are legal persons or entities resident in Spain for tax purposes.

5.3 Wealth Tax (Impuesto sobre el Patrimonio)

Spanish resident legal entities are not subject to Wealth Tax.

5.4 Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Legal entities with tax residency in Spain which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to inheritance and gift tax and must include the market value of the Notes in their taxable income for Spanish Corporate Income Tax purposes.

6 Individuals and Legal Entities with no Tax Residency in Spain

6.1 Non-Resident Income Tax (Impuesto sobre la Renta de No Residentes)

- (a) Non-Spanish resident investors acting through a permanent establishment in Spain Ownership of the Notes by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

If the Notes form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Notes are the same as those for Spanish Corporate Income Tax taxpayers.

- (b) Non-Spanish resident investors not acting through a permanent establishment in Spain

Both interest periodically received and income deriving from the transfer, redemption or repayment of the Notes, obtained by individuals or entities who have no tax residency in Spain, and which are Non-Resident Income Tax taxpayers with no permanent establishment in Spain, are exempt from such Non-Resident Income Tax. In order for such exemption to apply it is necessary to comply with the information procedures, in the manner detailed under "*Information about the Notes in connection with Payments*" as set out in article 44 of Royal Decree 1065/2007.

6.2 Reporting Obligations

The Issuer will comply with the reporting obligations set out in the Spanish tax laws with respect to Noteholders who are individuals or legal entities not resident in Spain for tax purposes who act with respect to the Notes through a permanent establishment in Spain.

6.3 Wealth Tax (Impuesto sobre el Patrimonio)

Spanish non-resident tax individuals are subject to Wealth Tax, which imposes a tax on property and rights in excess of €700,000 that are located in Spain, or can be exercised within the Spanish territory, on the last day of any year.

However, to the extent that income derived from the Notes is exempt from Non-Resident Income Tax, individual Noteholders not resident in Spain for tax purposes that hold Notes on the last day of any year will be exempt from Wealth Tax. Furthermore, Noteholders who benefit from a convention for the avoidance of double taxation with respect to wealth tax that provides for taxation only in the Noteholder's country of residence will not be subject to Wealth Tax.

If the provisions of the foregoing paragraph do not apply, non-Spanish tax resident individuals whose net worth related to property located, or rights that can be exercised, in Spain is above €700,000 and who hold Notes on the last day of any year would therefore be subject to Wealth Tax for such year at marginal rates varying between 0.2% and 2.5% of the average market value of the Notes during the last quarter of such year, although some reductions may apply.

Non-Spanish tax resident individuals who are resident in an EU or European Economic Area member State may apply the rules approved by the autonomous region where the assets and rights with more value are situated. As such, prospective investors should consult their tax advisers.

In accordance with article 3 of the RDL 27/2018 as from year 2020, a full exemption on Spanish Wealth Tax would apply (*bonificación del 100%*), and therefore from year 2020 and onwards, individuals non-resident in Spain will be released from formal and filing obligations in relation to this Spanish Wealth Tax, unless the application of this full exemption is postponed or revoked again.

Non-Spanish resident legal entities are not subject to Wealth Tax.

6.4 Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals who do not have tax residency in Spain who acquire ownership or other rights over the Notes by inheritance, gift or legacy, and who reside in a country with which Spain has entered into a double tax treaty in relation to inheritance and gift tax will be subject to the relevant double tax treaty.

If the provisions of the foregoing paragraph do not apply, such individuals will be subject to inheritance and gift tax in accordance with Spanish legislation.

Generally, non-Spanish tax resident individuals are subject to the Spanish Inheritance and Gift Tax according to the rules set forth in the Spanish State level law. However, if the deceased or the donee are resident in an EU or European Economic Area Member State, the applicable rules will be those corresponding to the relevant Spanish autonomous regions. As such, prospective investors should consult their tax advisers.

Non-Spanish resident legal entities which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to inheritance and gift tax. They will be subject to Non-Resident Income Tax. If the legal entity is resident in a country with which Spain has entered into a double tax treaty, the provisions of such treaty will apply. In general, double-tax treaties provide for the taxation of this type of income in the country of residence of the beneficiary.

7 Information about the Notes in connection with Payments

In accordance with Section 44 of Royal Decree 1065/2007, certain information with respect to the Notes must be submitted to the Issuer before the close of business on the Business Day (as defined

in the Terms and Conditions of the Notes) immediately preceding the date on which any payment of interest, principal or of any amounts in respect of the early redemption of the Notes (each, a "**Payment Date**") is due.

Such information would be the following:

- (a) identification of the Notes (as applicable) in respect of which the relevant payment is made;
- (b) date on which relevant redemption is made;
- (c) the total amount of the relevant redemption; and
- (d) the amount of the relevant payment and to each entity that manages a clearing and settlement system for securities situated outside Spain.

In particular, the Issue and Paying Agent must certify the information above about the Notes by means of a certificate the form of which is attached as Annex I of this Information Memorandum.

In light of the above, the Issuer and the Issue and Paying Agent have arranged certain procedures to facilitate the collection of information concerning the Notes by the close of business on the Business Day immediately preceding each relevant Payment Date.

If, despite these procedures, the relevant information is not received by the Issuer on each Payment Date, the Issuer will withhold tax at the then-applicable rate (currently 19 per cent.) from any payment in respect of the relevant Notes. The Issuer will not pay any additional amounts with respect to any such withholding. If, before the tenth calendar day of the month following the month in which the relevant income is paid, the Issue and Paying Agent provides the required information, the Issuer will reimburse the amounts withheld.

If, before the tenth calendar day of the month following the month in which the relevant income is paid, the Issue and Paying Agent provides the required information, the Issuer will reimburse the amounts withheld.

Investors who are not resident in Spain for tax purposes and are entitled to exemption from Non-Resident Income Tax on income derived from the Notes, but where the Issuer does not timely receive from the Issue and Paying Agent the information above about the Notes by means of a certificate the form of which is attached as Annex I of this Information Memorandum, would have to apply directly to the Spanish tax authorities for any refund to which they may be entitled, according to the procedures set forth in the Spanish Non Resident Income Tax Law.

Investors should note that the Issuer does not accept any responsibility relating to the procedures established for the collection of information concerning the Notes. Accordingly, the Issuer will not be liable for any damage or loss suffered by any Noteholder who would otherwise be entitled to an exemption from Spanish withholding tax but whose income payments are nonetheless paid net of Spanish withholding tax because these procedures prove ineffective. Moreover, the Issuer will not pay any additional amounts with respect to any such withholding. See Risk Factors *Risk relating to the Spanish Withholding Tax Regime*, above.

The procedures for providing documentation referred to in this section are set out in detail in the Agency Agreement.

Set out below is Annex I. Sections in English have been translated from the original Spanish and such translations constitute direct and accurate translations of the Spanish language text. In the event of any discrepancy between the Spanish language version of the certificate contained in Annex I and the corresponding English translation, the Spanish tax authorities will give effect to the Spanish language version of the relevant certificate only.

Any foreign language text included in this Information Memorandum is for convenience purposes only and does not form part of this Information Memorandum.

ANNEX I

Anexo al Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos, aprobado por Real Decreto 1065/2007

Modelo de declaración a que se refieren los apartados 3, 4 y 5 del artículo 44 del Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos

Annex to Royal Decree 1065/2007, of 27 July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Declaration form referred to in paragraphs 3, 4 and 5 of Article 44 of the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Don (nombre), con número de identificación fiscal () (1), en nombre y representación de (entidad declarante), con número de identificación fiscal () (1) y domicilio en () en calidad de (marcar la letra que proceda):

Mr (name), with tax identification number () (1), in the name and on behalf of (entity), with tax identification number () (1) and address in () as (function – mark as applicable):

- (a) Entidad Gestora del Mercado de Deuda Pública en Anotaciones.**
 - (a) Management Entity of the Public Debt Market in book entry form.
- (b) Entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero.**
 - (b) Entity that manages the clearing and settlement system of securities resident in a foreign country.
- (c) Otras entidades que mantienen valores por cuenta de terceros en entidades de compensación y liquidación de valores domiciliadas en territorio español.**
 - (c) Other entities that hold securities on behalf of third parties within clearing and settlement systems domiciled in the Spanish territory.
- (d) Agente de pagos designado por el emisor.**
 - (d) Issue and Paying Agent appointed by the issuer.

Formula la siguiente declaración, de acuerdo con lo que consta en sus propios registros:

Makes the following statement, according to its own records:

- 1 En relación con los apartados 3 y 4 del artículo 44:**
 - 1 In relation to paragraphs 3 and 4 of Article 44:
 - 1.1 Identificación de los valores.....**
 - 1.1 Identification of the securities
 - 1.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)**
 - 1.2 Income payment date (or refund if the securities are issued at discount or are segregated)
 - 1.3 Importe total de los rendimientos (o importe total a reembolsar, en todo caso, si son valores emitidos al descuento o segregados)**

- 1.3 Total amount of income (or total amount to be refunded, in any case, if the securities are issued at discount or are segregated)
- 1.4 Importe de los rendimientos correspondiente a contribuyentes del Impuesto sobre la Renta de las Personas Físicas, excepto cupones segregados y principales segregados en cuyo reembolso intervenga una Entidad Gestora**
- 1.4 Amount of income corresponding to Personal Income Tax taxpayers, except segregated coupons and segregated principals for which reimbursement an intermediary entity is involved
- 1.5 Importe de los rendimientos que conforme al apartado 2 del artículo 44 debe abonarse por su importe íntegro (o importe total a reembolsar si son valores emitidos al descuento o segregados).**
- 1.5 Amount of income which according to paragraph 2 of Article 44 must be paid gross (or total amount to be refunded if the securities are issued at discount or are segregated).
- 2 En relación con el apartado 5 del artículo 44.**
- 2 In relation to paragraph 5 of Article 44.
- 2.1 Identificación de los valores**
- 2.1 Identification of the securities.....
- 2.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)**
- 2.2 Income payment date (or refund if the securities are issued at discount or are segregated)
- 2.3 Importe total de los rendimientos (o importe total a reembolsar si son valores emitidos al descuento o segregados)**
- 2.3 Total amount of income (or total amount to be refunded if the securities are issued at discount or are segregated)
- 2.4 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero A.**
- 2.4 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country A.
- 2.5 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero B.**
- 2.5 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country B.
- 2.6 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero C.**
- 2.6 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country C.

Lo que declaro en.....a ... de.....de ...

I declare the above in on the ... of of ...

- (1) **En caso de personas, físicas o jurídicas, no residentes sin establecimiento permanente se hará constar el número o código de identificación que corresponda de conformidad con su país de residencia**

- (1) In case of non-residents (individuals or corporations) without permanent establishment in Spain it shall be included the number or identification code which corresponds according to their country of residence.

The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published the Commission's Proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia. However, Estonia has since stated that it will not participate in the Commission's Proposal.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal, FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

The FTT proposal remains subject to negotiation between the Participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

Prospective Noteholders are advised to seek their own professional advice in relation to the FTT.

U.S. Foreign Account Tax Compliance Withholding

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Spain) have entered into, or have agreed in substance to, intergovernmental agreements with the U.S. to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment". Noteholders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SELLING RESTRICTIONS

General

Each Dealer has represented and agreed that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell or deliver Notes and it will not directly or indirectly offer, sell, resell, re-offer or deliver Notes or distribute the Information Memorandum, circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

U.S.

The Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the U.S. or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Dealer Agreement, it will not offer, sell or (in the case of Notes in bearer form) deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant issue, as determined and certified to the Issue and Paying Agent by such Dealer (or, in the case of a sale of a issue of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such issue purchased by or through it, in which case the Issue and Paying Agent shall notify each such Dealer when all such Dealers have so certified) within the U.S. or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the U.S. or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any issue, any offer or sale of Notes within the U.S. by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Selling Restrictions Addressing Additional UK Securities Laws

Each Dealer has represented, warranted and agreed (and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) *No deposit-taking:*
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

- (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses, where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

Ireland

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it has not sold, placed or underwritten and that it will not sell, place or underwrite the Notes otherwise than in conformity with the provisions of:

- (a) the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended), including, without limitation, Regulations 7 and 152 thereof and any codes or rules of conduct approved in connection therewith, and the provisions of the Investor Compensation Act 1998;
- (b) the Companies Act 2014 (as amended) and all other statutes and statutory instruments or parts thereof which are to be read as one with or construed or read together as one with the Companies Act 2014 (as amended);
- (c) the Central Bank Acts 1942 – 2015 (as amended) and any codes or rules of conduct made under Section 117(1) of the Irish Central Bank Act 1989;
- (d) Directive 2003/71/EC (Prospectus Directive) Regulations 2005 (as amended) and any rules issued under Section 1363 of the Companies Act 2014 (as amended) by the Central Bank of Ireland (the "**Central Bank**");
- (e) the provisions of the Market Abuse Regulation (EU 596/2014) (as amended) and any rules and guidance issued by the Central Bank under Section 1370 of the Companies Act 2014; and
- (f) Central Bank Notice BSD C 01/02.

The Kingdom of Spain

Each of the Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that the Notes will not be offered, sold or distributed, nor will any subsequent resale of Notes be carried out in Spain, except in circumstances which do not constitute a public offer of securities in Spain within the meaning of the Restated Spanish Securities Market Act approved by the Royal Legislative Decree 4/2015 of 23 October 2015 (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*) and Royal Decree 1310/2015 of 4 November 2015 (*Real Decreto 1310/2015, 4 de noviembre*), as amended, or without complying with all legal and regulatory requirements under Spanish securities laws. Neither the Notes nor this Information Memorandum have been registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and therefore this Information Memorandum is not intended for any public offer of the Notes in Spain.

Switzerland

This document is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of

the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, and neither this document nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

GENERAL INFORMATION

Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and International Securities Identification Number (ISIN) in relation to each issue of Notes and any other clearing system as shall have accepted the relevant Notes for clearance will be specified in the Pricing Supplement relating thereto.

Admission to Listing and Trading

It is expected that Notes issued under the Programme may be admitted to the Official List and to trading on the regulated market of Euronext Dublin on or after 6 June 2019. The admission of the Notes to trading on the regulated market of Euronext Dublin will be expressed as a percentage of their principal amount. Any Notes intended to be admitted to the Official List and admitted to trading on the regulated market of Euronext Dublin will be so admitted to listing and trading upon submission to Euronext Dublin of the relevant Pricing Supplement and any other information required by Euronext Dublin, subject in each case to the issue of the relevant Notes.

However, Notes may be issued pursuant to the Programme which will be admitted to listing, trading and or quotation by such other listing authority, stock exchange and/or quotation system as the Issuer and the relevant Dealer(s) may agree. No Notes may be issued pursuant to the Programme on an unlisted basis.

Listing Agent

The Listing Agent is acting solely in its capacity as listing agent for the Issuer (and not on its own behalf) in connection with the application for admission of the Notes to the Official List of Euronext Dublin and trading on its regulated market.

Legal and Arbitration Proceedings

Save as disclosed in "*Description of the Issuer – Legal Proceedings*" above, there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Information Memorandum, a significant effect on the financial position or profitability of the Issuer or the Group.

Trend Information

Since 31 December 2018 there has been no material adverse change in the prospects of the Issuer and its Subsidiaries.

Significant Change in the Financial or Trading Position

Since 31 March 2019 there has been no significant change in the financial or trading position of the Issuer or the Group.

Auditors

The consolidated financial statements of the Issuer have been audited without qualification for the years ended 31 December 2018 and 31 December 2017 by Deloitte, S.L. whose address is Plaza de Pablo Ruiz Picasso, 1, Torre Picasso, 28020 Madrid, registered under number S0692 in the Official register of Auditors (*Registro Oficial de Auditores de Cuentas*). Deloitte, S.L. is a member of the Instituto de Censores Jurados de Cuentas de España.

Documents on Display

Physical copies of the following documents (together with English translations thereof where applicable) may be inspected during normal business hours at the offices of the Issue and Paying Agent for 12 months from the date of this Information Memorandum:

- (a) the constitutive documents of the Issuer;
- (b) this Information Memorandum, together with any supplements thereto;

- (c) any Pricing Supplement in respect of Notes listed on any stock exchange;
- (d) the audited consolidated financial statements of the Issuer for the years ended 31 December 2018 and 31 December 2017 and the unaudited consolidated interim financial information of the Issuer in respect of the three-month period ended 31 March 2019;
- (e) the Agency Agreement;
- (f) the Deed of Covenant; and
- (g) the Issuer-ICSDs Agreement (which were entered into on 6 June 2018 between the Issuer and Euroclear and/or Clearstream, Luxembourg with respect to the settlement in Euroclear and/or Clearstream, Luxembourg of Notes in New Global Note form).

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in financing, investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the purposes of this paragraph the term "affiliates" includes also parent companies.

SCHEDULE

Payments of Interest

The following payments of interest in respect of this Global Note have been made:

<u>Date Made</u>	<u>Payment From</u>	<u>Payment To</u>	<u>Amount Paid</u>	<u>Notation on behalf of Issue and Paying Agent</u>

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