



## **Cellnex Finance Company, S.A.U.**

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

**€10,000,000,000**

**Guaranteed Euro Medium Term Note Programme**

## **guaranteed by Cellnex Telecom, S.A.**

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

This base prospectus (the “**Base Prospectus**”) has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the “**Prospectus Regulation**”). In compliance with Article 8 of the Prospectus Regulation, this Base Prospectus has been approved for the purpose of giving information with regard to the issue of notes (“**Notes**”) by Cellnex Finance Company, S.A.U. (the “**Issuer**” or “**Cellnex Finance**”) under the Guaranteed Euro Medium Term Note Programme (the “**Programme**”) described in this Base Prospectus. The payment of all amounts due in respect of the Notes will be unconditionally and irrevocably guaranteed by Cellnex Telecom, S.A. (the “**Guarantor**” or “**Cellnex**”). The obligations of the Guarantor in that respect (the “**Guarantee**”) are contained in the deed of guarantee dated 3 December 2020. This Base Prospectus has been prepared in accordance with, and including the information required by, Annexes 7, 15 and 21 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation.

The Central Bank only approves this Base Prospectus as meeting the requirements of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such an approval should not be considered as an endorsement of either the Issuer or the Guarantor that are the subject of this Base Prospectus nor as an endorsement of the quality of any Notes that are the subject of the Base Prospectus. Investors should make their own assessment as to the suitability of investing in such Notes. Such approval relates only to the issue of Notes under the Programme during the period of 12 months after the date hereof which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments (“**MiFID II**”, as amended) and/or which are to be offered to the public in any Member State of the European Economic Area (the “**EEA**”) or in the United Kingdom (the “**UK**”).

Application has been made to Euronext Dublin (as defined below) for the Notes issued under the Programme described in this Base Prospectus to be admitted to the official list (the “**Official List**”) and trading on its regulated market.

The Programme also permits Notes to be issued on the basis that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer and the Guarantor.

References in the Base Prospectus to “Euronext Dublin” (and all related references) shall mean the regulated market of the Irish Stock Exchange plc, doing business as Euronext Dublin. In addition, references in the Base Prospectus to the Notes being “listed” (and all related references) shall mean that such Notes have been admitted to listing on the Official List of Euronext Dublin and admitted to trading on its regulated market or, as the case may be, a MiFID II regulated market. The regulated market of Euronext Dublin is a regulated market for the purposes of MiFID II. This document may be used to

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list Notes on the regulated market of Euronext Dublin pursuant to the Programme. The Programme provides for Notes to be listed on such other or further stock exchange(s) as may be agreed between the relevant Issuer, the Guarantor and the relevant Dealer(s) (as defined below). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €10,000,000,000 (or its equivalent in other currencies, subject to increase as provided herein). The Notes will be issued in such denominations as may be agreed between the Issuer, the Guarantor and the relevant Dealer(s) and as specified in the applicable Final Terms, save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant specified currency indicated in the applicable Final Terms (as defined below), and save that the minimum denomination of each Note admitted to trading on a regulated market situated or operating within the EEA or the UK and/or offered to the public in an EEA state or the UK in circumstances which require the publication of a prospectus under the Prospectus Regulation will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Notice of the aggregate nominal amount of Notes, interest payable in respect of Notes and the issue price of Notes will be set out in the Final Terms (as defined herein) which will also complete information set out in the terms and conditions applicable to each Tranche (as defined under “*Terms and Conditions of the Notes*”), as required. With respect to Notes to be listed on Euronext Dublin, the Final Terms will be delivered to the Central Bank on or before the date of issue of the Notes of such Tranche. Copies of the Final Terms relating to Notes which are listed on Euronext Dublin or offered in circumstances which require a prospectus to be published under the Prospectus Regulation will be available for viewing on the website of Euronext Dublin ([www.ise.ie](http://www.ise.ie)) and free of charge, at the registered office of the Issuer, the registered office of the Guarantor and at the specified office of each of the Paying Agents (as defined under “*Terms and Conditions of the Notes*”).

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer and the Guarantor to fulfil its obligations under the Notes are discussed under “*Risk Factors*” below.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933 (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States (the “**U.S.**”), and Notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the U.S. or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)) except in certain transactions exempt from the registration requirements of the Securities Act.

**MiFID II product governance / target market** – The Final Terms in respect of any Notes will include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger (as defined in “**Overview**”) nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

**PRIIPs / IMPORTANT – EEA AND UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or in the UK. For these purposes, a retail investor means a person who is one (or more) of: (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 (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to

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retail investors in the EEA or in the UK will be prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

Amounts payable on Floating Rate Notes may be calculated by reference to one of the Euro Interbank Offered Rate (“**EURIBOR**”), the London Interbank Offered Rate (“**LIBOR**”) or the Sterling Overnight Index Average (“**SONIA**”) rate as specified in the relevant Final Terms, which are provided by the European Money Markets Institutes (“**EMMI**”), ICE Benchmark Administration Limited (“**ICE**”) and the Bank of England, respectively. As of the date of this Base Prospectus, EMMI and ICE are included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authorities pursuant to Article 36 of the Regulation (EU) No. 2016/1011 (the “**Benchmark Regulation**”), while the Bank of England does not appear on the register.

**Arranger**

**BNP PARIBAS**

**Dealers**

**BANCO SABADELL**

**BNP PARIBAS**

**CAIXABANK**

**IMI – Intesa Sanpaolo**

**MEDIOBANCA**

**SANTANDER**

**UNICREDIT BANK**

3 December 2020

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## IMPORTANT NOTICES

### ***Responsibility for this Base Prospectus***

The Issuer and the Guarantor accept responsibility for the information contained in this Base Prospectus and any applicable Final Terms or Drawdown Prospectus (as defined below) and declare that, to the best of the knowledge of the Issuer and the Guarantor, the information contained in this Base Prospectus is in accordance with the facts and makes no omission likely to affect its import.

### ***Final Terms/Drawdown Prospectus***

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under “*Terms and Conditions of the Notes*” (the “**Conditions**”) as completed by a document specific to such Tranche called final terms (the “**Final Terms**”) or by a separate prospectus specific to such Tranche (the “**Drawdown Prospectus**”) as described under “*Final Terms and Drawdown Prospectuses*” below.

### ***Other relevant information***

This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

The Issuer and the Guarantor have confirmed to the Dealers named under “*Subscription and Sale*” below that this Base Prospectus contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

### ***Unauthorised information***

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or the Guarantor or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor or any Dealer.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus or any supplement hereto, or any Final Terms or Drawdown Prospectus or any document incorporated herein by reference. Neither the delivery of this Base Prospectus or any Final Terms or Drawdown Prospectus, as the case may be, nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer and the Guarantor since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time

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subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This Base Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see “*Information Incorporated by Reference*”).

### ***Restrictions on distribution***

The distribution of this Base Prospectus and any Final Terms or Drawdown Prospectus, as the case may be, and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms or Drawdown Prospectus, as the case may be, comes are required by the Issuer, the Guarantor and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms or Drawdown Prospectus, as the case may be, and other offering material relating to the Notes, see “*Subscription and Sale*”.

In particular, the Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the U.S., and Notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the U.S. or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in certain transactions exempt from the registration requirements in the Securities Act.

Neither this Base Prospectus nor any Final Terms or Drawdown Prospectus, as the case may be, constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Guarantor, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms or Drawdown Prospectus, as the case may be, should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms or Drawdown Prospectus, as the case may be, shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Guarantor.

### ***Programme limit***

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed €10,000,000,000 and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under “*Subscription and Sale*”.

### ***Certain definitions***

In this Base Prospectus, unless otherwise specified, references to a “**Member State**” are references to a Member State of the EEA, references to “**U.S. \$**”, “**U.S. dollars**” or “**dollars**” are to United States dollars, and references to “**€**”, “**EUR**” or “**euro**” are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro as amended.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

### ***Ratings***

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit

rating applied for in relation to a relevant Tranche of Notes will be (1) issued by a credit rating agency established in the EEA or in the UK and registered (or which has applied for registration and not been refused) under the Regulation (EU) No. 1060/2009, as amended (the “**CRA Regulation**”), or (2) issued by a credit rating agency which is not established in the EEA or in the UK but will be endorsed by a CRA which is established in the EEA or in the UK and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA or in the UK but which is certified under the CRA Regulation, will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA or in the UK but is endorsed by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA or in the UK which is certified under the CRA Regulation.

### ***Language***

The language of the Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

### ***Stabilisation***

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.**

## FORWARD-LOOKING STATEMENTS

This Base Prospectus includes forward-looking statements that reflect the Issuer's and the Guarantor's intentions, beliefs or current expectations and projections about their future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies, plans, opportunities, trends and the market in which they operate. The Issuer and the Guarantor have tried to identify these and other forward-looking statements by using the words "may", "could", "will", "would", "should", "expect", "intend", "estimate", "anticipate", "guidance", "project", "future", "potential", "believe", "seek", "plan", "aim", "expect", "objective", "goal", "project", "strategy", "target", "continue" and similar expressions or their negatives. These forward-looking statements are based on numerous assumptions regarding the Issuer's and the Guarantor's present and future business and the environment in which they expect to operate in the future. Forward-looking statements may be found in the sections of this Base Prospectus entitled "*Risk Factors*", "*Description of the Issuer*" and "*Description of the Guarantor*" and elsewhere in this Base Prospectus.

These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions and other factors that could cause the Issuer's and/or the Guarantor's actual results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies, plans or opportunities, as well as those of the markets they serve or intend to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. Important factors that could cause those differences include, but are not limited to:

- the Issuer is a finance vehicle and its ability to meet its obligations under the Notes depends upon Cellnex and other companies in the Group meeting their obligations with the Issuer in a timely manner;
- a deterioration in the demand for the services that the Guarantor provides, as well as customer concentration and loss of customers;
- risks derived from the development, expansion and maintenance of the Guarantor's infrastructure;
- significant agreements could be modified or terminated due to change of control clauses being triggered or contractual obligations breached;
- unexpected adjustments and cancellations of the Guarantor's backlog unfilled orders;
- adverse economic and political conditions in any or all of the jurisdictions in which the Guarantor and its consolidated subsidiaries (together, the "**Group**") operate;
- factors derived from the Guarantor's status of "significant market power" (SMP, as defined herein) operator in the digital terrestrial television (DTT, as defined herein) market;
- lack of spectrum secured in the future, or losing access to other basic resources;
- impact of the increasing indebtedness of the Issuer and/or the Guarantor and inability to manage financial risks;
- historical consolidated financial information only takes into account the transactions completed as of each reporting period;
- inability to manage foreign currency risks;
- changes in tax regulation that affect the value of the Group's significant deferred tax liabilities and deferred tax assets; and
- the Guarantor's significant shareholder's interests may differ from those of the Guarantor.

Additional factors that could cause the Issuer's and the Guarantor's actual results, financial condition, liquidity, performance, prospects, opportunities, achievements or industry results to differ, include, but are not limited to, those discussed under "*Risk Factors*". In light of these risks, uncertainties and assumptions, the forward-looking events described in this Base Prospectus may not occur. Additional risks that the Issuer and the Guarantor may currently deem immaterial or that are not presently known to the Issuer and the Guarantor could also cause the forward-looking events discussed in this Base Prospectus not to occur. These forward-looking statements speak only as of the date on which they are made. Except as otherwise required by applicable securities law and regulations and by any applicable stock exchange regulations, the Issuer and the Guarantor undertake no obligation to update publicly or revise publicly any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason after the date of this Base Prospectus. Given the uncertainty inherent in forward-looking statements, the Issuer and the Guarantor caution prospective investors not to place undue reliance on these statements.

The Dealers assume no responsibility or liability for, and make no representation, warranty or assurance whatsoever in respect of, any of the forward-looking statements contained in this Base Prospectus.



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## OVERVIEW

*This overview must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including any information incorporated by reference. Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Base Prospectus have the same meanings in this overview*

<b>Issuer</b>	Cellnex Finance Company, S.A.U.
<b>Legal Entity Identifier of the Issuer:</b>	549300OUROMFTRFA7T23
<b>Guarantor:</b>	Cellnex Telecom, S.A.
<b>Legal Entity Identifier of the Guarantor:</b>	5493008T4YG3AQUI7P67
<b>Risk Factors</b>	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer and/or the Guarantor to fulfil their obligations under the Notes are discussed under “ <i>Risk Factors</i> ” below.
<b>Description</b>	Guaranteed Euro Medium Term Note Programme.
<b>Arranger</b>	BNP Paribas
<b>Dealers</b>	Banco de Sabadell, S.A., Banco Santander, S.A., BNP Paribas, CaixaBank, S.A., Intesa Sanpaolo S.p.A., Mediobanca – Banca di Credito Finanziario S.p.A. and UniCredit Bank AG and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes.
<b>Fiscal Agent</b>	The Bank of New York Mellon, London Branch
<b>Registrar</b>	The Bank of New York Mellon SA/NV, Luxembourg Branch
<b>Listing Agent</b>	The Bank of New York Mellon SA/NV, Dublin Branch
<b>Final Terms or Drawdown Prospectus</b>	Notes issued under the Programme may be issued either (1) pursuant to this Base Prospectus and associated Final Terms or (2) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Notes will be the Terms and Conditions of the Notes as completed by the relevant Final Terms or, as the case may be, as amended in the relevant Drawdown Prospectus.
<b>Listing and Trading</b>	Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on its regulated market. The Programme also permits Notes to be issued on the basis that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer and the Guarantor.
<b>Clearing Systems</b>	Euroclear and/or Clearstream, Luxembourg and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.

### **Initial Programme Amount**

Up to €10,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time. The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under “*Subscription and Sale*”.

### **Issuance in Series**

Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

### **Forms of Notes**

Notes may be issued in bearer form or in registered form. Bearer Notes will not be exchangeable for Registered Notes and Registered Notes will not be exchangeable for Bearer Notes. No single Series or Tranche may comprise both Bearer Notes and Registered Notes.

Each Tranche of Bearer Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note (each, a “**Global Note**”), in each case as specified in the relevant Final Terms. 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 Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and 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 Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the U.S. Treas. Reg. section 1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”)) (the “**TEFRA D Rules**”) are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

Each Tranche of Registered Notes will be represented by either:

- (i) Individual Note Certificates; or
- (ii) one or more Global Registered Notes,

in each case as specified in the relevant Final Terms.

Each Note represented by a Global Registered Note will either be: (a) in the case of a certificate which is not to be held under the new safekeeping structure (“**New Safekeeping Structure**” or “**NSS**”), registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depositary; or (b) in the case of a certificate to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.

#### **Currencies**

Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

#### **Status of the Notes and the Guarantee**

The Notes and the obligations of the Guarantor under the Guarantee will constitute direct, general, unconditional and (subject to Condition 5 (*Negative Pledge*)) unsecured obligations of the Issuer and in the event of insolvency (*concurso*) of the Issuer (unless they qualify as subordinated debts under Article 281 of the *Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la Ley Concursal* (the “**Spanish Insolvency Law**”) or equivalent legal provision which replaces it in the future and subject to any legal and statutory exceptions) will rank *pari passu* without any preference among themselves (in the case of the Notes) and with all other outstanding unsecured and unsubordinated obligations of the Issuer and the Guarantor, present and future, as applicable. See Condition 4 (*Status and Guarantee*).

#### **Issue Price**

Notes may be issued at any price, as specified in the relevant Final Terms or Drawdown Prospectus. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions, in accordance with the Terms and Conditions of the Notes.

#### **Maturities**

Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom (“UK”) or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the UK, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the Issuer.

### **Redemption**

Notes may be redeemable at par or at such other Redemption Amount as may be specified in the relevant Final Terms or Drawdown Prospectus. Notes may also be redeemable in 2 or more instalments on such dates and in such manner as may be specified in the relevant Final Terms or Drawdown Prospectus.

### **Optional Redemption**

Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Final Terms or Drawdown Prospectus, as further described in Conditions 8(c) (*Redemption and Purchase - Redemption at the option of the Issuer*) and 8(g) (*Redemption and Purchase - Redemption at the option of Noteholders (Investor Put)*) respectively.

In addition, if the relevant Final Terms or Drawdown Prospectus so specifies, Noteholders shall have the option, in the event of a Put Event, to require the Issuer to redeem or purchase the relevant Notes as further described in Condition 8(h) (*Redemption and Purchase - Redemption or Purchase at the option of the Noteholders on a Put Event (Change of Control Put)*).

### **Tax Redemption**

Except as described in “*Optional Redemption*” above, early redemption for tax reasons will only be permitted as described in Condition 8(b) (*Redemption and Purchase - Redemption for tax reasons*).

### **Interest**

Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate.

### **Denominations**

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s). No Notes may be issued under the Programme which have a minimum denomination of less than €100,000 (or nearly equivalent in another currency) in the case of Notes to be admitted to trading on a regulated market as defined in MiFID II, or in so far as required by all applicable legal and/or regulatory and/or central

bank requirements. Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Final Terms or Drawdown Prospectus, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

**Cross Default**

The Notes will have the benefit of a cross default as described in Condition 12 (*Events of Default*).

**Negative Pledge**

The Notes will have the benefit of a negative pledge provision as described in Condition 5 (*Negative Pledge*).

**Taxation**

Payments in respect of Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority or agency 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, or as the case may be, the Guarantor, will (subject to the exceptions provided in Condition 11 (*Taxation*) and as described below) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding or deduction been required (see “*Taxation – Taxation in Spain – Information about the Notes in connection with Payments*”).

**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 Fiscal 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 of the date of this Base Prospectus, at a rate of 19%).

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 Fiscal Agent submits the required information to the Issuer no later than the 10<sup>th</sup> 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 Guarantor, the Arranger, 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 the Notes are governed by English law. Condition 4 (*Status and Guarantee*) is governed by Spanish law.

**Enforcement of Notes in Global Form**

In the case of Global Notes and Global Registered Notes, individual investors' rights against the Issuer will be supported by a Deed of Covenant dated 3 December 2020, a copy of which will be available for inspection at the specified office of the Fiscal Agent or by electronic means at the discretion of the Fiscal Agent.

**Selling Restrictions**

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the U.S., the EEA, the UK, the Kingdom of Spain, Japan, Italy and France, see "*Subscription and Sale*".

## **RISK FACTORS**

*Prospective investors should read the entire Base Prospectus. Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Base Prospectus have the same meanings in this section.*

*The Issuer and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme as of the date of this Base Prospectus, and those are presented in categories and in order of decreasing materiality within each category, taking into account both the probability that they might occur as well as the expected magnitude of their negative impact. However, the inability of the Issuer and the Guarantor to pay any amounts due on or in connection with any Notes, the Deed of Covenant or the Deed of Guarantee, may occur for other reasons and the Issuer and the Guarantor do not represent that the statements below regarding the risks of holding any Notes are exhaustive. There may also be other risks and uncertainties of which the Issuer and the Guarantor are currently unaware or that the Issuer and the Guarantor do not currently believe are material, that could harm the Group’s business, prospects, results of operations, financial condition and cash flows and which if they occur could affect their ability to fulfil its obligations under Notes issued under the Programme. Consequently, the risks described below are not the only ones the Issuer and the Guarantor are exposed to. Prospective investors should also read the information set out elsewhere in this Base Prospectus 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**

***The ability of the Issuer to meet its obligations under the Notes will depend upon Cellnex and other companies within the Group meeting their corresponding obligations with the Issuer in a timely manner***

The Issuer is a finance vehicle established by Cellnex for the purpose of carrying out financing activities and financing-related support activities in favour of the companies in the Group. In particular, the Issuer may, on behalf of the Group, issue notes and other debt securities, enter into banking financings or any other kind of financings or any instruments with a financing purpose, as well as grant financings and guarantees in relation to the obligations assumed by the companies in the Group. Therefore, the Issuer’s principal liabilities will comprise the Notes, other debt securities issued by it and the financings having been entered into, and its principal assets will comprise its rights (if any) under agreements pursuant to which the net proceeds from the issue of the Notes or from the issue of other debt securities are on-lent to or otherwise invested in Cellnex or any other companies within the Group in accordance with its corporate purpose (see “*Description of the Issuer*” for more information). Accordingly, in order to meet its obligations under the Notes, the Issuer is dependent upon Cellnex and the other companies in the Group meeting their obligations under such agreements in a timely fashion. The failure by them to do so in a timely fashion could have a material adverse effect on the ability of the Issuer to fulfil its obligations under the Notes issued under the Programme. The fact that Cellnex wholly owns the Issuer may limit the ability of the Issuer to enforce these obligations.

### **Risks Relating to the Guarantor and the Group**

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

***The business of the Group depends on the demand for the services that it provides and a substantial portion of the revenue of the Group is derived from a small number of major customers***

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 (see “*Description of the*



*Guarantor*” for further information). 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 communication services and equipment 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 and optic fiber services. Any factor adversely affecting the demand for such services, some of which the Group cannot control, could potentially have a material adverse effect on the business, prospects, results of operations, financial condition and cash flows of the Group.

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. For example, the Broadcasting Infrastructure segment’s business is threatened due to substitute new technologies such as cable TV, satellite TV or OTTs.

In the Telecom Infrastructure Services segment, the Group cannot anticipate the evolution of its complementary segments (such as 5G, “Small Cells” or 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 -, data centers/edge computing and optic fiber), which may become dominant technologies in the future and render the current technologies and infrastructure of the Group obsolete.

The Group’s main clients are (i) in the Telecom Infrastructure Services segment, telecom operators (mostly mobile network operators (“**MNOs**”)), (ii) in the Broadcasting Infrastructure segment, media broadcasters (TV channels and radio stations) and (iii) and in the Other Network Services segment a small number of public administrations, at national, regional and/or local levels, safety and emergency response organisations, companies operating in the utility sector and certain telecom operators.

As European MNOs are moving towards a less infrastructural business model, the share trends in the telecommunications sector are increasing, especially given the upcoming 5G technological cycle. In this context, Cellnex may need to reinforce its offer in order to meet the needs of its customers, increasingly investing in asset-class businesses adjacent to telecommunication towers, such as fiber, edge computing and small cells.

Moreover, the demand for the Group’s services may be affected by MNOs utilizing shared equipment (both in the form of passive and active network sharing) rather than deploying new equipment. This may result in the decommissioning of equipment on certain existing infrastructures because parts of the customers’ networks may become redundant. Any potential merger, strategic alliance (for example, active network sharing) 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 using the same infrastructure) and in the loss of commercial opportunities resulting in a lower number of potential customers for the Group. Likewise, the Judgment of the General Court (First Chamber, Extended Composition) issued on 28 May 2020 which annulled the Commission Decision C(2016) 2796 of 11 May 2016, declaring incompatible with the internal market the concentration resulting from the acquisition of Telefónica Europe Plc by Hutchison 3G UK Investments Ltd. may increase the interest of the Group’s customers to merge, which could result also in the loss of commercial opportunities for the Group.

The Group has one customer that contributed 20% of its total operating income for the year ended 31 December 2019 (23% of its total operating income for the year ended 31 December 2018). The total operating income from this customer for the year ended 31 December 2019 amounted to €201,710 thousand (€205,992 thousand for the year ended 31 December 2018). The agreement reached with this one customer has a long-term initial maturity

and may only be renewed for the entire portfolio and not for a portion thereof. The Group does not have any other customer that contributed more than 10% of its total operating income for the years ended 31 December 2019 and 31 December 2018.

The Group is affected by changes in the creditworthiness and financial strength of a small number of major customers. The Group depends on the continued financial strength of such customers, 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 any of the Group's major customers, including as a result of the Coronavirus Pandemic, 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.

The Group cannot guarantee that contracts with its major customers will not be terminated (including contractual agreements to transfer or build sites under the Group's acquisition agreements, purchase commitments and build-to-suit programs), 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 the Other Network Services segment and Broadcasting Infrastructure segment), which may result in the current contractual arrangements being adversely amended, which could in turn affect the total value of its contracts. The Group has recently completed a general cycle of renewal of contracts in the Broadcasting Infrastructures segment that has led to a downward revision of prices paid by the Group's customers. Contracts in the Other Network Services and the Broadcasting Infrastructure segments have generally shorter terms than contracts in the Telecom Infrastructures Services segment, and accordingly they need to be renewed more frequently.

In addition, the maturities of the lease contracts, sub-lease contracts and other types of contracts with third parties to operate and manage land and rooftops where the Group's telecommunications infrastructures are located, are generally shorter than the contracts that the Group has entered into with its customers for the provision of services in such infrastructures. As a result, there is a mismatch in the maturities of both contractual relationships which could prevent the Group from successfully providing agreed upon services to its customers, as the Group may not have access to primary resources essential to execute such contractual obligations. The real property interests of the Group relating to its infrastructures consist primarily of ownership interests, fee interests, easements, licenses 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. Any damage or destruction to the Group's infrastructure due to unforeseen events, including natural disasters or arson attacks, may impact the Group's ability to conduct its business. Additionally, if the loss of service is not deemed to be 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.

In addition, 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 the full 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 is involved in 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 its 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 customers 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.

Although the expansion and increased geographical diversification of the Group has contributed to the diversification of its customer base, the Group's reliance on a relatively small group of major 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 or a strategic alliance (for example, active network sharing), bankruptcy, insolvency, network sharing, loss of licenses, 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.

***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***

The Group's strategy is aimed at strengthening and expanding its operations, including through the acquisition of assets, entities or minority interests (including minority stakes in companies where the Group already holds a majority interest), 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 and in the case of acquisitions of minority interests as described above, payments of prices which are inflationary, strongly revaluated, or higher than the original price paid by the Group (as it is already agreed upon in the relevant shareholders agreements). Since its shares were admitted to listing on the Spanish Stock Exchanges, the Guarantor has entered into numerous transactions by virtue of which the Guarantor has invested or committed to invest approximately €27.6 billion in the acquisition or construction of up to 92.2 thousand infrastructures to be acquired or built by 2030, once the Iliad Polish Acquisition and each of the transactions comprising the Transformational Strategic Alliance with Hutchison (as both terms are defined herein) are closed, respectively (which, together with the infrastructures already owned at the time of such listing, amount to an aggregate of up to 103.3 thousand infrastructures).

This growth strategy 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, including liabilities under "successor liability" doctrines in connection with employment, pension, tax, regulatory, environmental, accounting and other matters, which may significantly impact the value of the acquired target and the overall viability and success of the intended business.

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. Additionally, the Group's analysis and risk evaluation prior to entering into any acquisition agreements, are based on the accuracy and completeness of the information available to the Group. The Group may not independently verify the accuracy or completeness of all the information and as a result, investors are cautioned not to place undue reliance on all the information relating to the Group's acquisitions.

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 expose the Group to unanticipated costs and liabilities or 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.

In addition, 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 financial, accounting, reporting, information technology and other systems and processes, cultural differences, differences in 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. There could also be integration risks related to the commercialisation of the spaces where newly acquired sites are located, as well as in connection with the transition of the payments, the retention of existing customers on newly acquired sites, including obtaining the necessary prior consents to assign the relevant service agreements, and the implementation of the Group's standards, controls, procedures and policies with regards to any newly acquired towers. The Group may also face the risk of failing to efficiently and effectively integrate the new assets into the Group's existing business or to use such assets to their full capacity.

The Group's growth strategy is also linked, among other factors, to the capacity to successfully decommission and build new infrastructures. The framework agreements signed with anchor customers may include agreements for the further acquisition or construction of infrastructures over a defined period of time or for the acquisition or construction of a maximum number of infrastructures. 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 or to the impact of the Coronavirus Pandemic, among others. In addition, framework agreements with anchor customers may include the unilateral right of the customer to dismiss a low single-digit percentage of the total sites per year. 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. In addition, the build-to-suit programs are executed on the basis of agreements with third-party suppliers or the customers that will use the new infrastructures, and so the Group relies on third-parties to effectively execute its contractual obligations. Moreover, the Group may face additional challenges in managing its expansion into new countries or into countries where the Group may have limited knowledge and understanding of the local market, business relationships and familiarity with the local governmental procedures and regulations.

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. In addition, the failure to correctly assess the terms and conditions of potential transactions could imply unexpected costs to the Group, or could prevent the Group from obtaining the full benefit of the related business expansion (e.g., by way of changes in the expected perimeter of the relevant transaction upon closing), or any benefit at all, any of which could in turn materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows. Moreover, the Group may fail to sufficiently assess the price adjustments that should be effected to account for potential changes in the perimeter of the target, or may fail to successfully effect them, which could imply unexpected costs to Cellnex and could materially and adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

The Group may face contingencies, including delays, 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, the completion of any pending or future acquisitions may be subject, to the satisfaction of certain conditions precedent, some of which may not be within the Group's control, and failure to satisfy such conditions may prevent, delay or otherwise materially adversely affect the completion of the relevant acquisition. As such, there is no assurance that any such pending or future acquisitions will be completed or, if completed, that it will be completed on the same terms as are described in the transaction agreements. For example, 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 imposition of onerous terms may preclude the Group's ability to grow the portfolio of assets in a particular market or jurisdiction at all, or may result in significant delays and/or significant unexpected costs in relation to a particular acquisition.

Even if compliant with antitrust 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 and its prospects. In addition, the loss of the Group's neutral position (i.e., by having one or more MNOs as a significant shareholder) may cause sellers of infrastructure assets to be reluctant to enter into new joint ventures, mergers, disposals or other arrangements with the Group, and adversely impact the organic growth of Cellnex. As the Group increases its size, management expects that large MNOs may be open to collaborating with the Group in several ways, such as by selling their sites or other infrastructure assets to Cellnex, including in exchange for shares, which could negatively impact the Group's business and its prospects as this type of transactions could affect the perception of the Group's neutrality.

Market conditions and other factors, such as the Group's competitors' willingness to also expand their businesses through the acquisition of the same assets, entities or minority interests that the Group seeks to acquire, may also adversely affect the Group's ability to identify and execute acquisitions or increase the acquisition costs.

Additionally, the Group may experience at any time increased competition in certain areas of activity from established and new competitors, for example as a result of other infrastructure providers entering the European market. 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 Group's 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. 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 (in the current low interest rate business environment and taking into consideration the nature of the Group's business, with long-term contracts and fixed fees which are normally inflation-linked, infrastructure funds and private equity firms are showing increasing appetite towards this class of assets), 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, while other competitors may apply investment criteria with lower return on investment requirements. Likewise, the Group also faces competition or may face future competition from its peers. In addition, some of the Group's customers have set up their own infrastructure companies and more European MNOs are increasingly showing their willingness to establish their own infrastructure vehicles, which could lead to increases in the demand for assets for sale (thus leading to increases in asset prices), as well as increased competition in the normal course of the Group's business, limiting potential growth. 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.

The Group is also subject to a number of construction, service provision, financing, operating, regulatory and other risks related to the development, expansion and maintenance of its infrastructure, many of which are beyond its control. The operation, administration, maintenance and repair of some of the Group's infrastructures requires coordination and integration of highly sophisticated and specialized 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 others.

There are additional risks associated with doing business internationally, including changes in a specific country's or region's political or economic conditions, inflation, deflation 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 which could adversely affect the Group's results of operations. 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"*.

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. Generally, if the Group cannot identify, implement or integrate attractive acquisition opportunities on favourable terms or at all, or if the Group's foreign operations and expansion initiatives do not succeed as expected, they could adversely affect the Group's ability to execute its growth strategy. Any of the foregoing could materially and adversely affect 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 or a breach of contractual obligations may result in an obligation to repay debt early or to sell back assets***

Certain material contracts entered into by the Group, including the Group's material debt agreements and most of the Group's agreements with anchor customers, 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 "significant influence" and/or "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 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 relevant Group company's shares or obtains voting or governance rights which can be exercised in a way that can negatively affect the anchor customer's interests.

Additionally, the Notes issued under the Programme, 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 Guarantor"* for more information.

Finally, asset buy back options can also be exercised in case of an explicit breach by a Group company of the contractual obligations under services level agreements with its customers (“SLAs”). These asset buy back options will be executed at a price below fair market valuation. Also, the Group may enter into contracts related to joint future investment that have buy back clauses whereby the customer has the right to acquire the related assets during defined periods. While the Group’s management currently believes that the likelihood of exercising such option is not high, given it would require the customer to make a significant payment to the Group, the Group can provide no assurance that any such options will not be exercised.

If a change of control clause included in any of the Group’s material contracts is triggered, or if a company of the Group fails to comply with its contractual obligations under an SLA or a joint investment agreement, 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 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 Base Prospectus, 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 or deflation. One of the main assumptions for calculating backlog is the automatic renewal of contracts for services with the Group’s anchor customers. Most contracts with anchor customers of the Telecom Infrastructure Services segment have term extension clauses including, in some cases, “all-or-nothing” extension clauses that only allow the extension of the term of a contract for the entire portfolio (not the extension 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.

The earliest contract renewals in the Telecom Infrastructure Services segment are expected to occur in 2022 and 2023 with Telefónica. This will be the first time that a contract containing an “all-or-nothing” extension clause is up for renewal. Contracts with most of the Group’s customers in the Broadcasting Infrastructure segment will face a new cycle of renewals in 2025 (although one of the main contracts will be up for renewal in 2021). In addition, certain contracts for services with customers may be cancelled under certain circumstances by the customer at short notice without penalty. The termination of the contracts (Churn) with customers in the Telecom Infrastructure Services and Broadcasting Infrastructure segments may materially and adversely affect the Group’s business, prospects, results of operations, financial condition and cash flows. It should also be noted that contracts in place with Telefónica and Wind Tre may be subject to changes in relation to the fees being applied at a time of a renewal, set within a predefined range taking into account the last annual fee (which reflects the cumulative inflation of the full initial term).

In addition, 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. 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. In the case of “Engineering Services”, that are pre-agreed and associated to incremental fees, they may be phased over a longer than expected period of time, reduced or even cancelled, seriously

affecting the management's estimate of contracted revenues over time. 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, including as a result of the Coronavirus Pandemic, 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.

***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***

Notwithstanding the Group's diversification of its risk exposure through the internationalisation of its operations, the Group cannot assure that the countries where it operates will not experience economic or political difficulties in the future.

The Group's customers in Spain, Italy, France and Switzerland represent a significant portion of the operating income of the Group, therefore especially exposing it to risks specific to these countries. For the year ended 31 December 2019, approximately 49% (€504,710 thousand), 26% (€266,907 thousand), 10% (€104,675 thousand) and 8% (€84,993 thousand), of the Group's operating income was generated in Spain, Italy, France and Switzerland, respectively. For the year ended 31 December 2018, approximately 52% (€467,787 thousand), 28% (€254,393 thousand), 7% (€65,686 thousand) and 6% (€56,041 thousand), of the Group's operating income was generated in Spain, Italy, France and Switzerland, respectively.

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, adversely affecting the Group's results of operations. This negative or low growth cycle could affect the Group again in these two countries or in others. This may be further accentuated by a potential recession in those two countries or in others as a result of the coronavirus COVID-19 pandemic (the "**Coronavirus Pandemic**") which began in China in late 2019 and has subsequently spread globally, significantly affecting Spain, Italy, France, the United Kingdom and other countries where the Group operates. The uncertainty surrounding the Coronavirus Pandemic and its effects on the global economy, as of the date of this Base Prospectus, are expected to significantly impact global growth in 2020, due to the restriction or suspension of production, operational and business activities, disruptions to travel and transportation and adverse impacts on labour supply affecting both supply and demand chains. In addition to affecting demand for the Group's services (or the Group's customers' services) and its customers' ability to meet their payment obligations, the Coronavirus Pandemic could, among other effects, also depress the value of the Group's assets and investments, limit the Group's ability to finance its future operations and capital needs, disrupt the Group's supply chain, generate or lead to deflation (reducing the revenue of the Group in the future, considering that most of the Group's contracts with customers are inflation-linked), disrupt the Group's growth plans and increase the likelihood and/or magnitude of other risks described in this Base Prospectus. While the Group's business activity has remained largely unaffected by the Coronavirus Pandemic, the extent to which the Coronavirus Pandemic impacts the Group's business and results of operations in the next quarters and later in the future will depend on future developments, which are highly uncertain and cannot be predicted, including future economic conditions, and the actions to contain it or treat its impact, among others. For example, the Group could suffer delays in the execution of build-to-suit programs, changes in the expected organic growth or severe disruptions due to its suppliers being unable to meet their current commitments. The Group cannot assure that any estimates, forecasts, forward-looking statements or opinions contained herein or which may have been expressed in the past will remain accurate or will not abruptly change as a result of the spread and effects of the Coronavirus Pandemic. Moreover, the Group's inability to reduce the impact of the foregoing could have a material and adverse effect on its business, results of operations, financial condition and prospects. Likewise, the Group is directly exposed to the political and economic situations of Switzerland and other countries to which it has expanded its business (such as Ireland or Portugal) or to which it



will expand its business once the Iliad Polish Acquisition and each of the transactions comprising the Transformational Strategic Alliance with Hutchison are closed (such as Poland, Austria, Denmark or Sweden), each of which are also being impacted by the Coronavirus Pandemic. Also, changes in the international financial markets' conditions as a result of such pandemic pose a challenge to the Group's ability to adapt to them as they may have an impact on its business. Therefore, the Group may be adversely affected by the adverse economic conditions or potential instability in the countries in which it operates and in which it has expanded its business, while at the same time a more geographically diversified revenue source allows a lower risk exposure to specific country related issues. The Group cannot predict 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, the Group may be adversely affected by economic, social and political conditions in the countries in which its customers, suppliers and other counterparties operate.

Because of the Group's growing presence in the United Kingdom (which has increased following the completion of the BT Transaction and the Arqiva Acquisition (both as defined herein) and is expected to significantly increase in the future following the completion of the United Kingdom transaction comprised within the Transformational Strategic Alliance with Hutchison – see “*Description of the Guarantor*” for additional information), the Group may face the risk of political and economic uncertainty derived from the United Kingdom's decision to leave the European Union (the “**EU**”), particularly in the event of a withdrawal from the EU 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 “hard Brexit” or “no-deal Brexit”). On 24 January 2020, the United Kingdom signed the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the EU and the European Atomic Energy Community (“**EURATOM**”), setting the terms of the withdrawal of the United Kingdom from both, which formally took place on 31 January 2020, and covering such matters as money, citizens' rights, border arrangements and dispute resolution (the “**Withdrawal Agreement**”). However, the Withdrawal Agreement provides for a transition period until 31 December 2020, during which the United Kingdom will remain in the single market, in order to safeguard trade until a long-term relationship is agreed. The 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 on the United Kingdom's economy and markets, which in turn could adversely affect the Group's business, prospects, results of operations, financial condition and cash flows in the United Kingdom. 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.

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. Moreover, as a significant portion of the contracts of the Group with operators are inflation-linked and some do not have a minimum limit or floor, deflationary macroeconomic circumstances will have an adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows. In addition, the Group cannot assure that any estimates, forecasts, forward-looking statements or opinions contained herein or which may have been expressed in the past will remain accurate or will not abruptly change as a result of the spread and effects of the Coronavirus Pandemic. Moreover, the Group's inability to reduce the impact of the foregoing could have a material and adverse effect on its business, results of operations, financial condition and prospects.

***The Group's status as a "significant market power" ("SMP") operator in the digital terrestrial television ("DTT") broadcasting transmission service 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, amongst others, set out that 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. The CNMC has introduced certain flexibility to those conditions as per the latest regulation of the market, carried out in 2019 which concluded on 17 July 2019 with the publication of the Resolution approving the definition and analysis of the wholesale market for the television broadcasting transmission service (Market 18/2003), as notified to the European Commission and the European Electronic Communications Regulators Entity.

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.

***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 and other basic resources to provide service may not be guaranteed***

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 maximizing the limited capacity of the spectrum, the Group cannot guarantee that 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" or 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 ("MUX") from eight to seven at a national level, and on a general basis, from two to one at the regional level.

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 further sets up the spectrum usage until 2030 (the so-called "second

Digital Dividend”). As a consequence, the Spanish Government published on 21 June 2019 the Royal Decree 391/2019 approving the new National Technical Plan for DTT and the regulation of certain aspects of the liberalization of the “second Digital Dividend”. This Royal Decree regulates how the 700 MHz band will be liberalized and how the radio-electric channels and the new digital MUXs will be distributed among the Spanish Public Radio and Television Corporation and other license holders, obligations of minimum range of reception and the technical specifications that the television services have to meet. The current number of MUXs (and their coverages) on the sub 700MHz band will be maintained, as well as the offer of DTT channels. This Royal Decree also states that the DTT service will be offered in the sub-700 MHz band and that the 700 MHz band shall not be used by audio visual communication service providers by 30 June 2020, in order to make it available for the 5G mobile services from that date onwards. The Royal Decree further establishes that the sub-700 MHz will continue to be used for television broadcasting until, at least, 2030. On the same date and on 11 October 2019, respectively, the Spanish Government approved the Royal Decree 392/2019 and the Royal Decree 579/2019, which regulate the granting of subsidies to compensate certain costs related to audiovisual communication services, as a consequence of the implementation of the liberalisation of the “second Digital Dividend”.

Due to the sanitary crisis caused by the Coronavirus Pandemic, the Spanish government declared the state of emergency by means of Royal Decree 463/2020, of 14 March. In this context, the government decided to postpone (not suspend) the execution of the pending phases for the implementation of the liberalisation of the “second Digital Dividend”. The Ministry of Economic Affairs and Digital Transformation, in a press note released on 30 March 2020, explained that the above measure had been communicated to the European Commission. Notwithstanding the above, due to the ending of the state of emergency on 21 June 2020, the Spanish Council of Ministers approved the Royal Decree-Law 23/2020, of 23 June, by means of which the deadline for the implementation to release the “second Digital Dividend” was extended until 31 October 2020. In line with the foregoing and in order to adapt the regulations in force to the new deadline of 31 October 2020, on 28 July 2020 the Spanish government approved Royal Decree 707/2020, which extends the deadlines established in Royal Decree 392/2019 and Royal Decree 579/2019, for obtaining subsidies. On the same day and in parallel, it also approved Royal Decree 706/2020, which established a new set of subsidies to compensate for the costs incurred by private operators as a result of the changes to be made to transmission equipment to adapt it to the new frequencies.

The “second Digital Dividend” ended last 31 October 2020 having achieved all its objectives, including minimizing the impact for citizens.

The Group believes that any delays in 5G rollouts in member states of the EU (“**Member States**”) due to the Coronavirus Pandemic are likely to be temporary rather than long lasting, considering the systemic importance of universal broadband access. However, 5G rollouts could also be adversely affected by growing concerns, fueled in part by unreliable sources propagated through social and other media, that 5G’s radio waves could pose health risks, which in turn has led to a wave of arson attacks on telecom infrastructures across Europe and other parts of the world. If the rollout of 5G is delayed, whether due to the Coronavirus Pandemic, growing movements against the implementation of 5G technology in certain countries or otherwise, or if the Group’s assets are affected by arson or other attacks, this could materially affect the Group’s business, prospects, results of operations, financial condition and cash flows. For example, public perception of possible health risks associated with radio emissions and electromagnetic radiation could affect the growth of wireless companies, which could in turn slow down the Group’s growth and may affect the Group’s results of operations, especially if these perceived risks are substantiated.

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.

The Group depends upon spectrum allocation for many other wireless services that it provides, either in the Broadcasting Infrastructure segment, Telecom Infrastructure Services segment or Other Network Services segment, such as Frequency Modulation (“FM”), Digital Audio Broadcasting (“DAB/DAB+”), terrestrial trunked radio (“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 licenses 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 licenses and frequency usage rights necessary for its business upon expiration of their terms or it may have to make significant investments to maintain its licenses, either of which could have a material adverse effect on its business, prospects, results of operations, financial condition and cash flows.

Similarly, in the future the Group’s access to certain basic resources may be curtailed. As such, the access of the Group to some infrastructures linked to the Broadcasting Infrastructure segment are subject to the contract renewal conditions set at the time when Centre de Telecomunicacions i Tecnologies de la Informació de la Generalitat de Catalunya (“CTTI”) was privatised and it contributed assets to Cellnex’s subsidiary Tradia Telecom, S.A.U. The duration of said agreement is 35 years, distinguishing a mandatory period of 25 years until 10 February 2025, subject to be renewed for an additional period of 10 years if the Group has fulfilled its financial rent obligations, the maintenance of such infrastructure is adequate and there is reserved space in favour of CTTI. If the above conditions are not met at the time of renewal, and such renewal does not occur, the Group will lose access to such infrastructures, which could have a material adverse effect on its business, prospects, results of operations, financial condition and cash flows.

### **Risks related to the financial information incorporated by reference in this Base Prospectus and other financial risks**

#### ***The Group is subject to risks related to its indebtedness, including interest rate risks***

The Group’s present or future indebtedness could have significant negative consequences on its business, prospects, results of operations, financial condition, corporate rating 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 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 the date of this Base Prospectus, according to the Guarantor's internal records, the Group's fixed rate debt amounted to €7,756,950 thousand, representing 81% of its gross financial debt excluding lease liabilities (€9,577,288 thousand), whereas the Group's variable rate debt amounted to €1,820,338 thousand, representing 19% of its gross financial debt excluding lease liabilities. As of 31 December 2019, the Group's fixed rate debt amounted to €3,497,050 thousand representing 68% of its gross financial debt excluding lease liabilities (€5,137,574 thousand), whereas the Group's variable rate debt amounted to €1,640,524 thousand representing 32% of its gross financial debt excluding lease liabilities. As of 31 December 2018, the Group's fixed rate debt amounted to €2,506,988 thousand representing 81% of its gross financial debt excluding lease liabilities (€3,095,737 thousand), whereas the Group's variable rate debt amounted to €588,749 thousand representing 19% of its gross financial debt excluding lease liabilities.

As of the date of this Base Prospectus, the Group's weighted average cost of debt (considering both drawn and undrawn borrowings) was 1.4% and the weighted average cost of debt (considering only drawn down borrowings) was 1.5%. As of 31 December 2019, the Group's weighted average cost of debt (considering both drawn and undrawn borrowings) was 1.5% and the weighted average cost of debt (considering only drawn down borrowings) was 1.7%. As of 31 December 2018, the Group's weighted average cost of debt (considering both drawn and undrawn borrowings) was 1.9% and the weighted average cost of debt (considering only drawn down borrowings) was 2.2%.

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.

As of the date of this Base Prospectus, the estimated sensitivity in the Group's financial costs to a 1% change (increase or decrease) in the interest rate, both fixed and variable, is as follows. The amount of the Group's financial costs from fixed gross financial debt excluding lease liabilities would remain unchanged. The amount of the Group's financial costs from variable gross financial debt excluding lease liabilities would increase by €18,203 thousand in the event of a 1% interest rate increase. The amount of the Group's financial costs from variable gross financial debt excluding lease liabilities would decrease by €4,869 thousand in the event of a 1% interest rate decrease, as some of the Group's financing contracts include a EURIBOR/LIBOR floor.

***The historical consolidated financial information only takes into account the transactions completed as of each reporting period***

The Group has undertaken various significant transactions throughout the years 2018, 2019 and until 30 September 2020, and has also entered into other material agreements further to that date.

In particular, since 31 December 2019 the Group has entered into or completed certain transactions, including the completion of the Arqiva Acquisition on 8 July 2020, the completion of the NOS Towering Acquisition on 30 September 2020 and the signings of the Iliad Polish Acquisition on 22 October 2020 and of the Transformational Strategic Alliance with Hutchison on 12 November 2020, respectively, the latter two not being accounted for in the unaudited consolidated financial information of the Guarantor in respect of the nine-month period ended 30 September 2020. The Iliad Polish Acquisition and each of the transactions comprising the Transformational Strategic Alliance with Hutchison will be accounted for, respectively, as of its corresponding dates of completion, such that the corresponding impact of the relevant transactions will be included in the Group's consolidated balance sheet as of the end of the reporting periods in which each of them is completed. (See "Description of the Guarantor" for additional information).

The Group regularly enters into transactions to acquire additional infrastructures, which are structured as asset acquisitions or share purchases, as the case may be, and undertakes build-to-suit programs. Acquisitions are consolidated within the Group as of their respective dates of completion, such that, the corresponding impact of the operations of such acquisitions is reflected in the Group's consolidated income statement from their respective dates of completion and the value of acquisitions is included in the Group's consolidated balance sheet as of the end of the reporting period in which they were or are completed, as applicable. Limited or no historical financial information (audited or unaudited) is typically available for the acquired assets or business units prior to their date of incorporation into the Group.

As the Group regularly enters into these types of transactions and programs, it is difficult to compare the Group's historical and future infrastructure perimeter year-to-year on a like-for-like basis. Furthermore, as a result of these transactions and programs the financial condition and results of operations as of and for the financial periods discussed in this Base Prospectus are not fully comparable, may not be fully comparable with the Group's financial statements for future periods, and may not be indicative of the Group's current and future business, financial condition or results of operations.

***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, recognized 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, respectively, on the other. The Group's strategy for hedging foreign currency risk in investments in non-euro currencies does not necessarily lean towards a full hedge of this risk. In fact, the Group is open to assessing different hedging strategies, including allowing the Group to have significant positions not covered. These different hedging strategies might 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 2019 the contributions to the Group's income in a functional currency other than the euro amounted to €98,528 thousand (9.6% of the Group's operating income) (€65,209 thousand representing 7.3% of the Group's operating income as of 31 December 2018). As of 31 December 2019, the contributions to the Group's total assets in a functional currency other than the euro amounted to €2,184,227 thousand (17% of the Group's total assets) (€789,685 thousand representing 15.4% of the Group's total assets as of 31 December 2018). 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.

As of 31 December 2019, the estimated sensitivity of the consolidated operating income and of the consolidated equity to a 10% change (increase) in the exchange rate of the main currencies in which the Group operates with regard to the rate in effect as of 31 December 2019 is as follows:

+ 10%

Functional currency	Operating Income	Equity <sup>(1)</sup>
	(in thousands of €)	
GBP .....	(1,230)	(24,952)
CHF .....	(7,727)	(72,083)

<sup>(1)</sup> Impact on equity from translation differences arising in the consolidation process.

***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 €827,860 thousand as of 31 December 2019 and €333,306 thousand as of 31 December 2018) and deferred tax assets (amounting to €136,581 thousand as of 31 December 2019 and amounting to €55,322 thousand 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, or to their interpretation, may affect the timing, valuation 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. In this regard, the Spanish government has announced specific tax measures that may include a minimum 15% effective tax rate for Spanish corporate income tax and limitations on the Spanish participation exemption in connection with dividends and capital gains under specific conditions. Should these measures be finally passed, they would affect Cellnex's Spanish corporate-income-taxation position as well as that of the Group.

In addition to the abovementioned risks, the Group is also exposed to the risk of 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 as well as to the new interpretation of such regulations in a more adverse manner for the Group, especially with regards to the tax treatment of certain environmental or real estate-related taxable events, or tax regulations. Changes to how such laws, treaties, methodologies and fees are interpreted or applied, including adjustments to the interpretation of transfer pricing standards; laws or regulations that tax or otherwise restrict repatriation of earnings or other funds or otherwise limit distributions of capital and changes thereto; increases in the cost of labor (as a result of increases in social security charges or otherwise), and taxes and other charges applicable to power and other goods and services required for its operations; and price setting or other similar laws for the sharing of active and passive infrastructure. The occurrence of one or more of these events could have a material adverse effect on the Group's business, prospects, results of operations, financial condition and cash flows.

**Risk related to the Guarantor's ownership structure**

***The Guarantor's significant shareholder's interests may differ from those of the Guarantor***

As of the date of this Base Prospectus, and pursuant to publicly available information, Edizione S.R.L. ("Edizione") holds indirectly approximately 13.02% of Cellnex's share capital (through Connect Due S.r.l. ("Connect Due"), wholly-owned by Sintonia S.p.A. which in turn is wholly-owned by Edizione). In addition, Edizione has appointed two out of ten of Cellnex's Directors (one of them, the Chairman of the Board of Directors).

Consequently, Edizione has an 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 Guarantor and the adoption of certain amendments to the bylaws. There can be no

assurance that Edizione, or any other current or future significant shareholder, will act in a manner that is in the best interest of the Guarantor, which could, in turn, adversely affect the Group's business, prospects, results of operations, financial condition and cash flows.

## **Risks Relating to 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.

### ***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, SONIA 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. 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 (as further described in Condition 7(j) (*Benchmark Discontinuation*)), 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, SONIA 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 Conditions 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, including the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required). Furthermore, if a successor rate or alternative rate for the original rate of interest is determined, the Issuer may vary the Conditions, as necessary to ensure the proper operation of such successor rate or alternative rate, without any requirement for consent or approval of the Noteholders. 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. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

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 Benchmark Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

***The market continues to develop in relation to risk-free rates (including SONIA) as reference rates for floating rate Notes***

*Nascent risk-free rates and market*

Investors should be aware that the market continues to develop in relation to risk-free rates, such as SONIA, as reference rates in the capital markets for sterling bonds, as applicable, and their adoption as alternatives to the relevant interbank offered rates. SONIA has been recently reformed and other risk-free rates are newly established. Therefore, SONIA (as reformed) and other risk-free rates have a limited performance history and the future performance of such risk-free rates is impossible to predict. As a consequence, no future performance of the relevant risk-free rate or Notes referencing such risk-free rate may be inferred from any of the hypothetical or actual historical performance data.

*Calculation of Interest*

Interest is calculated on the basis of the compounded risk-free rate. Compounded SONIA is calculated using the relevant specific formula set out in the Conditions, not on the basis of a risk-free rate published on or in respect of a particular date during the Observation Period or an arithmetic average of the relevant risk-free rates during

such period. For this and other reasons, the interest rate on the Notes during any Observation Period will not be the same as the interest rate on other investments linked to the risk-free rate that uses an alternative basis to determine the applicable interest rate.

In addition, market participants and relevant working groups are exploring alternative reference rates based on risk-free rates, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term).

Interest on Notes which reference a risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference risk-free rates to reliably estimate the amount of interest which will be payable on such Notes. Further, if the Notes become due and payable under Condition 12 or are otherwise redeemed early on a date which is not an Interest Payment Date, the Rate of Interest payable shall be determined on the date the Notes became due and payable and shall not be reset thereafter.

Each risk-free rate is published and calculated by third parties based on data received from other sources and the Issuer has no control over their respective determinations, calculations or publications. There can be no guarantee that the relevant risk-free rate will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Notes linked to or which reference a such risk-free rate (or that any applicable benchmark fallback provisions provided for in the Conditions will provide a rate which is economically equivalent for Noteholders). The Bank of England, as administrator of SONIA, does not have an obligation to consider the interests of Noteholders in calculating, adjusting, converting, revising or discontinuing the relevant risk-free rate. If the manner in which the relevant risk-free rate is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes.

#### *Market Adoption*

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Conditions and used in relation to Notes that reference a risk-free rate issued under this Base Prospectus. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of any Notes.

#### ***Meetings of Noteholders: Modification and waiver***

The Agency Agreement contains provisions for calling meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of the Conditions. Such modification may be a reduction in the amount of principal or interest payable on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or to effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to such resolutions.

As a result of the above, actions may be taken with respect to a Series of Notes with which some Noteholders of such Notes may not agree or which may economically prejudice such Noteholders.

#### ***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 compliance with

certain information procedures described in “*Taxation—Taxation in Spain—Information about the Notes in connection with Payments*” below.

The Issuer and the Fiscal 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 procedural requirements referred to above are complied with. Notwithstanding the foregoing, if the Fiscal 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 of the date of this Base Prospectus, 19%) from any payment in respect of the relevant Notes. The Issuer will not pay any additional amounts with respect to any such withholding arising as a result of any failure or inability 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 the information above about the Notes by means of a certificate the form of which is attached as Annex I of this Base Prospectus, 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 or the Guarantor of withholding to payments made to Spanish tax residents (individuals and entities subject to Corporate Income Tax (*Impuesto sobre Sociedades*)), the Issuer or the Guarantor, as the case may be, 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 depositary or custodian, payments in respect of such Notes may be subject to withholding by such depositary or custodian (currently 19%).

### ***Risks related to the Spanish Insolvency Law***

The Spanish Insolvency Law 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 281.1.5° of the Spanish Insolvency Law, the claims of those persons especially related to the Issuer will

be classified as subordinated creditors (except in those cases established under Article 281.2 of the Spanish Insolvency Law).

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 Law 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 283.1.4° 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 two 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.

The Spanish Insolvency Law includes pre-insolvency instruments, refinancing agreements ("*acuerdos de refinanciación*") and arrangements ("*convenios*"), being their key traits:

- (a) No enforcement of security in pre-insolvency scenarios under Articles 583 et seq. of the Spanish Insolvency Law: 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 Law) 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 Articles 583 et seq. 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 provide 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.
- (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 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 one month from the last

official publication of the court order declaring the insolvency in the Spanish Official Gazette (*Boletín Oficial del Estado*), (ii) acts deemed detrimental for the insolvency estate of the insolvent debtor carried out during the two 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 Law), (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 interests 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.

## **Risks Relating to the Market generally**

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

The Issue Price specified in the relevant Final Terms 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 Tranche, such Tranche is to be consolidated with and form a single series with a Tranche 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 and the Guarantor. 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 Tranche 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 Tranche of Notes.

### ***Ratings of the Issuer, the Guarantor or of Notes could cause fluctuations in the price at which Notes are traded***

Notes issued under the Programme are currently expected to be rated or unrated. However, the Issuer and the Guarantor 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.

### ***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.

***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.

## INFORMATION INCORPORATED BY REFERENCE

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

1. an English language translation of the unaudited consolidated interim financial information of the Guarantor in respect of the 9-month period ended 30 September 2020 available for viewing on:  
<https://www.cellnextelecom.com/content/uploads/2020/11/Cellnex-Results-3Q-2020-4.pdf>  
and  
<https://www.cellnextelecom.com/content/uploads/2020/12/Cellnex-Q3-2020-Back-Up-2.xlsx>
2. an English language translation of the audited consolidated financial statements of the Guarantor prepared in accordance with IFRS-EU (including the auditors' report thereon and notes thereto) and the consolidated directors' management report in respect of the year ended 31 December 2019 available for viewing on:  
[https://www.cellnextelecom.com/content/uploads/2020/02/Informe-Anual-Integrado-2019-web-con-informe-ENG\\_WEB-2.pdf](https://www.cellnextelecom.com/content/uploads/2020/02/Informe-Anual-Integrado-2019-web-con-informe-ENG_WEB-2.pdf)
3. an English language translation of the audited consolidated financial statements of the Guarantor prepared in accordance with IFRS-EU (including the auditors' report thereon and notes thereto) and the consolidated directors' management report in respect of the year ended 31 December 2018 available for viewing on:  
[https://www.cellnextelecom.com/content/uploads/2019/03/IAICCAA\\_2018\\_EN-1.pdf](https://www.cellnextelecom.com/content/uploads/2019/03/IAICCAA_2018_EN-1.pdf)

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus may be inspected, free of charge, at the registered office of the Issuer and at the registered office of the Guarantor, and each has been filed with the Central Bank. Any information contained in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus. For the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on the Guarantor's corporate website does not form part of this Base Prospectus.

## **FINAL TERMS AND DRAWDOWN PROSPECTUSES**

In this section the expression “necessary information” means, in relation to any Tranche of Notes, the necessary information which is material to an investor for making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Guarantor and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme the Issuer and the Guarantor have included in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes that is the subject of Final Terms are the Conditions described in the relevant Final Terms as completed to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted by a single document containing the necessary information relating to the Issuer, the Guarantor and the relevant Notes.



## FORMS OF THE NOTES

### **Bearer Notes**

Each Tranche of Notes in bearer form (“**Bearer Notes**”) will initially be in the form of either a temporary global note in bearer form (the “**Temporary Global Note**”), without interest coupons, or a permanent global note in bearer form (the “**Permanent Global Note**”), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a “**Global Note**”) which is not intended to be issued in new global note (“**NGN**”) form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”) and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

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.

In the case of each Tranche of Bearer Notes, the relevant Final Terms will also specify whether U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”)) (the “**TEFRA C Rules**”) or U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the “**TEFRA D Rules**”) are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

### ***Temporary Global Note exchangeable for Permanent Global Notes***

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for a Permanent Global Note”, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note, duly authenticated and, in the case of a NGN, effectuated, to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and
- (ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership *provided, however*, that in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

If:

- (a) the Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

***Permanent Global Note exchangeable for Definitive Notes***

If the relevant Final Terms specifies the form of Notes as being “Permanent Global Note exchangeable for Definitive Notes”, then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Bearer Notes in definitive form (“**Definitive Notes**”):

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies “in the limited circumstances described in the Permanent Global Note”, then if either of the following events occurs:
  - (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
  - (b) any of the circumstances described in Condition 12 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and such Temporary Global Note becomes void in accordance with its terms; or

- (c) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on the date on which such Temporary Global Note becomes void (in the case of (b) above) or at 5.00 p.m. (London time) on such due date (in the case of (c) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

***Temporary Global Note exchangeable for Definitive Notes***

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

### ***Rights under Deed of Covenant***

Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note or a Permanent Global Note which becomes void will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note or Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

### ***Terms and Conditions applicable to the Notes***

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under “*Terms and Conditions of the Notes*” below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “*Summary of Provisions Relating to the Notes while in Global Form*” below.

### ***Legend concerning U.S. persons***

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

*“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”*

### **Registered Notes**

Each Tranche of Notes in registered form (“**Registered Notes**”) will be represented by either:

- (i) individual Note Certificates in registered form (“**Individual Note Certificates**”); or
- (ii) one or more global note certificates (“**Global Registered Note(s)**”),

in each case as specified in the relevant Final Terms.

In a press release dated 22 October 2008, “*Evolution of the custody arrangement for international debt securities and their eligibility in Eurosystem credit operations*”, the ECB announced that it had assessed the new holding structure and custody arrangements for registered notes which the ICSDs had designed in cooperation with market participants and that Notes to be held under the new structure (the “**New Safekeeping Structure**” or “**NSS**”) would be 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**”), subject to the conclusion of the necessary legal and contractual arrangements. The press release also stated that the new arrangements for Notes to be held in NSS form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2010 and that registered debt securities in global registered form issued through Euroclear and Clearstream, Luxembourg after 30 September 2010 will only be eligible as collateral in Eurosystem operations if the New Safekeeping Structure is used.

Each Global Registered Note will either be: (a) in the case of a Note which is not to be held under the NSS, registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depositary and will be exchangeable in accordance with its terms; or (b) in the

case of a Note to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Final Terms specifies the form of Notes as being “Individual Note Certificates”, then the Notes will at all times be represented by Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

***Global Registered Note exchangeable for Individual Note Certificates***

If the relevant Final Terms specifies the form of Notes as being “Global Registered Note exchangeable for Individual Note Certificates”, then the Notes will initially be represented by one or more Global Registered Notes each of which will be exchangeable in whole, but not in part, for Individual Note Certificates if the relevant Final Terms specifies “in the limited circumstances described in the Global Registered Note”, then if either of the following events occurs:

- (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
- (b) if any of the circumstances described in Condition 12 (*Events of Default*) occurs.

Whenever a Global Registered Note is to be exchanged for Individual Note Certificates, each person having an interest in a Global Registered Note must provide the Registrar (through the relevant clearing system) with such information as the Issuer and the Registrar may require to complete and deliver Individual Note Certificates (including the name and address of each person in which the Notes represented by the Individual Note Certificates are to be registered and the principal amount of each such person’s holding).

Whenever a Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within 5 business days of the delivery, by or on behalf of the registered holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled to the Agency Agreement and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Registered Note; or
- (b) any of the Notes represented by a Global Registered Note (or any part of it) has become due and payable in accordance with the Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Registered Note in accordance with the terms of the Global Registered Note on the due date for payment,

then at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) each Accountholder (as defined herein) shall acquire under the Deed of

Covenant rights of enforcement against the Issuer (“**Direct Rights**”) to compel the Issuer to perform its obligations to the Holder of the Global Registered Note in respect of the Notes represented by the Global Registered Note, including the obligation of the Issuer to make all payments when due at any time in respect of such Notes in accordance with the Conditions as if such Notes had (where required by the Conditions) been duly presented and surrendered on the due date in accordance with the Conditions.

The Direct Rights shall be without prejudice to the rights which the Holder of the Global Registered Note may have under the Global Registered Note or otherwise. Payment to the Holder of the Global Registered Note in respect of any Notes represented by the Global Registered Note shall constitute a discharge of the Issuer’s obligations under the Notes and the Deed of Covenant to the extent of any such payment and nothing in the Deed of Covenant shall oblige the Issuer to make any payment under the Notes to or to the order of any person other than the Holder of the Global Registered Note.

As a condition of any exercise of Direct Rights by an Accountholder, such Accountholder shall, as soon as practicable, give notice of such exercise to the Noteholders in the manner provided for in the Conditions or the Global Registered Note for notices to be given by the Issuer to Noteholders.

### ***Terms and Conditions applicable to the Notes***

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under “*Terms and Conditions of the Notes*” below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Global Registered Note will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “*Summary of Provisions Relating to the Notes while in Global Form*” below.

## **Summary of Provisions relating to the Notes while in Global Form**

### ***Clearing System Accountholders***

In relation to any Tranche of Notes represented by a Global Note, references in the Conditions of the Notes to “Noteholder” are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of a NGN, for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

In relation to any Tranche of Notes represented by one or more Global Registered Notes, references in the Conditions of the Notes to “Noteholder” are references to the person in whose name the relevant Global Registered Note is for the time being registered in the Register which, for so long as the Global Registered Note is held by or on behalf of a depositary or a common depositary or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or common safekeeper or a nominee for that depositary or common depositary or common safekeeper.

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Registered Note (each an “**Accountholder**”) must look solely to Euroclear, Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder’s share of each payment made by the Issuer to the holder of such Global Note or Global Registered Note and in relation to all other rights arising under such Global Note or Global Registered Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Note or Global Registered Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Registered Note, Accountholders shall have no

claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of such Global Note or Global Registered Note.

***Conditions applicable to Global Notes and Global Registered Notes***

Each Global Note and Global Registered Note will contain provisions which modify the Conditions of the Notes as they apply to the Global Note or Global Registered Note. The following is a summary of certain of those provisions:

*Payments:* All payments in respect of the Global Note or Global Registered Note which, according to the Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Registered Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of (i) the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg, and (ii) the Global Registered Note, the Issuer shall procure that if such Note is held under the NSS, the payment is entered into pro rata in the records of Euroclear and Clearstream Luxembourg.

*Payment Business Day:* in the case of a Global Note or a Global Registered Note, shall be: if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

*Payment Record Date:* Each payment in respect of a Global Registered Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the “**Record Date**”) where “**Clearing System Business Day**” means a day on which each clearing system for which the Global Registered Note is being held is open for business.

*Exercise of put option:* In order to exercise the option contained in Condition 8(g) (*Redemption and Purchase - Redemption at the option of Noteholders (Investor Put)*) the bearer of a Permanent Global Note or the holder of a Global Registered Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

*Partial exercise of call option:* In connection with an exercise of the option contained in Condition 8(c) (*Redemption and Purchase - Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note or Global Registered Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and/or Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

*Notices:* notwithstanding Condition 18 (*Notices*), while all the notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global Registered Note is deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing

system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 18 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.



## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme.*

*The relevant Final Terms shall not amend or replace any information in this Base Prospectus. Subject to this, to the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Tranche of Notes may complete information set out in the terms and conditions.*

*The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “Summary of Provisions Relating to the Notes while in Global Form” above.*

### 1 Introduction

- (a) *Programme:* Cellnex Finance Company, S.A.U. (the “**Issuer**”) has established a Guaranteed Euro Medium Term Note Programme (the “**Programme**”) for the issuance of up to €10,000,000,000 in aggregate principal amount of notes (the “**Notes**”) with the benefit of a guarantee from Cellnex Telecom, S.A. (the “**Guarantor**”). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.
- (b) *Final Terms:* Notes issued under the Programme are issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Notes. Each Tranche is the subject of a final terms (the “**Final Terms**”) which completes these terms and conditions (the “**Conditions**”). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms.
- (c) *Agency Agreement:* The Notes are the subject of an issue and paying agency agreement dated 3 December 2020 (the “**Agency Agreement**”) between the Issuer, the Guarantor, The Bank of New York Mellon, London Branch as fiscal agent (the “**Fiscal Agent**”, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar (the “**Registrar**”, which expression includes any successor registrar appointed from time to time in connection with the Notes), the paying agents named therein (together with the Fiscal Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the transfer agents named therein (together with the Registrar, the “**Transfer Agents**”, which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to the “**Agents**” are to the Paying Agents and the Transfer Agents and any reference to an “**Agent**” is to any one of them.
- (d) *Deed of Covenant:* The Notes have the benefit of a deed of covenant dated 3 December 2020 executed and delivered by the Issuer in relation to the Notes (the “**Deed of Covenant**”). Registered Notes are constituted by such Deed of Covenant.
- (e) *Deed of Guarantee:* The Notes have the benefit of a deed of guarantee dated 3 December 2020 executed and delivered by the Guarantor in relation to the Notes (the “**Deed of Guarantee**”).
- (f) *The Notes:* The Notes may be issued in bearer form (“**Bearer Notes**”), or in registered form (“**Registered Notes**”). All subsequent references in these Conditions to “Notes” are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at the registered office of the Issuer.

- (g) *Public Deed of Issuance*: If so required by Spanish law, the Issuer will execute a public deed (*escritura pública*) (the “**Public Deed of Issuance**”) before a Spanish Notary Public in relation to the Notes on or prior to the Issue Date of the Notes. The Public Deed of Issuance will contain, among other information, the terms and conditions of the Notes.
- (h) *Summaries*: Certain provisions of these Conditions are summaries of the Agency Agreement, the Deed of Covenant and the Deed of Guarantee and are subject to their detailed provisions. Noteholders (as defined below) and the holders of the related interest coupons, if any, (the “**Couponholders**” and the “**Coupons**”, respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement, the Deed of Covenant and the Deed of Guarantee applicable to them. Copies of the Agency Agreement, the Deed of Covenant and the Deed of Guarantee are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below, or by electronic means at the discretion of the Agents.

## 2 Interpretation

- (a) *Definitions*: In these Conditions the following expressions have the following meanings:

“**Additional Business Centre(s)**” means the city or cities specified as such in the relevant Final Terms;

“**Additional Financial Centre(s)**” means the city or cities specified as such in the relevant Final Terms;

“**Business Day**” means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

“**Business Day Convention**”, in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) “**Following Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) “**Modified Following Business Day Convention**” or “**Modified Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) “**Preceding Business Day Convention**” means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) “**FRN Convention**”, “**Floating Rate Convention**” or “**Eurodollar Convention**” means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:

- (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) **“No Adjustment”** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

**“Calculation Agent”** means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s);

**“Calculation Amount”** has the meaning given in the relevant Final Terms;

**“Coupon Sheet”** means, in respect of a Note, a coupon sheet relating to the Note;

**“Day Count Fraction”** means, in respect of the calculation of an amount for any period of time (the **“Calculation Period”**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (a) if **“Actual/Actual (ICMA)”** is so specified, means:
  - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (b) if **“Actual/Actual (ISDA)”** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if **“Actual/365 (Fixed)”** is so specified, means the actual number of days in the Calculation Period divided by 365;

- (d) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if “**30/360**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30”;

- (f) if “**30E/360**” or “**Eurobond Basis**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

- (g) if “**30E/360 (ISDA)**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

“**Early Redemption Amount (Tax)**” means, in respect of any Note, (i) its principal amount or (ii) such percentage of its principal amount (expressed as an amount per Calculation Amount) as may be specified in the relevant Final Terms;

“**Early Termination Amount**” means, in respect of any Note, (i) its principal amount or (ii) such percentage of its principal amount (expressed as an amount per Calculation Amount) as may be specified under “*Redemption Amount*” in the relevant Final Terms, or as determined in accordance with these Conditions;

“**Extraordinary Resolution**” has the meaning given in the Agency Agreement;

“**Final Redemption Amount**” means, in respect of any Note (i) its principal amount or (ii) such percentage of its principal amount (expressed as an amount per Calculation Amount) as may be specified in the relevant Final Terms;

“**First Interest Payment Date**” means the date specified in the relevant Final Terms;

“**Fixed Coupon Amount**” has the meaning given in the relevant Final Terms;

“**Group**” means the Guarantor and its Subsidiaries;

“**guarantee**” means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and

(d) any other agreement to be responsible for such Indebtedness;

**“Holder”**, in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*) or when appropriate it has the meaning of beneficial owner of the Notes;

**“Indebtedness”** means any indebtedness of any Person for money borrowed or raised;

**“Interest Amount”** means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

**“Interest Commencement Date”** means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

**“Interest Determination Date”** has the meaning given in the relevant Final Terms;

**“Interest Payment Date”** means the First Interest Payment Date and any other date or dates specified as such in the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**“Interest Period”** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

**“ISDA Benchmarks Supplement”** means the Benchmarks Supplement published by the International Swaps and Derivatives Association, Inc (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms));

**“ISDA Definitions”** means the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. (as supplemented, amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) including by the ISDA Benchmarks Supplement (as specified in the relevant Final Terms));

**“Issue Date”** has the meaning given in the relevant Final Terms;

**“Margin”** has the meaning given in the relevant Final Terms;

**“Material Subsidiary”** means, at any relevant time, a Subsidiary of the Guarantor whose total assets or gross revenues (or, where the Subsidiary in question is obliged by applicable law to prepare consolidated accounts, whose total consolidated assets or gross consolidated revenues) at any relevant time represent no less than 15% of the total consolidated assets or gross consolidated revenues, respectively, of the Group, as calculated by reference to the then latest consolidated audited annual accounts or consolidated semi-annual reports of the Guarantor and the latest annual accounts or semi-annual reports of each relevant Subsidiary (consolidated or, as the case may be, unconsolidated), provided that in the case of a Subsidiary acquired after the end of the financial period to which the then latest consolidated audited annual accounts or consolidated semi-annual reports of the Guarantor relate, for the purpose of applying each of the foregoing tests, the reference to the Guarantor’s latest consolidated audited annual accounts or

consolidated semi-annual reports shall be deemed to be a reference to such accounts or reports as if such Subsidiary had been shown therein by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the auditors of the Guarantor for the time being after consultations with the Guarantor);

**“Maturity Date”** has the meaning given in the relevant Final Terms;

**“Maximum Redemption Amount”** has the meaning given in the relevant Final Terms;

**“Minimum Redemption Amount”** has the meaning given in the relevant Final Terms;

**“Noteholder”**, in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*);

**“Optional Redemption Amount (Call)”** means, in respect of any Note, (i) its principal amount (ii) such percentage of its principal amount (expressed as an amount per Calculation Amount) or (iii) the Make-whole Amount, as may be specified in the relevant Final Terms;

**“Optional Redemption Amount (Put)”** means, in respect of any Note, (i) its principal amount or (ii) such percentage of its principal amount (expressed as an amount per Calculation Amount) as may be specified in the relevant Final Terms;

**“Optional Redemption Date (Call)”** has the meaning given in the relevant Final Terms;

**“Optional Redemption Date (Put)”** has the meaning given in the relevant Final Terms;

**“Participating Member State”** means a Member State of the European Communities which adopts the euro as its lawful currency in accordance with the Treaty;

**“Payment Business Day”** means:

- (a) if the currency of payment is euro, any day which is:
  - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euro, any day which is:
  - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

**“Permitted Security Interest”** means

- (a) any Security Interest in existence on the Issue Date to the extent that it secures Relevant Indebtedness outstanding on such date; and

- (b) any Security Interest arising by operation of law or in the ordinary course of business of the Issuer, the Guarantor or a Material Subsidiaries which does not materially impair the operation of the relevant business;
- (c) any Security Interest to secure Project Finance Debt;
- (d) any Security Interest created in respect of Relevant Indebtedness of an entity that has merged with, or has been acquired (whether in whole or in part) by the Issuer, the Guarantor or any of its Subsidiaries, provided that such Security Interest:
  - (i) was in existence at the time of such merger or acquisition;
  - (ii) was not created for the purpose of providing security in respect of the financing of such merger or acquisition; and
  - (iii) is not increased in amount or otherwise extended following such merger or acquisition other than pursuant to a legal or contractual obligation (x) which was assumed (by operation of law, agreement or otherwise) prior to such merger or acquisition by an entity which, at such time, was not a member of the Group, and (y) which remains legally binding on such entity at the time of such merger or acquisition; and
- (e) any Security Interest that does not fall within paragraphs (a), (b), (c) or (d) above and that secures Indebtedness which, when aggregated with Indebtedness secured by all other Security Interests permitted under this paragraph, does not exceed €100,000,000 (or its equivalent in other currencies);

**“Person”** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**“Principal Financial Centre”** means, in relation to any currency, the principal financial centre for that currency provided, however, that in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

**“Project Finance Assets”** means the assets (including, for the avoidance of doubt, shares (or other interests) of a Project Finance Entity;

**“Project Finance Entity”** means any entity in which the Issuer, the Guarantor or any of its Subsidiaries holds an interest (a) whose only assets and business are constituted by: (i) the ownership, creation, development, construction, improvement, exploitation or operation of one or more of such entity’s assets, or (ii) shares (or other interests) in the capital of other entities that satisfy limb (i) of this definition, and (b) all of whose Indebtedness is comprised of Project Finance Debt;

**“Project Finance Debt”** means any Indebtedness incurred by:

- (a) a Project Finance Entity in respect of the activities of such entity or another Project Finance Entity in which it holds shares (or other interests) (including any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction only the marked to market value shall be taken into account to the extent such amount has become due but unpaid) *provided, however, that*, such derivative transaction does not include an actual or contingent payment or delivery obligation by any Person other than such Project Finance Entity); or
- (b) any Subsidiary formed exclusively for the purpose of financing a Project Finance Entity;



where, in each case, the holders of such Indebtedness have no recourse against any member of the Group (or their respective assets), except for recourse to (y) the Project Finance Assets of such Project Finance Entities; and (z) in the case of (b) above only, the Subsidiary incurring such Indebtedness;

**“Put Option Notice”** means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**“Put Option Receipt”** means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**“Rate of Interest”** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions;

**“Redemption Amount”** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

**“Reference Banks”** has the meaning given in the relevant Final Terms or, if none, 4 major banks selected by the Issuer in the market that is most closely connected with the Reference Rate;

**“Reference Rate”** means EURIBOR, LIBOR or SONIA as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms;

**“Regular Period”** means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “Regular Date” means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “Regular Date” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

**“Relevant Date”** means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

**“Relevant Financial Centre”** has the meaning given in the relevant Final Terms;

**“Relevant Indebtedness”** means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of

being, listed, quoted or traded on any listing authority, stock exchange or quotation system in respect of negotiable securities (including, without limitation, any over-the-counter securities market);

**“Relevant Screen Page”** means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**“Relevant Time”** has the meaning given in the relevant Final Terms;

**“Reserved Matter”** means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer, the Guarantor or any other person or body corporate formed or to be formed, to change the currency of any payment under the Notes, to modify or cancel the Guarantee, or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

**“Security Interest”** means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

**“Specified Currency”** has the meaning given in the relevant Final Terms;

**“Specified Denomination(s)”** has the meaning given in the relevant Final Terms;

**“Specified Office”** has the meaning given in the Agency Agreement;

**“Specified Period”** has the meaning given in the relevant Final Terms;

**“Subsidiary”** means, in relation to any Person (the **“first Person”**) at any particular time, any other Person (the **“second Person”**):

- (a) 50% or more of the Voting Rights of which is at the relevant time directly or indirectly owned or controlled by the first Person; or
- (b) whose affairs and policies at such time the first Person controls or has the power to control, whether by ownership of Voting Rights, share capital, contract, the power to appoint and remove members of the board of directors or others governing body or otherwise; or
- (c) whose financial statements are at such time, in accordance with applicable law and generally accepted accounting principles, consolidated with the first Person’s financial statements;

**“Talon”** means a talon for further Coupons;

**“TARGET2”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

**“TARGET Settlement Day”** means any day on which TARGET2 is open for the settlement of payments in euro;

**“Treaty”** means the Treaty establishing the European Communities, as amended; and

“**Voting Rights**” means the right generally to vote at a general meeting of shareholders of the relevant entity (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency) or to elect the majority of the members of the board of directors or other governing body of the relevant entity.

(b) *Interpretation:* In these Conditions:

- (i) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (ii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iii) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 11 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (iv) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 11 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (v) references to Notes being “outstanding” shall be construed in accordance with the Agency Agreement;
- (vi) if an expression is stated in Condition 2(a) (*Interpretation - Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Notes; and
- (vii) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement as amended and/or supplemented up to and including the Issue Date of the Notes.

### **3 Form, Denomination, Title and Transfer**

- (a) *Bearer Notes:* Bearer Notes are in the Specified Denomination with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue.
- (b) *Title to Bearer Notes:* Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, “**Holder**” means the holder of such Bearer Note and “**Noteholder**” and “**Couponholder**” shall be construed accordingly.
- (c) *Registered Notes:* Registered Notes are in the Specified Denomination.
- (d) *Title to Registered Notes:* Title to the Registered Notes shall pass by registration in the register (the “**Register**”) that the Registrar will maintain in accordance with the provisions of the Agency Agreement. A certificate (each, a “**Note Certificate**”) will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, “**Holder**” means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and “**Noteholder**” shall be construed accordingly.
- (e) *Ownership:* The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note

Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

- (f) *Transfers of Registered Notes:* Subject to paragraphs (i) (*Closed periods*) and (j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are in the Specified Denomination. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor. In case of a transfer of Registered Notes to a person who is already a Holder of Registered Notes, a new Note Certificate representing the enlarged holding shall only be issued upon surrender to the Transfer Agent of the Note Certificate representing the existing holding.
- (g) *Registration and delivery of Note Certificates:* Within 5 business days of the surrender of a Note Certificate in accordance with paragraph (f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, “**business day**” means a day other than Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (h) *No charge:* The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (i) *Closed periods:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.
- (j) *Regulations concerning transfers and registration:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

#### **4 Status and Guarantee**

- (a) *Status of Notes:* The Notes constitute direct, general, unconditional and (subject to Condition 5 (Negative Pledge)) unsecured obligations of the Issuer and in the event of insolvency (*concurso*) of the Issuer (unless they qualify as subordinated debts under Article 281 of *Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la Ley Concursal* (the “**Spanish Insolvency Law**”) or equivalent legal provision which replaces it in the future and subject to any legal and statutory exceptions) will rank *pari passu* without any preference among themselves and

with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future.

*In the event of insolvency (concurso) of the Issuer, under the Spanish Insolvency Law, claims relating to the Notes (which are not subordinated pursuant to Article 281 of the Spanish Insolvency Law) will be ordinary credits (créditos ordinarios) as defined in the Spanish Insolvency Law. Ordinary credits rank below credits against the insolvency state (créditos contra la masa) and credits with a privilege (créditos privilegiados). Ordinary credits rank above subordinated credits and the rights of shareholders.*

*Accrued and unpaid interest due in respect of the Notes at the commencement of an insolvency proceeding (concurso) of the Issuer will qualify as subordinated credits. Accrual of interest on the Notes shall be suspended as from the date of any declaration of insolvency (concurso) in relation to the Issuer.*

- (b) **Guarantee:** The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Notes and Coupons on an unsubordinated basis. The obligations of the Guarantor in respect of Notes constitute direct, general, unconditional and (subject to Condition 5 (Negative Pledge)) unsecured obligations of the Guarantor and in the event of insolvency (*concurso*) of the Guarantor (unless they qualify as subordinated under Article 281 of the Spanish Insolvency Law or equivalent legal provision which replaces it in the future and subject to any legal and statutory exceptions) will rank *pari passu* with all other unsecured and unsubordinated obligations of the Guarantor, present and future. Its obligations in that respect (the “**Guarantee**”) are contained in the Deed of Guarantee.

## **5 Negative Pledge**

So long as any Note remains outstanding, neither the Issuer nor the Guarantor shall, and the Guarantor shall procure that none of its Subsidiaries will, create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution of Noteholders.

## **6 Fixed Rate Note Provisions**

- (a) **Application:** This Condition 6 is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Accrual of interest:** The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 9 (*Payments - Bearer Notes*) and Condition 10 (*Payments - Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder, and (ii) the day which is 7 days after the Fiscal Agent

has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a “**sub-unit**” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means 1 cent.

## **7 Floating Rate Note Provisions**

- (a) *Application:* This Condition 7 is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 9 (*Payments - Bearer Notes*) and Condition 10 (*Payments - Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder, and (ii) the day which is 7 days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Screen Rate Determination – Floating Rate Notes not referencing Compounded Daily SONIA:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
  - (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
  - (ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to 2 rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:
    - (A) one rate shall be determined as if the relevant period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
    - (B) the other rate shall be determined as if the relevant period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

*provided, however, that* if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Financial Adviser (as defined below) shall determine such rate at such time and by reference to such sources as it determines appropriate;

- (iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iv) if, in the case of (i) above, such rate does not appear on that page or, in the case of (iii) above, fewer than 2 such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
  - (A) upon the Issuer's request, to the extent legally and practicably possible, assist the Issuer with requesting the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
  - (B) determine the arithmetic mean of such quotations; and
- (v) if fewer than 2 such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Issuer, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- (d) *Screen Rate Determination – Floating Rate Notes referencing Compounded Daily SONIA*: If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined and the Final Terms specify that the Reference Rate is SONIA, the Rate of Interest for each Interest Period will be Compounded Daily SONIA plus or minus (as indicated in the relevant Final Terms) the Margin, where:

**“Compounded Daily SONIA”** means with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the daily Sterling Overnight Index Average (SONIA) as reference rate for the calculation of interest) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the relevant Final Terms) as at the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 being rounded up:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SONIA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

“**d**” is the number of calendar days in the relevant Observation Period;

“**d<sub>o</sub>**” is the number of London Banking Days in the relevant Observation Period;

“**i**” is a series of whole numbers from one to d<sub>o</sub>, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Observation Period;

“**London Banking Day**” or “**LBD**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**n<sub>i</sub>**”, for any London Banking Day “**i**”, means the number of calendar days from and including such London Banking Day “**i**” up to but excluding the following London Banking Day;

“**Observation Period**” means the period from and including the date falling “**p**” London Banking Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling “**p**” London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling “**p**” London Banking Days prior to such earlier date, in any, on which the Notes become due and payable);

“**p**” means the number of London Banking Days by which an Observation Period precedes an Interest Period, as specified in the relevant Final Terms (or, if no such number is specified, five London Banking Days), provided that the relevant Final Terms may only specify “**p**” as a number that is less than three London Banking Days with the consent of the Calculation Agent;

the “**SONIA reference rate**”, means, in respect of any London Banking Day, a reference rate equal to the daily SONIA rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (in each case on the London Banking Day immediately following such London Banking Day); and

“**SONIA<sub>i</sub>**” means, in respect of any London Banking Day “**i**”, the SONIA reference rate for that day.

Subject to Condition 7(j), if, in respect of any London Business Day in the relevant Observation Period, the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) determines that the SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA reference rate shall be:

- (i) the Bank of England’s Bank Rate (the “**Bank Rate**”) prevailing at close of business on the relevant London Banking Day; plus (B) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days on which the SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate, or
- (ii) if such Bank Rate is not available, the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Business Day on which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).



If the relevant Series of Notes become due and payable in accordance with Condition 12, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.

- (e) *ISDA Determination:* If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where “**ISDA Rate**” in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
  - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms;
  - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms; and
  - (iv) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to 2 rates based on the relevant Floating Rate Option, where:
    - (A) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
    - (B) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period

*provided, however, that if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Financial Adviser (as defined below) shall determine such rate at such time and by reference to such sources as it determines appropriate.*
- (f) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (g) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose

a “sub-unit” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means 1 cent.

- (h) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (i) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- (j) *Benchmark Discontinuation:*
  - (i) If a Benchmark Event occurs in relation to the Reference Rate when the Rate of Interest (or any component part thereof) for any Interest Period remains to be determined by reference to such Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 7(j)(ii)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 7(j)(iii)) and any Benchmark Amendments (in accordance with Condition 7(j)(iv)).

In making such determination an Independent Adviser appointed pursuant to this Condition 7(j) shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Agents or the Noteholders for any determination made by it pursuant to this Condition 7(j).

If (i) the Issuer is unable to appoint an Independent Adviser or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 7(j) prior to the date which is 10 business days prior to the relevant Interest Determination Date, the Reference Rate applicable to the immediate following Interest Period shall be the Reference Rate applicable as at the last preceding Interest Determination Date. If there has not been a first Interest Payment Date, the Reference Rate shall be the Reference Rate applicable to the first Interest Period. For the avoidance of doubt, any adjustment pursuant to this paragraph shall apply to the immediately following Interest Period only. Any subsequent Interest Period is subject to the subsequent operation of this Condition 7(j).
  - (ii) If the Independent Adviser determines in its discretion that:

- (A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 7(j); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 7(j).
- (iii) The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or the Alternative Rate (as applicable) will apply without an Adjustment Spread.
- (iv) If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 7(j) and the Independent Adviser determines in its discretion (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”), and (ii) the terms of the Benchmark Amendments, then the Issuer shall, following consultation with the Fiscal Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s)), subject to giving notice thereof in accordance with Condition 7(j)(v), without any requirement for the consent or approval of relevant Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice (and for the avoidance of doubt, the Fiscal Agent shall, at the direction and expense of the Issuer, consent to and effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 7(j)).

Notwithstanding any other provision of this Condition 7(j), the Calculation Agent or any Paying Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 7(j) to which, in the sole opinion of the Calculation Agent or the relevant Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent or the relevant Paying Agent (as applicable) in the Agency Agreement and/or these Conditions.

In connection with any such variation in accordance with this Condition 7(j)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

- (v) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 7(j) will be notified at least 10 business days prior to the relevant Interest Determination Date by the Issuer to the Fiscal Agent, the Calculation Agent and the Other Agents. In accordance with Condition 18, notice shall be provided to the Noteholders promptly thereafter. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.
- (vi) No later than notifying the Noteholders of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:

- (A) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) where applicable, any Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 7(j); and
- (B) certifying that the relevant Benchmark Amendments (if any) are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and (in either case) the applicable Adjustment Spread.

The Fiscal Agent shall display such certificate at its offices, for inspection by the Noteholders at all reasonable times during normal business hours, or by electronic means at the discretion of the Fiscal Agent.

- (vii) Each of the Fiscal Agent, the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread (if any) and such Benchmark Amendments (if any)) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Other Agents and the Noteholders. The Calculation Agent, the Fiscal Agent and the Other Agents may rely on any such certificate without any further enquiry, and shall not be obliged to verify whether the same contains a manifest error or whether the Issuer has acted in bad faith.

Notwithstanding any other provision of this Condition 7(j), if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread (if any) or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 7(j), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, willful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, willful default or fraud) shall not incur any liability for not doing so.

- (viii) Without prejudice to the obligations of the Issuer under Condition 7(j)(i), (ii), (iii) and (iv), the Reference Rate and the fallback provisions provided for in the definition of the term "Reference Rate" in Condition 7(c) will continue to apply unless and until a Benchmark Event has occurred.
- (ix) As used in this Condition 7(j):

**"Adjustment Spread"** means either (a) a spread (which may be positive negative, or zero), or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) if no such recommendation has been made, or in the case of an Alternative Rate, the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate; or

- (C) if the Independent Adviser determines that no such spread is customarily applied, the Independent Adviser determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (D) if no such spread, formula or methodology can be determined in accordance with (A) to (C) above, the Independent Adviser, and acting in good faith and in a commercially reasonable manner, determines to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances and solely for the purposes of this subparagraph (D) only, of reducing or eliminating any economic prejudice or benefit (as the case may be) to the Noteholders.

**“Alternative Rate”** means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 7(j)(ii) is customarily applied international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the Specified Currency.

**“Benchmark Amendments”** has the meaning given to it in Condition 7(j)(i).

**“Benchmark Event”** means:

- (A) the Reference Rate ceasing to be published for a period of at least five (5) Business Days or ceasing to exist; or
- (B) a public statement by the administrator of the Reference Rate that it has ceased or that it will cease publishing the Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Reference Rate); or
- (C) a public statement by the supervisor of the administrator of the Reference Rate, that the Reference Rate has been or will be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the Reference Rate as a consequence of which the Reference Rate will be prohibited from being used either generally, or in respect of the relevant Floating Rate Notes; or
- (E) the making of a public statement by the supervisor of the administrator of the Reference Rate that the Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or
- (F) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any Rate of Interest using the Reference Rate,

provided that the Benchmark Event shall be deemed to occur (I) in the case of sub-paragraphs (B) and (C) above, on the date of the cessation of publication of the Reference Rate or the discontinuation of the Reference Rate, as the case may be, (II) in the case of subparagraph (D) above, on the date of the prohibition of use of the Reference Rate, and (III) in the case of subparagraph (E) above, on the date with effect from which the Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Fiscal Agent, the Calculation Agent and the Paying Agents. For the avoidance of doubt, neither the Fiscal Agent, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

“**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Calculation Agent.

“**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense under Condition 7(j)(i).

“**Relevant Nominating Body**” means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof.

“**Successor Rate**” means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

## 8 Redemption and Purchase

- (a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 9 (*Payments – Bearer Notes*).
- (b) *Redemption for tax reasons*: The Notes may be redeemed at the option of the Issuer in whole, but not in part:
  - (i) at any time (unless the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable); or
  - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days’ notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms, (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (A) the Issuer (or, if demand was made under the Guarantee, the Guarantor) (a) has or will become obliged to pay additional amounts as provided or referred to in Condition 11 (*Taxation*), (b) would not be entitled to claim a deduction in computing tax liabilities in Spain in respect of any interest to be paid on the next Interest Payment Date or the value of such deduction to the Issuer (or the Guarantor, as the case may be) would be materially reduced, or (c) the applicable tax treatment of the Notes changes in a material way that was not reasonably foreseeable at the Issue Date, in each case 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 date of issue of the first Tranche of the Notes; and

- (B) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

1. where the Notes may be redeemed at any time, 90 days (or such other period as may be specified in the relevant Final Terms) prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts if a payment in respect of the Notes (or the Guarantee, as the case may be) were then due; or
2. where the Notes may be redeemed only on an Interest Payment Date, 60 days (or such other period as may be specified in the relevant Final Terms) prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts if a payment in respect of the Notes (or the Guarantee, as the case may be) were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent (A) a certificate signed by 2 directors of the Issuer (or the Guarantor, as the case may be) 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 international standing to the effect that the Issuer (or the Guarantor, as the case may be) 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 Condition 8, the Issuer shall be bound to redeem the Notes in accordance with this Condition 8.

- (c) *Redemption at the option of the Issuer (Issuer Call)*: If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 15 nor more than 30 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued and unpaid interest (if any) to such date).

If Make-whole Amount is specified in the relevant Final Terms, the Optional Redemption Amount (Call) will be the higher of (a) 100% of the principal amount outstanding of the Notes to be redeemed and (b) the sum of the present values of the principal amount outstanding of the Notes to be redeemed and the Remaining Term Interest on such Notes (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on an annual basis at (i) the Reference Note Rate plus the Redemption Margin or (ii) the Discount Rate, in each case as specified in the relevant Final Terms. If the Make-whole Exemption Period is specified as applicable and the Issuer gives notice to redeem the Notes during the Make-whole Exemption Period, the Optional Redemption Amount (Call) will be 100% of the principal amount outstanding of the Notes to be redeemed.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 8(c).

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

For the purposes of this Condition 8(c):

**“Discount Rate”** will be as set out in the relevant Final Terms.

**“FA Selected Note”** means a government security or securities selected by the Financial Adviser as having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes.

**“Financial Adviser”** means the entity so specified in the relevant Final Terms or, if not so specified or if such entity is unable or unwilling to act, any financial adviser selected by the Issuer.

**“Make-whole Exemption Period”** will be as set out in the relevant Final Terms.

**“Redemption Margin”** will be as set out in the relevant Final Terms.

**“Reference Note”** shall be the note so specified in the relevant Final Terms or, if not so specified or if no longer available, the FA Selected Note.

**“Reference Note Price”** means, with respect to any date of redemption: (a) the arithmetic average of the Reference Government Note Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Note Dealer Quotations or (b) if the Financial Adviser obtains fewer than 4 such Reference Government Note Dealer Quotations, the arithmetic average of all such quotations.

**“Reference Note Rate”** means, with respect to any date of redemption, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Note, assuming a price for the Reference Note (expressed as a percentage of its principal amount) equal to the Reference Note Price for such date of redemption.

**“Reference Date”** will be set out in the relevant notice of redemption, such date to fall no earlier than the date falling 15 days prior to the date of such notice.

**“Reference Government Note Dealer”** means each of 5 banks selected by the Issuer which are (a) primary government securities dealers, and their respective successors, or (b) market makers in pricing corporate note issues.

**“Reference Government Note Dealer Quotations”** means, with respect to each Reference Government Note Dealer and any date for redemption, the arithmetic average, as determined by the Financial Adviser, of the bid and offered prices for the Reference Note (expressed in each case as a percentage of its principal amount) at the Quotation Time specified in the relevant Final Terms on the Reference Date quoted in writing to the Financial Adviser by such Reference Government Note Dealer.

**“Remaining Term Interest”** means with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note determined on the basis of the



rate of interest applicable to such Note from and including the date on which such Note is to be redeemed by the Issuer in accordance with this Condition 8(c).

- (d) *Residual Maturity Call Option*: If a Residual Maturity Call Option is specified in the relevant Final Terms as being applicable, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders in accordance with Condition 18 (which notice shall specify the date fixed for redemption (the "**Residual Maturity Call Option Redemption Date**")), redeem the Notes comprising the relevant Series, in whole but not in part, at their principal amount together with any accrued and unpaid interest up to (but excluding) the date fixed for redemption, which shall be no earlier than (i) 3 months before the Maturity Date in respect of Notes having a maturity of not more than 10 years or (ii) 6 months before the Maturity Date in respect of Notes having a maturity of more than 10 years.

For the purpose of the preceding paragraph, the maturity of not more than 10 years or the maturity of more than 10 years shall be determined as from the Issue Date of the first Tranche of the relevant Series of Notes.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

- (e) *Redemption following a Substantial Purchase Event*: If a Substantial Purchase Event is specified in the relevant Final Terms as being applicable and a Substantial Purchase Event has occurred and is continuing, then the Issuer may, subject to having given not less than 15 nor more than 30 days' irrevocable notice to the Noteholders in accordance with Condition 18, redeem the Notes comprising the relevant Series in whole, but not in part, in accordance with these Conditions at any time, in each case at their principal amount, together with any accrued and unpaid interest up to (but excluding) the date of redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

A "**Substantial Purchase Event**" shall be deemed to have occurred if at least 80% of the aggregate principal amount of the Notes of the relevant Series originally issued (which for these purposes shall include any further Notes of the same Series issued subsequently) is purchased by the Issuer, the Guarantor or any Subsidiary of the Guarantor (and in each case is cancelled in accordance with Condition 8(k));

- (f) *Partial redemption*: If the Notes are to be redeemed in part only on any date in accordance with Condition 8(c) (*Redemption and Purchase - Redemption at the option of the Issuer*), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 8(c) (*Redemption and Purchase - Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed, and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
- (g) *Redemption at the option of Noteholders (Investor Put)*: If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the

option contained in this Condition 8(g), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Final Terms), deposit (in the case of Bearer Notes) with any Paying Agent such Note together with all unmatured Coupons relating thereto or (in the case of Registered Notes) the Note Certificate representing such Note(s) with the Registrar or (as the case may be) any Transfer Agent at its Specified Office, together with a duly completed Put Option Notice in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable). The Paying Agent, Registrar or (as the case may be) Transfer Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 8(g), may be withdrawn; provided, however, that if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 8(g), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

- (h) *Redemption or Purchase at the option of the Noteholders on a Put Event (Change of Control Put):* If the Change of Control Put is specified in the relevant Final Terms as being applicable, and if at any time while any Note remains outstanding a Change of Control occurs, the Issuer or the Guarantor shall make a Public Announcement as soon as reasonably practicable, and if, within the Change of Control Period, either:
- (i) (if at the time that the Change of Control occurs there are Rated Securities outstanding) a Rating Downgrade Event in respect of the Change of Control occurs; or
  - (ii) (if at the time that the Change of Control occurs there are no Rated Securities outstanding) a Negative Rating Event in respect of the Change of Control occurs,

(the Change of Control and Rating Downgrade Event or the Change of Control and Negative Rating Event, as the case may be, occurring within the Change of Control Period, together called a “**Put Event**”), each holder of the Notes shall have the option (unless, before the giving of the Put Event Notice (as defined below), the Issuer shall have given notice under Condition 8(b) (*Redemption and Purchase - Redemption for tax reasons*) to redeem the Notes) to require the Issuer to redeem or, at the Issuer’s option, purchase (or procure the purchase of) any of its Notes at the Optional Redemption Amount (Put) together with (or, where purchased, together with an amount equal to) interest accrued to but excluding the Put Date (as defined below). Such option (the “**Put Option**”) shall operate as set out below.

If a Put Event occurs then, within 14 days of the occurrence of the Put Event, the Issuer shall give notice (a “**Put Event Notice**”) to the Noteholders in accordance with Condition 18 (*Notices*) specifying the nature of the Put Event and the procedure for exercising the Put Option.

In order to exercise the Put Option, the holder of a Note must, during the period commencing on the date on which the Put Event Notice is given to Noteholders as required by this Condition 8(h) and ending 60 days after such occurrence (the “**Put Period**”), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 8(h), may be withdrawn; provided, however, that if, prior to the relevant Put Date, any such Note becomes immediately due and payable or payment of the redemption

moneys is improperly withheld or refused on the Put Date, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 8(h), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

The Issuer shall at its option redeem or purchase (or procure the purchase of) the Notes the subject of each Put Option Notice given under this Condition 8(h) on the date (the “**Put Date**”) which is 7 days after the expiration of the Put Period unless previously redeemed or purchased and cancelled.

For the purposes of this Condition 8(h):

a “Change of Control” shall have occurred if one or more individuals or legal entities, acting individually or in concert, acquires control of the Guarantor; and for the purposes of these Conditions “**control**” shall mean (i) the acquisition or control of more than 50% of the voting rights or (ii) the right to appoint and/or remove all or the majority of the members of the board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise and “**controlled**” shall be construed accordingly;

“**Change of Control Period**” means:

- (i) if at the time a Change of Control occurs there are Rated Securities, the period of 120 days beginning on and including the date of the relevant Public Announcement; or
- (ii) if at the time a Change of Control occurs there are no Rated Securities, the period beginning on and including the date on which the relevant Change of Control occurs and ending 120 days following the later of (a) the date on which the Issuer seeks to obtain a rating as contemplated in the definition of Negative Rating Event prior to the expiry of the 60 days referred to in that definition, and (b) the date of the relevant Public Announcement;

(or, in the case of either (i) or (ii) above, such longer period in which the Rated Securities are under consideration (such consideration having been announced publicly within the first mentioned 120 day period) for rating review or, as the case may be, rating by a Rating Agency);

“**Investment Grade Rating**” means a rating of the Notes of at least BBB- or Baa3 (or their respective equivalents at each Rating Agency for the time being);

a “**Negative Rating Event**” shall be deemed to have occurred if either (a) the Issuer does not, either prior to or not later than 60 days after the relevant Change of Control, seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Notes or any other unsecured and unsubordinated debt of the Issuer having an initial maturity of 5 years or more (“**Rateable Debt**”) from a Rating Agency or (b) if the Issuer does so seek and use such endeavours, it is unable by the end of the Change of Control Period to obtain such a rating of the Notes of an Investment Grade Rating;

“**Public Announcement**” means an announcement by the Issuer or the Guarantor of the occurrence of a Change of Control, published in accordance with Condition 18 (*Notices*);

“**Rated Securities**” means the Notes, if and for so long as they shall have an effective rating from a Rating Agency and otherwise any Rateable Debt which is rated by a Rating Agency;

“**Rating Agency**” means any of (i) Standard & Poor’s Credit Market Services Europe Limited, (ii) Moody’s Investor Service, Inc., (iii) Fitch Ratings Limited and (iv) any other rating agency of international

standing and (in each case) their respective affiliates and successors and “**Rating Agencies**” shall be construed accordingly;

a “**Rating Downgrade Event**” shall be deemed to have occurred in respect of the Change of Control if the then current rating assigned to the Rated Securities by any Rating Agency is withdrawn or reduced from at least an Investment Grade Rating or, if a Rating Agency shall already have rated the Rated Securities below an Investment Grade Rating, the rating is lowered one full rating category.

- (i) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (h) above.
- (j) *Purchase:* Each of the Issuer, the Guarantor and any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased therewith.
- (k) *Cancellation:* All Notes so redeemed shall be cancelled and may not be reissued or resold.

## **9 Payments - Bearer Notes**

This Condition 9 is only applicable to Bearer Notes.

- (a) *Principal:* Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.
- (b) *Interest:* Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions, and (iii) payment is permitted by applicable United States law.
- (d) *Payments subject to fiscal laws:* All payments in respect of the Bearer Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*).
- (e) *No commissions or expenses:* No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (f) *Deductions for unmatured Coupons:* If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
  - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; provided, however, that if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that

proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

- (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
  - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the “**Relevant Coupons**”) being equal to the amount of principal due for payment; provided, however, that where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
  - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; provided, however, that, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.

- (g) *Unmatured Coupons void:* If the relevant Final Terms specifies that this Condition 9(g) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 8(b) (*Redemption and Purchase - Redemption for tax reasons*), Condition 8(c) (*Redemption and Purchase - Redemption at the option of the Issuer (Issuer Call)*), Condition 8(g) (*Redemption and Purchase - Redemption at the option of Noteholders (Investor Put)*) or Condition 12 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (h) *Payments on business days:* If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (i) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).
- (j) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (k) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 13 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

## 10 Payments - Registered Notes

This Condition 10 is only applicable to Registered Notes.

- (a) *Principal:* Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (b) *Interest:* Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (c) *Payments subject to fiscal laws:* All payments in respect of the Registered Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*).
- (d) *No commissions or expenses:* No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (e) *Payments on business days:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent, and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 10(e) arriving after the due date for payment or being lost in the mail.
- (f) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (g) *Record date:* Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

## 11 Taxation

- (a) *Gross up*: All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer or the Guarantor (under the Guarantee) 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 or, as the case may be, the Guarantor 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 or Coupon:
- (i) held by or on behalf of a Holder or to the beneficial owner of the Notes and Coupons which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon 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 Coupon; 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 Holder or to the beneficial owner of the Notes and Coupons if the Issuer or the Guarantor does not receive in a timely manner certain information about the Notes of such Holder (or the beneficial owner) as it is required by the applicable Spanish tax laws and regulations, including a duly executed and completed certificate from the Fiscal 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) to, or to a third party on behalf of, a Holder or to the beneficial owner of the Notes and Coupons who failed to make any necessary claim or to comply with any certification, identification or other requirements concerning the nationality, residence, identity or connection with the taxing jurisdiction of such Holder or beneficial owner, if such claim or compliance is required by statute, treaty, regulation or administrative practice of the taxing jurisdiction of the Issuer and the Guarantor as a condition to relief or exemption from such taxes; or
  - (v) in relation to any estate, inheritance, gift, sales, transfer or similar taxes; or
  - (vi) to, or to a third party on behalf of, a Holder who is a fiduciary, a partnership, a limited liability company or other than the sole beneficial owner of that payment, to the extent that payment would be required by the laws of Spain to be included in the income, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership, an interest holder in that limited liability company or a beneficial owner who would not have been entitled to any additional amounts had it been the Holder; or
  - (vii) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days; or

- (viii) any combination of items (i) through (vii) above.
- (b) *Taxing jurisdiction:* If the Issuer or the Guarantor 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 Conditions to the contrary, any amounts to be paid on the Notes or the Coupons by or on behalf of the Issuer or the Guarantor 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 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**”). None of the Issuer, the Guarantor, or any other person will be required to pay any additional amounts in respect of FATCA Withholding.

## 12 Events of Default

If any of the following events occurs and is continuing:

- (a) *Non-payment:* the Issuer or the Guarantor fails to pay any amount of principal or interest in respect of the Notes within 21 days of the due date for payment thereof; or
- (b) *Breach of other obligations:* the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes and such default remains unremedied for 45 days after written notice thereof, addressed to the Issuer and the Guarantor by any Noteholder, has been delivered to the Issuer and the Guarantor or to the Specified Office of the Fiscal Agent; or
- (c) *Cross-default:*
  - (i) any Relevant Indebtedness (which does not constitute Project Finance Debt) of the Issuer or the Guarantor or any of their respective Material Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
  - (ii) any such Relevant Indebtedness (which does not constitute Project Finance Debt) becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described);
  - (iii) the Issuer, the Guarantor or any of their respective Material Subsidiaries fails to pay when due any amount payable by it under any guarantee of any Relevant Indebtedness (which does not constitute Project Finance Debt);

provided that the amount of Relevant Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any guarantee referred to in sub-paragraph (iii) above have occurred equals or exceeds €100,000,000 (or its equivalent in any other currency or currencies); or

- (d) *Insolvency etc:* (i) the Issuer, the Guarantor or any of their respective Material Subsidiaries (other than a Project Finance Entity) becomes insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens publicly to stop or suspend payment of all or a material part of (or of a particular type of) its debts, or is declared or a voluntary request has been submitted to a relevant court for the declaration of insolvency or bankruptcy, (ii) an administrator, liquidator, receiver, administrative receiver or other similar officer of the Issuer, the Guarantor or any of their respective Material Subsidiaries (other than a Project Finance Entity) or of the whole or any part of the undertaking, assets and revenues of the Issuer, the



Guarantor or any of their respective Material Subsidiaries (other than a Project Finance Entity) is appointed (or application for any such appointment is made), or (iii) the Issuer, the Guarantor or any of their respective Material Subsidiaries (other than a Project Finance Entity) takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of the creditors of all or a material part of (or a particular type of) its debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer, the Guarantor or any of their respective Material Subsidiaries (other than a Project Finance Entity); or

- (e) *Winding up etc*: an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer, the Guarantor or any of their respective Material Subsidiaries (other than a Project Finance Entity), or the Issuer, the Guarantor or any of their respective Material Subsidiaries (other than a Project Finance Entity) ceases or threatens to cease to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the Noteholders or (ii) in the case of a Material Subsidiary (other than a Project Finance Entity), whereby the undertaking or assets of the Material Subsidiary (other than a Project Finance Entity) are transferred to or otherwise vested in (A) the Issuer, the Guarantor or another Material Subsidiary (other than a Project Finance Entity), (B) a Subsidiary where immediately upon such transfer or vesting becomes a Material Subsidiary, or (C) any other person provided, in this case, that the undertaking or assets are transferred to that person for full consideration on an arm's length basis and the proceeds of the consideration are applied as soon as practicable by the Material Subsidiary (other than a Project Finance Entity) in its business or operations or the business or operations of the Issuer, the Guarantor or another Material Subsidiary (other than a Project Finance Entity); or
- (f) *Distress*: a distress, attachment, execution or other legal process for an amount equal to or in excess of €100,000,000 (or its equivalent in any other currency or currencies) is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer, the Guarantor or any of their respective Material Subsidiaries (other than a Project Finance Entity) and is not discharged or stayed within 60 days; or
- (g) *Enforcement of charges*: pursuant to any mortgage, charge, pledge, lien or other encumbrance (other than in respect of any Project Finance Debt), present or future, securing an amount equal to or in excess of €100,000,000, a secured party takes possession of, or a receiver, manager or other similar officer is appointed in respect of, the whole or a substantial part of the undertaking, assets and revenues of the Issuer, the Guarantor or any of their respective Material Subsidiaries (other than a Project Finance Entity); or
- (h) *Illegality*: it is or becomes unlawful for the Issuer or the Guarantor to perform or comply with any one or more of its obligations under or in respect of any of the Notes or the Deed of Guarantee; or
- (i) *Analogous event*: any event occurs which under the laws of the Kingdom of Spain has a similar effect to any of the events referred to in the foregoing paragraphs of this Condition 12; or
- (j) *Ownership*: the Issuer ceases to be wholly-owned and controlled directly or indirectly by the Guarantor; or
- (k) *Guarantee*: the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect, then any Noteholder of the relevant Series in respect of its Notes may, by written notice to the Issuer and the Guarantor, declare that such Notes or Note (as the case may be) and (if the Notes or Note are or is interest-bearing) all interest then accrued but unpaid on such Notes or Note (as the case may be) shall be forthwith due and payable, whereupon the same shall (to the extent permitted by applicable Spanish law)

become immediately due and payable at its Early Termination Amount, together with all interest accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer and the Guarantor will expressly waive, anything contained in such Notes to the contrary.

*The Spanish Insolvency Law provides, among other things, that: (i) any claim may become subordinated if it is not reported to the insolvency administrators (administradores concursales) within one month from the last official publication of the court order declaring the insolvency (if the insolvency proceeding is declared as abridged, the term to report may be reduced to fifteen days) in the Spanish Official Gazette (Boletín Oficial del Estado), (ii) actions deemed detrimental for the insolvent estate of the insolvency debtor carried out during the 2 year period preceding the date of its declaration of insolvency may be rescinded, (iii) provisions in a contract granting one party the right to terminate by reason only of the other's insolvency may not be 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.*

### **13 Prescription**

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within 10 years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within 5 years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within 10 years of the appropriate Relevant Date.

### **14 Replacement of Notes and Coupons**

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

### **15 Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and the Guarantor and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer and the Guarantor reserve the right at any time

to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent or registrar or Calculation Agent and additional or successor paying agents; provided, however, that:

- (a) the Issuer shall at all times maintain a fiscal agent and a registrar;
- (b) the Issuer shall at all times maintain a paying agent in Europe that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC;
- (c) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and
- (d) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

## **16 Meetings of Noteholders; Modification and Waiver**

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer or the Guarantor and shall be convened by them upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be 2 or more persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, 2 or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; provided, however, that Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which 2 or more persons holding or representing not less than 3-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of Noteholders of not less than 90% of the aggregate principal amount of the outstanding Notes will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification:* The Notes, these Conditions, the Deed of Covenant and the Deed of Guarantee may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer and the Guarantor shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the sole opinion of the Issuer or the Guarantor (as the case may be), not materially prejudicial to the interests of the Noteholders.

## 17 Further Issues

The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

## 18 Notices

- (a) *Bearer Notes:* Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) and, if the Bearer Notes are admitted to trading on Euronext Dublin and it is a requirement of applicable law or regulations, a leading newspaper having general circulation in Ireland or published on the website of Euronext Dublin or, in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.
- (b) *Registered Notes:* Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register and, if the Registered Notes are admitted to trading on Euronext Dublin and it is a requirement of applicable law or regulations, notices to Noteholders will be published on the date of such mailing in a leading newspaper having general circulation in Ireland or published on the website of Euronext Dublin or, in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

## 19 Currency Indemnity

If any sum due from the Issuer or the Guarantor in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Issuer or the Guarantor, (b) obtaining an order or judgment in any court or other tribunal, or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer, failing whom the Guarantor, shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency, and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the

second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and the Guarantor and shall give rise to a separate and independent cause of action.

## 20 Rounding

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005% being rounded up to 0.00001%), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest 2 decimal places in such currency, with 0.005 being rounded upwards.

## 21 Governing Law and Jurisdiction

- (a) *Governing law*: The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law. Condition 4 (*Status and Guarantee*) is governed by Spanish law.
- (b) *English courts*: The courts of England have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).
- (c) *Appropriate forum*: Each of the Issuer and the Guarantor agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (d) *Rights of the Noteholders to take proceedings outside England*: Condition 21(b) (*Governing Law and Jurisdiction - English courts*) is for the benefit of the Noteholders only. As a result, nothing in this Condition 21 prevents any Noteholder from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.
- (e) *Service of process*: Each of the Issuer and the Guarantor agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Cellnex UK Limited, Office 132 Spaces Liverpool Street Station, 35 New Broad Street, London, United Kingdom, EC2M 1NH, or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer and the Guarantor may specify by notice in writing to the Noteholders. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

## FORM OF FINAL TERMS

*Set out below is the form of Final Terms in respect of each Tranche of Notes, duly completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

**Final Terms dated [•]**

**Cellnex Finance Company, S.A.U.**

**Legal Identity Identifier (LEI): 549300OUROMFTRFA7T23**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

**Guaranteed by**

**Cellnex Telecom, S.A.**

**Legal Identity Identifier (LEI): 5493008T4YG3AQUI7P67**

**under the**

**€10,000,000,000**

**[Euro Medium Term Note Programme]**

**[PRIIPs Regulation / PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS]** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”) or in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; [or (iii) not a qualified investor as defined in the Prospectus Regulation]. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]

**[MiFID II product governance / Professional investors and ECPs only target market]** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

## PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Base Prospectus dated 3 December 2020 [and the supplemental Base Prospectus dated [•]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information].

Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [is] [are] available for viewing on the website of Euronext Dublin at [www.ise.ie](http://www.ise.ie) [and] during normal business hours at [address] [and copies may be obtained from [address]].

[The expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended or superseded.]<sup>1</sup>

*[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 (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]*

1	(i) Issuer:	Cellnex Finance Company, S.A.U.
	(ii) Guarantor:	Cellnex Telecom, S.A.
2	[(i) Series Number:]	[●]
	[(ii) Tranche Number:]	[●]
	[(iii) Date on which the Notes become fungible:]	[Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the existing notes with Series number [●] on [[●]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [●] below [which is expected to occur on or about [●]].]
3	Specified Currency or Currencies:	[●]
4	Aggregate Nominal Amount:	[●]
	[(i)] [Series:]	[●]
	[(ii) Tranche:]	[●]
5	Issue Price:	[●]% of the Aggregate Nominal Amount [plus accrued interest from [●]]
6	(i) Specified Denominations:	[●]
	(ii) Calculation Amount:	[●]
7	(i) Issue Date:	[●]
	(ii) Interest Commencement Date:	[[●]/Issue Date/Not Applicable]
8	Maturity Date:	<i>[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]</i>
9	Interest Basis:	[[●]% Fixed Rate]

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<sup>1</sup> When preparing Final Terms prepared in relation to an issuance of Notes to be listed on a non-regulated market, Prospectus Regulation references are to be removed.

		[●][●] [EURIBOR/LIBOR/SONIA]+/- [●]% Floating Rate]
		(see paragraph [[●]/[●]/[●]] below)
10	Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100% of their nominal amount.
11	Change of Interest or Redemption/Payment Basis:	<i>[Specify the date when any fixed to floating rate change occurs or refer to paragraphs [●] and [●] below and identify there/Not Applicable]</i>
12	Put/Call Options:	[Investor Put] [Issuer Call]  [Change of Control Put] [Residual Maturity Call Option]  [Substantial Purchase Event]  [See paragraph [●] below)]
13	[(i)] Status of the Notes:	Senior
14	[(ii)] Status of the Guarantee:	Senior
	[(iii)] [Date [Board] approval for issuance of Notes and Guarantee] obtained:	[●]  <i>(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)</i>

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15	Fixed Rate Note Provisions	[Applicable/Not Applicable]  <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Rate[(s)] of Interest:	[●]% per annum payable in arrear on each Interest Payment Date
	(ii) Interest Payment Date(s):	[●] in each year
	(iii) Fixed Coupon Amount[(s)]:	[●] per Calculation Amount
	(iv) Broken amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
	(v) Day Count Fraction:	[Actual/Actual (ICMA/ISDA)/ Actual/365 (Fixed)/Actual/360/30/360/30E/360/Eurobond Basis/30E/360 (ISDA)]
16	Floating Rate Note Provisions	[Applicable/Not Applicable]



*(If not applicable delete the remaining sub-paragraphs of this paragraph)*

- (i) Specified Period: [●]  
*(Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert “Not Applicable”)*
- (ii) Specified Interest Payment Dates: [●]  
*(Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert “Not Applicable”)*
- (iii) [First Interest Payment Date]: [●]
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Modified Business Day Convention/Preceding Business Day Convention/No Adjustment]
- (v) Additional Business Centre(s): [Not Applicable/[●]]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Fiscal Agent]): [●] shall be the Calculation Agent

(viii) Screen Rate Determination:		
• Reference Banks:		[●]
• Reference Rate:		[EURIBOR/LIBOR/SONIA]
• Interest Determination Date(s):		[●]/[[●] London Banking Days prior to the Interest Payment Date for the relevant Interest Period]
• p:		[●]
• Relevant Screen Page:		[●]
• Relevant Time:		[●]
• Relevant Financial Centre:		[●]
(ix) ISDA Determination:		
• Floating Rate Option:		[●]
• Designated Maturity:		[●]
• Reset Date:		[●]
[●] ISDA Definitions:		[2006]
[●] ISDA Benchmarks Supplement:		[Applicable/Not Applicable]
(x) Linear interpolation		Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation ( <i>specify for each short or long interest period</i> )
(xi) Margin(s):		[+/-][●]% per annum
(xii) Minimum Rate of Interest:		[●]% per annum
(xiii) Maximum Rate of Interest:		[●]% per annum
(xiv) Day Count Fraction:		[●]

## PROVISIONS RELATING TO REDEMPTION

17	Call Option	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note:	[[●] per Calculation Amount]/[Make-whole Amount]
	(iii) Make-whole Amount:	[Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)

	(a) Reference Note:	[[●]/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	Redemption Margin:	[●]
	Financial Adviser:	[●]
	Quotation Time:	[●]
	(b) Discount Rate:	[[●]/Not Applicable]
	(c) Make-whole Exemption Period:	[Not Applicable]/[From (and including) [●] to (but excluding) [●]/the Maturity Date]]
	(iv) If redeemable in part:	
	Minimum Redemption Amount:	[●] per Calculation Amount
	Maximum Redemption Amount	[●] per Calculation Amount
	(v) Notice period:	[●]
18	Put Option	[Applicable/Not Applicable]  <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
	(iii) Notice period:	[●]
19	Residual Maturity Call Option	[Applicable/Not Applicable]
20	Substantial Purchase Event	[Applicable/Not Applicable]
21	Change of Control Put	[Applicable/Not Applicable]
22	Final Redemption Amount of each Note	[●] per Calculation Amount
23	Redemption Amount	
	Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:	[[●] per Calculation Amount]/[Not Applicable]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

24	Form of Notes:	<b>Bearer Notes:</b>  [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]  <i>(N.B. In relation to any issue of Notes which are expressed to be represented by a</i>
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*Permanent Global Note exchangeable for Definitive Notes in accordance with this option, such notes may only be issued in denominations equal to, or greater than €100,000 (or equivalent) and integral multiples thereof.)*

[Temporary Global Note exchangeable for Definitive Notes]

*(N.B. In relation to any issue of Notes which are expressed to be represented by a Temporary Global Note exchangeable for Definitive Notes in accordance with this option, such notes may only be issued in denominations equal to, or greater than €100,000 (or equivalent) and integral multiples thereof.)*

[Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]

*(N.B. In relation to any issue of Notes which are expressed to be represented by a Permanent Global Note exchangeable for Definitive Notes in accordance with this option, such notes may only be issued in denominations equal to, or greater than €100,000 (or equivalent) and integral multiples thereof.)*

#### **Registered Notes:**

[Global Registered Note exchangeable for Individual Note Certificates in the limited circumstances specified in the Global Registered Note]

[and

[Global Registered Note [(U.S.\$/Euro [•] nominal amount)] registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS))]

25 New Global Note:

[Yes]/[No]/[Not Applicable]

26 Additional Financial Centre(s):

[Not Applicable/give details. Note that this paragraph relates to the date of payment,

*and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraph 15(v) relates]*

27 Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):

[Yes/No. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left]

### **THIRD PARTY INFORMATION**

[[*Relevant third party information*] has been extracted from [*specify source*]. Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of

**CELLNEX FINANCE COMPANY, S.A.U.:**

By: .....

Duly authorised

Signed on behalf of

**CELLNEX TELECOM, S.A.:**

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1 LISTING AND ADMISSION TO TRADING

(i) Admission to Trading:

[Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on its regulated market 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 [●] with effect from [●].] [Not Applicable.]

*(When documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*

(ii) Estimate of total expenses related to admission to trading:

[EUR [●]]

### 2 RATINGS

The Notes to be issued [have been/are expected to be] rated/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

Ratings:

[Standard & Poor's: [●]]

[Moody's: [●]]

[Fitch: [●]]

[[Other]: [●]]

*(Need to include a brief explanation of the meaning of the ratings if this has been previously published by the rating provider)*

***Option 1 - CRA established in the EEA and registered under the CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA or in the UK and registered under Regulation (EU) No. 1060/2009, as amended (the “**CRA Regulation**”).

***Option 2 - CRA not established in the EEA or in the UK but relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is not

established in the EEA or in the UK but the rating it has given to the Notes is endorsed by *[insert legal name of credit rating agency]*, which is established in the EEA or in the UK and registered under Regulation (EU) No. 1060/2009, as amended (the “CRA Regulation”).

***Option 3 - CRA is not established in the EEA or in the UK and relevant rating is not endorsed under the CRA Regulation but CRA is certified under the CRA Regulation***

*[Insert legal name of particular credit rating agency entity providing rating]* is not established in the EEA or in the UK but is certified under Regulation (EU) No. 1060/2009, as amended (the “CRA Regulation”).

***Option 4 - CRA neither established in the EEA or in the UK nor certified under the CRA Regulation and relevant rating is not endorsed under the CRA Regulation***

*[Insert legal name of particular credit rating agency entity providing rating]* is not established in the EEA or in the UK and is not certified under Regulation (EU) No. 1060/2009, as amended (the “CRA Regulation”) and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation.

### **3 INTERESTS 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 the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:)*

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the Guarantor and their affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests)*]

*[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under the Prospectus Regulation.)]*

**4 REASONS FOR THE OFFER AND ESTIMATED NET AMOUNT OF PROCEEDS**

[See “Use of Proceeds” section in the Base Prospectus] – [if reasons for the offer are different from “general corporate purposes”, please include them here]

Estimated net proceeds: [●]

**5 [Fixed Rate Notes only – YIELD]**

Indication of yield: [●]

*[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]*

**6 OPERATIONAL INFORMATION**

ISIN: [●]

Common Code: [●]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [Not Applicable/[●]]

[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 registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] *[include this text for registered notes]* and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday 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. Whilst the designation is specified as “no” at the date of these Final Terms, 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 [, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,]*[include this text for registered notes]*]. Note that this does not necessarily mean that the Notes



will then be recognised as eligible collateral for Eurosystem monetary policy and intraday 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.]

## 7

### DISTRIBUTION

- |  |   |
|--|---|
| (i) Method of Distribution:              | [Syndicated/Non-syndicated]   |
| (ii) If syndicated:                      |   |
| (A) Names of Dealers                     | [Not Applicable/ <i>give names</i> ]  |
| (B) Stabilisation Manager(s), if any:    | [Not Applicable/ <i>give names</i> ]  |
| (iii) If non-syndicated, name of Dealer: | [Not Applicable/ <i>give names</i> ]  |
| (iv) U.S. Selling Restrictions:          | Reg. S Compliance Category 2; [(In the case of Bearer Notes) - [TEFRA C Rules/TEFRA D Rules/TEFRA not applicable]] [(In the case of Registered notes) - Not rule 144A Eligible] |

## **USE OF PROCEEDS**

The net proceeds from the issue of each Series of Notes will be used for general corporate purposes of the Group. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

## FORM OF GUARANTEE

*The following is the form of the Guarantee of the Notes executed by the Guarantor on 3 December 2020.*

**This Deed of Guarantee** is made on 3 December 2020 by Cellnex Telecom, S.A. (the “**Guarantor**”) in favour of the Holders and the Accountholders.

### **Whereas:**

- (A) Cellnex Finance Company, S.A.U. (the “**Issuer**”) proposes to issue euro medium term notes guaranteed by the Guarantor (the “**Notes**”, which expression shall, if the context so admits, include the Global Notes (in temporary or permanent form) to be initially delivered in respect of the Notes and any related coupons and talons) pursuant to an agency agreement, as amended or supplemented from time to time dated 3 December 2020 between, among others, the Issuer, the Guarantor and The Bank of New York Mellon, London Branch as Fiscal Agent (the “**Fiscal Agent**”).
- (B) The Issuer has, in relation to the Notes issued by it, entered into a deed of covenant (as amended and supplemented from time to time, the “**Deed of Covenant**”) dated 3 December 2020.
- (C) The Guarantor has agreed to guarantee the payment of all sums expressed to be payable from time to time by the Issuer in respect of the Notes to the holders of any Notes (the “**Holders**”) issued by it and under the Deed of Covenant to the Accountholders (the “**Guarantee**”).

**This Deed Witnesses** as follows:

### **1 Interpretation**

- 1.1 Defined Terms:** In this Deed, unless otherwise defined herein, capitalised terms shall have the same meaning given to them in the Deed of Covenant and the Conditions (as defined in the Deed of Covenant).
- 1.2 Headings:** Headings shall be ignored in construing this Deed.
- 1.3 Contracts:** References in this Deed to this Deed or any other document are to this Deed or these documents as amended, supplemented or replaced from time to time in relation to the Programme and includes any document that amends, supplements or replaces them.
- 1.4 Legislation or regulation:** Any reference in this Agreement to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

### **2 Guarantee and Indemnity**

- 2.1 Guarantee:** The Guarantor unconditionally and irrevocably guarantees that if the Issuer does not pay any sum payable by it under the Deed of Covenant or the Notes by the time and on the date specified for such payment (whether on the normal due date, on acceleration or otherwise), the Guarantor shall pay that sum to each Holder and each Accountholder before close of business on that date in the city to which payment is so to be made. All payments under this Guarantee by the Guarantor shall be made subject to the Conditions.
- 2.2 Guarantor as Principal Debtor:** As between the Guarantor, the Holders and the Accountholders but without affecting the Issuer’s obligations, the Guarantor shall be liable under this Guarantee as if it were the sole principal debtor and not merely a surety. Accordingly, its obligations shall not be discharged, nor shall its liability be affected, by anything that would not discharge it or affect its liability if it were

the sole principal debtor, including (1) any time, indulgence, waiver or consent at any time given to the Issuer or any other person, (2) any amendment to any other provisions of this Guarantee or to the Conditions or to any security or other guarantee or indemnity, (3) the making or absence of any demand on the Issuer or any other person for payment, (4) the enforcement or absence of enforcement of this Guarantee, the Notes, the Deed of Covenant or of any security or other guarantee or indemnity, (5) the taking, existence or release of any security, guarantee or indemnity, (6) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person or (7) the illegality, invalidity or unenforceability of or any defect in any provision of this Guarantee, the Notes, the Deed of Covenant or any of the Issuer's obligations under any of them.

- 2.3 Guarantor's Obligations Continuing:** The Guarantor's obligations under this Guarantee are and shall remain in full force and effect by way of continuing security until no sum remains payable under the Notes, the Deed of Covenant or this Guarantee and no further Notes may be issued by the Issuer under the Programme. Furthermore, those obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Guarantor or otherwise and may be enforced without first having recourse to the Issuer, any other person, any security or any other guarantee or indemnity. The Guarantor irrevocably waives all notices and demands of any kind.
- 2.4 Exercise of Guarantor's Rights:** So long as any sum remains payable under the Notes, the Deed of Covenant or this Guarantee, the Guarantor shall not exercise or enforce any right, by reason of the performance of any of its obligations under this Guarantee, to be indemnified by the Issuer or to take the benefit of or enforce any security or other guarantee or indemnity.
- 2.5 Avoidance of Payments:** The Guarantor shall on demand indemnify the relevant Holder or Accountholder, on an after tax basis, against any cost, loss, expense or liability sustained or incurred by it as a result of it being required for any reason (including any bankruptcy, insolvency, winding-up, dissolution or similar law of any jurisdiction) to refund all or part of any amount received or recovered by it in respect of any sum payable by the Issuer under the Notes or the Deed of Covenant and shall in any event pay to it on demand the amount as refunded by it.
- 2.6 Debts of Issuer:** If any moneys become payable by the Guarantor under this Guarantee, the Issuer shall not (except in the event of the liquidation of the Issuer) so long as any such moneys remain unpaid, pay any moneys for the time being due from the Issuer to the Guarantor.
- 2.7 Indemnity:** As separate, independent and alternative stipulations, the Guarantor unconditionally and irrevocably agrees: (1) that any sum that, although expressed to be payable by the Issuer under the Notes, the Deed of Covenant or this Guarantee, is for any reason (whether or not now existing and whether or not now known or becoming known to the Issuer, the Guarantor, a Holder or an Accountholder) not recoverable from the Guarantor on the basis of a guarantee shall nevertheless be recoverable from it as if it were the sole principal debtor and shall be paid by it to the Holder or Accountholder (as the case may be) on demand; and (2) as a primary obligation to indemnify each Holder and Accountholder against any loss suffered by it as a result of any sum expressed to be payable by the Issuer under the Notes, the Deed of Covenant or this Guarantee not being paid on the date and otherwise in the manner specified in this Guarantee or in the Conditions or any payment obligation of the Issuer under the Notes, the Deed of Covenant or this Guarantee being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not now known or becoming known to a Holder or an Accountholder), the amount of that loss being the amount expressed to be payable by the Issuer in respect of the relevant sum.

- 2.8 Incorporation of Terms:** The Guarantor agrees that it will comply with and be bound by all such provisions contained in the Conditions which relate to it.

### **3 Payments**

- 3.1 Payments Free of Taxes:** All payments by the Guarantor under this Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Spain or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Guarantor shall pay such additional amounts as shall result in receipt by the Holders and Accountholders 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:

- 3.1.1 **Other connection:** to, or to a third party on behalf of, a Holder or Accountholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with Spain other than the mere holding of the Note or Coupon; or
- 3.1.2 **Demand for payment more than 30 days after the Relevant Date:** in respect of any demand for payment made more than 30 days after the Relevant Date except to the extent that the Holder or Accountholder would have been entitled to such additional amounts on making such demand on the thirtieth such day; or
- 3.1.3 **Information requested by Spanish Tax Authorities:** to, or to a third party on behalf of, a Holder or Accountholder who does not provide to the Issuer (or the Guarantor) or an agent acting on behalf of the Issuer (or the Guarantor) the information concerning such Holder or Accountholder and its Notes as may be required by the applicable Spanish tax laws and regulations, including a duly executed and completed certificate from the Fiscal 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.

Defined terms used in this Clause 3.1 shall have the meanings given to them in the Conditions.

- 3.2 Stamp Duties:** The Guarantor covenants to and agrees with the Holders and Accountholders that it shall pay promptly, and in any event before any penalty becomes payable, any stamp, documentary, registration or similar duty or tax payable in Spain, Belgium or Luxembourg, as the case may be, or in the country of any currency in which the Notes may be denominated or amounts may be payable in respect of the Notes or any political subdivision or taxing authority thereof or therein in connection with the entry into, performance, enforcement or admissibility in evidence of this Deed and/or any amendment of, supplement to or waiver in respect of this Deed, and shall indemnify each of the Holders and Accountholders, on an after tax basis, against any liability with respect to or resulting from any delay in paying or omission to pay any such tax.

### **4 Amendment and Termination**

The Guarantor may not amend, vary, terminate or suspend this Guarantee or its obligations hereunder unless such amendment, variation, termination or suspension shall have been approved by a resolution of the Noteholders or to comply with any mandatory requirements set forth by any regulation, directives or rules issued by the Spanish government or the relevant administrative authority, save that nothing in this Clause shall prevent the Guarantor from increasing or extending its obligations hereunder by way of supplement to this Guarantee at any time.

## 5 Currency Indemnity

If any sum due from the Guarantor under this Deed or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under this Deed or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Guarantor, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to this Deed, the Guarantor shall indemnify each beneficiary on demand against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Holder or Accountholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Guarantor and shall give rise to a separate and independent cause of action.

## 6 General

**6.1 Benefit:** This Guarantee shall enure for the benefit of the Holders and the Accountholders.

**6.2 Deposit of Guarantee:** The Guarantor shall deposit this Guarantee with the Fiscal Agent, to be held by the Fiscal Agent until all the obligations of the Guarantor have been discharged in full. The Guarantor acknowledges the right of each Holder and each Accountholder to the production of, and to obtain a copy of, this Guarantee.

## 7 Governing Law and Jurisdiction

**7.1 Governing Law:** This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

**7.2 Jurisdiction:** The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with this Deed and accordingly any legal action or proceedings arising out of or in connection with this Deed (“**Proceedings**”) may be brought in such courts. The Guarantor irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This Clause is for the benefit of each of the Accountholders and each of the Holders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

**7.3 Agent for Service of Process:** The Guarantor irrevocably appoints Cellnex UK Limited, Office 132 Spaces Liverpool Street Station, 35 New Broad Street, London, United Kingdom, EC2M 1NH as its agent in England to receive service of process in any Proceedings in England based on this Deed. If for any reason the Guarantor does not have such an agent in England, it shall promptly appoint a substitute process agent and notify the Holders or Accountholders of such appointment in accordance with the Conditions. Nothing herein shall affect the right to serve process in any other manner permitted by law.

**In witness** whereof the Guarantor has caused this deed to be duly delivered as a deed on the date stated at the beginning.

**CELLNEX TELECOM, S.A.**

By:

Name:

## DESCRIPTION OF THE ISSUER

### General Information

The corporate name of the Issuer is Cellnex Finance Company, S.A.U. The Issuer is a wholly-owned subsidiary of Cellnex Telecom, S.A. which was incorporated in Spain on 30 October 2020 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 limited liability company (*sociedad anónima unipersonal*).

Cellnex Finance is registered with the Commercial Registry of Madrid under volume 41,054 of the Companies Section, folio 91 and sheet M-728073. The Issuer holds Spanish tax identification number A02744209 and its legal entity identifier (LEI) code is 549300OUIROMFTRFA7T23.

The registered office of Cellnex Finance is at Calle Juan Esplandiú, 11-13, 28007 Madrid, Spain and its telephone number is +34 93 503 10 90.

### Share Capital

As of the date of this Base Prospectus, the share capital of the Issuer amounts to €60,200 corresponding to 60,200 shares, all of which are fully subscribed and paid-up, with a nominal value of €1 each and belonging to a single class and series.

### Major Shareholders

As of the date of this Base Prospectus, the Issuer's sole shareholder is Cellnex.

### Credit Rating

As of the date of this Base Prospectus, the Issuer holds a long-term senior unsecured instrument class rating of "BBB-" (Investment Grade) 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.

### Business

The corporate purpose of the Issuer is the carrying out of financing activities or financing-related support activities in favour of the companies in the Group by means of, among others:

- (i) The issuance of bonds or other debt securities, as well as the entering into any banking financing, any other kind of financings, or the entering into any instruments with a financing purpose;
- (ii) the management, optimisation and channeling of monetary resources and assistance to the companies in the Group; and
- (iii) the granting of all kinds of financings, as well as granting of guarantees of any kind and nature to guarantee the obligations assumed by any of the companies in the Group.

### Management and Supervisory Bodies

As of the date of this Base Prospectus, the Issuer is managed by a Sole Director. The Sole Director of the Issuer is Mr. Tobias Martínez Gimeno.



There are no other potential conflicts of interest between any duties owed by the Sole Director to the Issuer and its private interests or other duties.

**Financial Information**

The Issuer has not engaged, since its incorporation, in any business or financial activities other than those incidental to its incorporation, matters referred to as contemplated in this Base Prospectus and matters which are incidental or ancillary to the above. Consequently, the Issuer does not have any financial statements as of the date hereof.

## DESCRIPTION OF THE GUARANTOR

### General Information

Cellnex Telecom, S.A. (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 Guarantor is registered with the Commercial Registry of Madrid under volume 36,551 of the Companies Section, folio 55 and sheet M-656490. The Guarantor 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 +34 935 678 910. The Guarantor also has a corporate website ([www.cellnextelecom.com](http://www.cellnextelecom.com)) through which it informs its shareholders, investors and the market at large of any significant events. Neither the Guarantor's website nor any of its contents form part or is incorporated into this Base Prospectus, whether by reference or otherwise, except as otherwise provided herein.

The Guarantor operates under the commercial name "Cellnex".

### Share Capital

As of the date of this Base Prospectus, the share capital of the Guarantor amounts to €121,677,167.25 corresponding to 486,708,669 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 Guarantor'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.U.* ("**Iberclear**"), with registered office at 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 are quoted on the Automatic Quotation System of the Spanish Stock Exchanges (*Sistema de Interconexión Bursátil, SIB* or *Mercado Continuo*).

### Major Shareholders

As of the date of this Base Prospectus, and pursuant to publicly available information, the Guarantor's largest shareholder is ConnecT Due with a shareholding of 13.02%. ConnecT Due is a wholly owned subsidiary of Sintonia S.p.A. ("**Sintonia**"). Sintonia, in turn, is a sub-holding company wholly-owned by Edizione.

In addition, the Abu Dhabi Investment Authority, directly and indirectly through Azure Vista C 2020 S.r.l. (a wholly owned subsidiary of Infinity Investments, S.A., in turn a wholly owned subsidiary of the Abu Dhabi Investment Authority), holds 6.97% of the Guarantor's share capital and the Government of Singapore (directly and indirectly through Lisson Grove Investment Private Limited) holds 6.98% of the Guarantor's share capital.

### History and Development

In 2000 the Guarantor's predecessor, Acesa Telecom, S.A., a company within the Abertis Infraestructuras, S.A. group ("**Abertis**"), 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. The Group started the Telecom Infrastructure Services segment in 2001 on the back of its experience in broadcasting services.

From 2012 onwards, it started an expansion process with the acquisition of 1,000 telecommunication infrastructures from Telefónica Móviles, S.A. (“**Telefónica**”) and the acquisition of 1,854 infrastructures from Telefónica and Xfera Móviles, S.A.U. (“**Yoigo**”). In 2014, the Group started its international expansion by acquiring TowerCo and its portfolio of 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.

In 2015, the Group continued its expansion in Italy, entering into an agreement with WIND Telecomunicazioni S.p.A., currently Wind Tre S.p.A. (“**Wind Tre**”) for the acquisition of 90% of the capital stock of Galata S.p.A. (“**Galata**”), over which it would obtain entire ownership in 2017. On 7 May 2015, Cellnex’s 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 2016, six new DTT channels began their emissions, all of which had signed contracts with the Group. Also in 2016, the Group started its operations in the Netherlands and continued its expansion in Italy through the acquisition of CommsCon. That same year, 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 United Kingdom. In 2016, the IBEX 35 Technical Advisory Committee approved the entry of Cellnex into the main stock index of the Spanish market.

On 19 January 2017, the managers of the FTSE4GOOD sustainability index announced that Cellnex had been incorporated into that index. Also in the first quarter of 2017, the Group reached an agreement with Bouygues Telecom for the acquisition and building of additional urban infrastructures in France. Additionally, in 2017 JCDcaux and Cellnex announced its 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.

Also in 2017, Cellnex entered into a framework agreement with Iliad Italia, S.p.A. providing full flexibility for the MNO’s network deployment. That same year, Cellnex Switzerland acquired, from Sunrise Communications International S.A. (“**Sunrise**”) and Skylight S.à.r.l., 100% of the share capital of Swiss Towers AG (“**Swiss Towers**”), a subsidiary of the Swiss mobile operator for a total amount of €438 million, in a consortium with Swiss Life and Deutsche Telekom Capital Partners. Also in the second half of 2017, the Group signed a contract with Infracapital F1 S.à.r.l. to purchase 100% of the share capital of Infracapital Alticom B.V. (“**Alticom**”), owner of 30 sites located in the Netherlands for a total amount of €133 million. The acquisition of Alticom strengthened and consolidated the Group’s position among neutral telecommunications infrastructure operators 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 optic fiber 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.

In the first half of 2018, the Group acquired from Palol Inversiones, S.L.U., 100% of Zenon Digital Radio, S.L., and acquired from MASMOVIL 85 sites in Spain for an amount of approximately €3.4 million. Also, during the first half of 2018, Cellnex Switzerland and Heliot, S.A., Sigfox’s operator in Switzerland, 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 Xarxa Oberta de Comunicació i Tecnologia de Catalunya, S.A. (“**XOC**”), a concessionary company dedicated to the management, maintenance and construction of the optic fiber network of the Generalitat of Catalonia, the expiration date of the concession being 2031. Also during the second half of 2018, Cellnex signed an agreement with Nearby Sensors S.L. (“**Nearby Sensors**”) under which the Guarantor indirectly acquired an ownership interest of approximately 15% in the share capital of Nearby Sensors in exchange for a contribution of €0.5 million, which was increased

in the first half of 2019 by an additional 15% in exchange for a further contribution of €0.5 million (amounting to a 30% ownership interest of Cellnex in Nearby Sensors's share capital). 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.

Likewise, in the second half of 2018, Cellnex reached an agreement with Bouygues Telecom to build up to 88 strategic telecom centers in a five-year term, and to acquire up to 62 additional strategic telecom centers. These centers are strategic facilities with traffic concentration capabilities which will play a key role in the future deployment of 5G networks. As a result of the above as of 31 December 2019, in accordance with the agreements reached with Bouygues during the 2016 - 2018 period, Cellnex had committed to acquire and build, as applicable, up to 5,250 sites in France, of which 3,504 sites have already been transferred.

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 acquired from MNOs in Spain, through Cellnex's fully owned subsidiary On Tower Telecom Infraestructuras, S.A.U. ("**On Tower**"), 375 sites for an amount of €45 million.

In the first half of 2019, Cellnex, through its subsidiary Cellnex Italia, entered into an extension of the agreement with Wind Tre which was entered into in the context of the acquisition of Galata in 2015, through an increase in the build-to-suit project of up to 800 additional sites (increasing the agreement to build sites from up to 400 to up to 1,200), which Galata will build in a 10-year term from the 2015 agreement, with a total investment of up to €70 million. Also in the first half of 2019, the Group entered into an agreement with BT to operate and market 220 high towers located in the United Kingdom for a period of 20 years (the "**BT Transaction**"). The consideration paid amounted to GBP 70 million, approximately (approximately €79 million). The agreement included a pre-emptive right of acquisition of Cellnex Connectivity Solutions Limited of up to 3,000 sites from BT during the following six years.

Likewise, in the first half of 2019 the Group entered into a long-term industrial alliance with the Iliad 7 group of companies by virtue of which, through its fully owned subsidiary Cellnex France Groupe, acquired 70% of the share capital of Iliad 7, S.A.S., owner of approximately 5,700 sites located in France, for an estimated aggregate consideration of approximately €1.4 billion, and agreed to the deployment of 2,500 sites in France, in a seven-year term (the "**Iliad France Acquisition**"). Moreover, within the long-term industrial alliance with the Iliad 7 group of companies, Cellnex entered into an agreement to acquire, through its fully owned subsidiary Galata, a business unit containing approximately 2,200 sites located in Italy from Iliad Italia, S.p.A. for an estimated aggregate consideration of approximately €600 million, and has agreed to the deployment of 1,000 sites in Italy, in a seven-year term (the "**Iliad Italy Acquisition**"). Among other effects, this transaction allows Cellnex to strengthen its footprint in the French market as the leading independent telecommunications infrastructures operator with a network of dense and capillary sites that will play a key role in the deployment of 5G in France and also allows Cellnex to strengthen its footprint in the Italian market.

Furthermore, in the first half of 2019 the Group also entered into a long-term industrial alliance with Matterhorn Telecom SA by virtue of which Swiss Towers purchased 90% of the share capital of Swiss Infra Services SA, owner of approximately 2,800 sites located in Switzerland for a total consideration of approximately €770 million, and has agreed to the deployment of 500 sites in Switzerland in an eight-year term (the "**Swiss Infra Acquisition**"). Among other effects, this transaction allows Cellnex to strengthen its footprint in the Swiss market.

In the second half of 2019, the Group reached an agreement to acquire 100% of the share capital of On Tower Netherlands BV (“**On Tower Netherlands**”) from its shareholders which, in turn, owns all the shares of the On Tower Netherlands subsidiaries, for a total consideration (Enterprise Value) of €40 million. The actual cash outflow for the Group in relation to this transaction was €39 million (Enterprise Value) following the incorporation of €1 million of cash balances on the balance sheet of the acquired subgroup. As a result of this acquisition, Cellnex acquired 114 additional infrastructures in the Netherlands. Also in the second half of 2019, Cellnex acquired 100% of the share capital of Cignal Infrastructure Limited (“**Cignal**”) from, amongst others, InfraVia Capital Partners, owner of 546 sites in Ireland and agreed on the deployment of up to 600 new additional sites by 2026 by Cignal, for a total consideration (Enterprise Value) of approximately €210 million paid by Cellnex.

On 8 October 2019, Cellnex and Cellnex UK Limited entered into an agreement with Arqiva Holdings Limited, a company within the Arqiva group (the “**Arqiva Group**”), for the sale and purchase of 100% of the issued and paid up share capital of Arqiva Services Limited (the “**Arqiva Acquisition**”), a company to which the Arqiva Group has carved-out the UK telecoms towers business of the Arqiva Group following a reorganisation of assets, liabilities and activities. On 8 July 2020, the Group completed the Arqiva Acquisition, after all the conditions precedent were satisfied, and acquired full ownership of the share capital of Arqiva Services Limited, which is the owner of approximately 7,400 held sites and the rights to market approximately 900 sites located in United Kingdom. The Group paid an aggregate consideration of approximately GBP 2 billion, which was financed with available cash and bank financing.

In the last quarter of 2019, Cellnex (through its fully owned subsidiary On Tower) and El Corte Inglés, S.A. signed a long-term strategic agreement according to which Cellnex acquired the rights to operate and market the connectivity infrastructure of approximately 900 buildings located mainly throughout Spain for a period of 50 years. The acquisition price amounted to approximately €66 million. On 3 December 2019, Cellnex (also through On Tower) reached an agreement with Orange Espagne, S.A.U. (“**Orange Spain**”) for the acquisition of 1,500 telecom sites in Spain for a total consideration (Enterprise Value) of €260 million.

On 2 January 2020, Cellnex reached an agreement with Altice Europe and Belmont Infra Holding’s to acquire 100% of the share capital of Belmont Infra Holding, S.A., which in turn owns all the shares of Belmont Infrastructure Holding, S.A. and Omtel, Estruturas de Comunicações, S.A. (“**OMTEL**”), which currently operates a nationwide portfolio of approximately 3,000 sites in Portugal, for a total consideration (Enterprise Value) of approximately €800 million (the “**Omtel Acquisition**”). Additionally, Cellnex agreed to the deployment of up to 750 sites in a seven-year term, with an estimated investment of €140 million. As a result of the acquisition, Cellnex directly owns all the shares of Belmont Infra Holding, S.A. and, consequently, all the shares of its subsidiaries. The initial consideration paid on the closing date was €300 million cash outflow and the incorporation of €233 million of borrowings on the balance sheet of the acquired subgroup, which Cellnex fully repaid after closing of the acquisition and incorporated €43 million of cash balances. The remaining balance will be paid in December 2027, at the expected fair market value estimated as of the date thereof. The Group has financed the initial payment of this acquisition with available cash. OMTEL currently operates a nationwide portfolio of approximately 3,000 sites in Portugal, which becomes the eighth country where Cellnex operates in Europe. MEO (formerly Portugal Telecom, the incumbent MNO) is the anchor tenant of this portfolio of telecom sites, with whom OMTEL has signed an inflation-linked MSA for an initial period of 20 years, to be automatically extended for 5-year periods, on an “all-or-nothing” basis, with undefined maturity.

On 14 April 2020, Cellnex reached an agreement with the Portuguese mobile operator NOS, SGPS S.A. (“**NOS**”), for the acquisition from Nos Comunicações, S.A. of 100% of the share capital of NOS Towering Gestão de Torres de Telecomunicações, S.A. (“**NOS Towering**”), which following a carve out operates a nationwide portfolio of approximately 2,000 sites in Portugal, for a total consideration (Enterprise Value) of approximately €374 million (the “**NOS Towering Acquisition**”). Additionally, Cellnex agreed to the deployment of up to 400 sites in a six-

year term (including a build-to-suit program) and other agreed initiatives, with an estimated investment of approximately €175 million. The transaction was completed on 30 September 2020 after all the conditions precedent were satisfied. The Group has financed this acquisition with available cash and expects to finance the deployment of new or existing additional sites using cash flows generated by the portfolio and other internal resources. The NOS Towering Acquisition strengthens the Group's industrial project in Portugal. Under the agreement, Cellnex and NOS as an anchor tenant have signed an inflation-linked MLA for an initial period of 15 years, to be automatically extended for additional 15-year periods, on an "all-or-nothing" basis, with undefined maturity, under which NOS will continue to use the sites that Cellnex will operate, locating its voice and data signal transmission equipment there.

During the first half of 2020, the Group and Bouygues Telecom reached a strategic agreement, through which they became shareholders of Nexloop, a newly incorporated company (49% owned by Bouygues Telecom and 51% owned by Cellnex, although, taking into account both the signed shareholders' agreement and the financing structure agreed for the new company, Cellnex will have in practice an effective right to 100% of the cash flows generated after debt service through 2055, subject to certain limitations, either through shareholder loan remuneration or through preferred dividends), that, among other things, will deploy a national optic fiber network in France to provide mobile and fixed fiber based connectivity and especially accelerate the roll-out of 5G in the country. The agreement comprises the roll-out of a network of up to 31,500 km, interconnecting the telecommunications rooftops and towers providing service to Bouygues Telecom (approximately 5,000 of which belong to and are operated by Cellnex) with the network of "metropolitan offices" for housing data processing centers (Edge Computing). The agreement covers the deployment of up to 90 new "metropolitan offices". The estimated investment up to 2027, amounts to up to approximately €1.1 billion. As of 30 June 2020, the usual regulatory requirements had already been approved and the transaction was completed. Nexloop's planned investments will be financed mainly via contributions made by Cellnex (through equity and shareholder loans), bank financing and cash flows generated by Nexloop. Bouygues Telecom is the anchor tenant of the new network and has signed a 30-year master agreement, renewable for 5-year periods.

## Recent Developments

### *Issuance of Bonds*

The Group took advantage of favourable market conditions to lower its average cost of debt and increase its average debt maturity by issuing new long term instruments.

On 14 October 2020, the Guarantor successfully completed the pricing of an Euro-denominated bond issuance (with ratings of BBB- by Fitch Ratings and BB+ by Standard&Poor's) for an amount of €1,000 million, maturing in October 2030 and with a coupon of 1.75%.

The net proceeds from the issuance of the above bonds are being used for general corporate purposes.

### *Strategic Agreement with Iliad*

On 22 October 2020, Cellnex reached an agreement with Iliad ("**Iliad**") to acquire a 60% controlling stake in a new Polish telecommunications tower company which will own Play Communications' ("**Play**") tower portfolio in Poland (the "**Iliad Polish Acquisition**"). The transaction is made in the context of the takeover bid that Iliad launched on 21 September 2020 and which is expected to be completed by the end of November 2020, in order to acquire Play. Once the takeover bid is completed, Play will segregate its telecommunications infrastructure into a newly incorporated company, in which Cellnex will hold the 60% controlling stake and which will operate Play's c.7,000 telecommunications sites in Poland. The closing of the transaction is expected to take place in the second quarter of 2021, following the completion of the acquisition of the shares of Play by Iliad pursuant to the

terms of its share purchase agreement, the obtaining of customary regulatory authorisations and the completion of the spin off of the telecommunications infrastructure.

As a result of this agreement, Cellnex will invest c. €800 million in acquiring the 60% stake, while the remaining 40% will continue to be owned by Play (Iliad) in line with the model that Cellnex and Iliad previously agreed for the sites formerly operated by Free (Iliad) in France. Cellnex expects to finance this acquisition with available cash. In addition, the new Polish telecommunications tower company is expected to invest up to c. €1.3 billion over the next 10 years in rolling out up to c. 5,000 new sites under a build-to-suit program.

#### *Transformational Strategic Alliance with CK Hutchison Holdings'*

On 12 November 2020, Cellnex announced it had reached agreement with CK Hutchison Holdings' ("**Hutchison**") for the acquisition of Hutchison's European tower business and assets (the "**Transformational Strategic Alliance with Hutchison**") across six countries by way of six separate transactions (i.e. one transaction per country). Combined, the agreements contemplate a total headline consideration (subject to certain adjustments) of approximately €10 billion, of which approximately €8.6 billion will be paid in cash and the remaining balance in new shares of Cellnex (as a result, Hutchison is expected to own around 5% of Cellnex's increased share capital).

Cellnex expects to finance these acquisitions with available cash and other liquidity instruments.

Together, the agreements encompass c.24,600 telecommunications sites in Austria (c.4,500 sites), Denmark (c.1,400 sites), Ireland (c.1,150 sites), Italy (c.8,900 sites), the United Kingdom (c.6,000 sites) and Sweden (c.2,650 sites). For each country, closing of the relevant transaction is subject to the satisfaction (or waiver) of applicable conditions precedent, including regulatory clearances and shareholder approvals, as required. This is expected to lead to staggered closings, with closing of each transaction taking place following the satisfaction (or waiver) of the relevant conditions for that transaction.

Additionally, Cellnex anticipates the further deployment of up to 5,250 new sites over the next eight years (with an associated investment of up to €1.4 billion including further initiatives), being expected to be rolled out c.1,100 new sites in Italy, c.600 in the United Kingdom, c.100 in Ireland, c.2,550 in Sweden, c.500 in Denmark and c.400 in Austria.

In connection with the transactions, Cellnex and Hutchison have agreed to enter into inflation-linked master services agreements ("**MSAs**") for an initial period of 15 years, with possible extensions for a further 15-year period and subsequent 5-year periods, on an "all-or-nothing" basis.

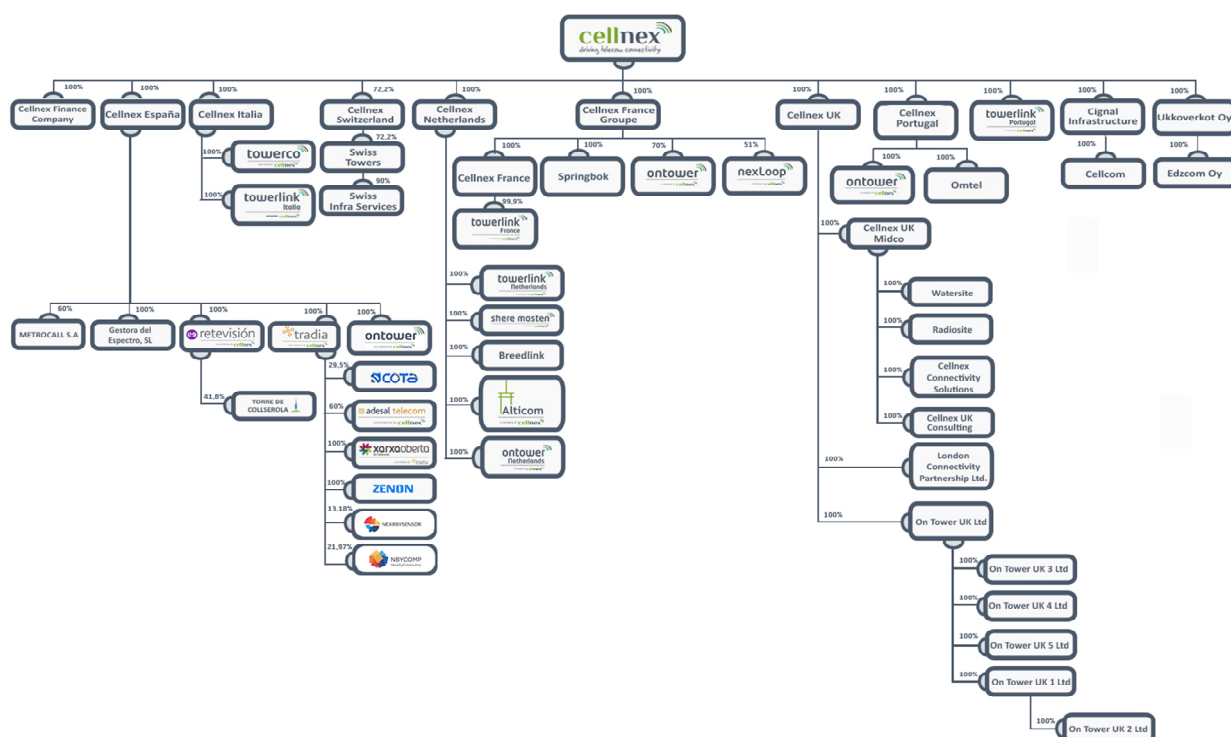
### **Credit Rating**

As of the date of this Base Prospectus, the Guarantor holds a long-term "BBB-" (Investment Grade) with stable 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.

### **Corporate Structure**

The Guarantor is the parent company of the Group, which as of the date of this Base Prospectus, is comprised of 65 companies, including the Issuer. 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 Base Prospectus.



## Business

### General Overview

The Guarantor's business model focuses on the provision of services to MNOs, broadcasters and other public and private companies acting as a neutral infrastructure provider (i.e., by not having one or more MNOs as a significant shareholder). This business model is based on innovative, efficient, sustainable, neutral and quality management to create value for Cellnex's shareholders, customers, employees and other stakeholders.

The Group provides services related to infrastructure management for terrestrial telecommunications through the following three segments: (i) Telecom Infrastructure Services, (ii) Broadcasting Infrastructure, and (iii) Other Network Services.

- **Telecom Infrastructure Services:** this is the Group's largest segment by turnover. It provides a wide range of integrated network infrastructure services to enable access to the Group's telecom infrastructure by MNOs and other wireless telecommunications and broadband network operators, allowing such operators to offer their own telecommunications services to their customers.
- **Broadcasting Infrastructure:** this is the Group's second largest segment by turnover. The Group currently provides broadcasting services only in Spain, where it is the only operator offering nationwide coverage of the DTT service (source: CNMC). Its services consist of the distribution and transmission of television and radio signals, the operation and maintenance of broadcasting networks, the provision of connectivity for media content and over-the-top ("OTT") broadcasting services and other services. Through the provision of broadcasting services, Cellnex has developed unique know-how that has helped to develop other services within 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 IoT, Smart Services and managed services and consulting, as well as optic fiber



services. As a telecom infrastructure operator, Cellnex 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 territories enabled by genuine Smart infrastructure services. This constitutes a specialized business that generates relatively stable cash flows with potential for further growth.

As of 31 December 2019, Cellnex had 38,466 infrastructures (36,471 sites and 1,995 nodes), operating 21%, 21%, 5%, 2%, 18%, 40% and 9% of the telecom infrastructures in Spain, Italy, the Netherlands, the United Kingdom, France, Switzerland and Ireland, respectively (source: Arthur D. Little). As of the date of this Base Prospectus, following completion of the Omtel Acquisition, the NOS Towering Acquisition, the Arqiva Acquisition and the strategic agreement with Bouygues Telecom, the Group owns and operates, respectively, 5,000 additional sites in Portugal (operating approximately 45% of the telecom infrastructures in Portugal), approximately 7,400 additional sites (with the right to market approximately 900 additional sites) in the United Kingdom and a national optic fiber network in France of up to 31,500 km. Upon the completion of the Iliad Polish Acquisition and each of the transactions comprising the Transformational Strategic Alliance with Hutchison, the Group will own and operate approximately 7,000 sites in Poland, 4,500 sites in Austria, 1,400 sites in Denmark, 1,150 additional sites in Ireland, 8,900 additional sites in Italy, 6,000 additional sites in the United Kingdom and 2,650 sites in Sweden.

Cellnex believes to be the leading neutral telecom infrastructure operator in Europe, while also being the main broadcasting infrastructure operator in Spain and enjoying the number one position in DTT nationwide broadcasting coverage. Cellnex's commitment to operational excellence has resulted in strong commercial relationships with blue-chip for MNOs and TV and radio broadcasters, as well as with public administrations and utility companies to whom it provides its services.

### ***Telecom Infrastructure Services***

#### *Overview*

Operating income from the Group's Telecom Infrastructure Services segment was €694,248 thousand for the year ended 31 December 2019, which represented 67%, of the Group's consolidated operating income for such period, and €582,758 thousand for the year ended 31 December 2018, which represented 65% of the Group's consolidated operating income for such period.

The Group's backlog as of 31 December 2019 and as of 31 December 2018 for the Telecom Infrastructure Services segment was approximately €19,006,281 thousand and €13,350,893 thousand, respectively.

#### *Services*

The Group provides to its customers in Telecom Infrastructure Services coverage related services and access to the Group's telecom or broadcasting infrastructures for 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 (build-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 (i.e., by not having one or more MNOs as a significant shareholder) 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 (which in the case of anchor customers have long or undefined maturities with automatic

extensions, unless cancelled). The annual payments vary considerably depending upon numerous factors, including, but not limited to, the 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 vast majority of the land and rooftops where the Group's infrastructures are located are operated and managed via lease contracts, sub-lease contracts or other types of contracts with third parties. 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 approximately 2,100 DAS nodes, with a customer ratio of three 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, 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. The Group also operates active equipment of the network in relation to the DAS nodes that Cellnex manages.

The Group is also developing capabilities in fiber to the tower and edge computing centers infrastructure, in order to offer its clients the data processing capacity distributed in the network, without which the potential of 5G could be not achieved. As such, in 2017 the Group acquired Alticom, a Dutch company that owns a portfolio of sites which has data centers, in 2018 and 2019 Cellnex signed an agreement to build 88 and acquire 62 edge computing centers for Bouygues Telecom and in 2020 it extended the scope to build another 90 sites of such characteristics with Bouygues Telecom in the context of the fiber co-investment deal to roll-out a transport network (backhaul and backbone) connecting all key elements of the telecom network of Bouygues Telecom through optic fiber.

### *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., by not having one or more MNOs as a significant shareholder) of telecom and broadcasting infrastructures in Europe by number of infrastructures as of 31 December 2019. As such, the Group's customer base includes the main MNOs in Spain, Italy, the Netherlands, the United Kingdom, France, Switzerland, Ireland and Portugal, 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 MSAs and master lease agreements ("**MLAs**") with the main MNOs, including Telefónica, Tim, Vodafone, Yoigo, Wind Tre, KPN, Bouygues Telecom, Sunrise, Iliad, Salt, Orange Spain, MEO, MBNL, EE and BT, and certain entities of the NOS group. 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 (which in the case of anchor customers have long or undefined maturities with automatic extensions, unless cancelled), and payments that are typically revised 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 high renewal rate of its MSAs / MLAs with MNO customers over the last 10 years although no agreement with anchor customers has reached its initial term. Contracts in place with Telefónica and Wind Tre may be subject to change in terms of the fees being applied at the time of a renewal, within a predefined range of the last annual fee (that reflects the cumulative inflation over the full initial 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 license 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 have 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 neutral wireless telecom infrastructure operator in Europe by number of infrastructures, with presence in Spain, Italy, the Netherlands, the United Kingdom, France, Switzerland, Ireland and Portugal. In all countries in which the Group operates, it competes primarily against other infrastructures operators who provide regional co-location services. Its main competitors within this segment are Telxius, Inwit, TDF, Hivory, CTIL, MBNL, American Tower and Phoenix Tower. 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 neutral wireless telecom 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 segment was €235,383 thousand for the year ended 31 December 2019, which represented 23% of the Group's consolidated operating income for such period, and €232,773 thousand for the year ended 31 December 2018, which represented 26% of the Group's consolidated operating income for such period.

The Group's backlog as of 31 December 2019 and as of 31 December 2018 for the Broadcasting Infrastructure segment was approximately €234,244 thousand and €356,563 thousand, respectively.

The Group's Broadcasting Infrastructure segment 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. As of the date of this Base Prospectus, Cellnex provides Broadcasting Infrastructure services in Spain only.

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 provide more than 99% of population coverage with DTT and radio, which is a combined portfolio larger than all of its competitors combined.

The Group's Broadcasting Infrastructure segment 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.

### *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 licenses are valid until 2025, with some of them until 2030, with expected automatic renewal afterwards (source: CNMC). 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 74% (as of December 2019) 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 (source: Televisión Digital. Gobierno de España); (ii) the most popular public and commercial channels are broadcast on DTT (source: Televisión Digital. Gobierno de España); (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 (source: Televisión Digital. Gobierno de España); (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 segment 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 RTVE.

The DTT broadcasting contracts do not have any volume risk, they have instead stable and visible pricing of MUXs, are 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 (as it has been the case in the recent cycle of contract renewals the Group has just faced).
- No volume risk. For each MUX distributed, the Group receives a "flat fee", as long as the conditions attached to the audiovisual licenses for TV channels do not change.
- Stable and visible pricing. The prices the Group charges to 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 where CPI is positive.

The Group's key customers for radio services include CATRADIO, Cope, Grupo Radio Blanca, Onda Cero, RAC1 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, TVC, Junta de Castilla y León and RTVE. 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 broadcasting market share (TV and radio) of approximately 87% as measured by revenues as of 31 December 2019 (latest available). According to the CNMC, the total audiovisual broadcasting services at

the national and regional level generated €209 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 segment was €101,214 thousand for the year ended 31 December 2019, which represented 10% of the Group's consolidated operating income for such period, and €82,340 thousand for the year ended 31 December 2018, which represented 9% of the Group's consolidated operating income for such period.

The Group's backlog as of 31 December 2019 and as of 31 December 2018 for this segment was approximately €162,499 thousand and €153,308 thousand, respectively.

#### ***Services***

The Group classifies the type of services that it provides in this segment 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, fiber 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. ***MC&PN services***: the Group operates seven regional and two municipal TETRA networks in Spain 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, Mobility and Urban Agenda.
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 segment).
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. ***Optic fiber***: the Group uses optic fiber to connect its, or its clients', infrastructures (macro cells, DAS and Small Cells) and edge computing facilities. The Group acquired XOC in 2018, a concessionary company dedicated to the management, maintenance and construction of the optic fiber network of the Generalitat of Catalonia, that also provides optic fiber capacity to Spanish telcos and to enterprises (FTTE). Please note that when the main customer is the public administration, and not a MNO, this business is reported under the Other Network Services business segment.

#### ***Customers and Contracts***

The Group's main customers for its connectivity services are BT, Orange, 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 Gobierno de Navarra, the Spanish National Maritime Rescue, the Generalitat of Catalonia and the Generalitat of Valencia.

The main customers for O&M services are Endesa, Vodafone and Lyntia. 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, Red Eléctrica, Sigfox and Securitas Direct. Some of the customers of other services are Ferrocarrils de la Generalitat of Catalonia and Asco-Vandellos Nuclear Association.

### *Competition*

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

Within the PPDR activity, the Group's main competitor in Spain is Telefónica's TETRAPOL network. In the other services that the Group provides within this segment 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 urban telecom infrastructure services are companies such as Indra and Telefónica.

## **Employees**

As of 31 December 2019, the Group had a total of 1,610 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. 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 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 the date of this Base Prospectus the material legal proceedings outstanding are summarised below and they all refer to antitrust and state aid proceedings where the Guarantor and Retevisión-I, S.A.U. ("**Retevisión**") are involved. If any of these legal proceedings were not resolved in the Group's favor, 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 Guarantor 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 Guarantor 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 Guarantor 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 Guarantor 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 Guarantor 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. Furthermore, on 4 April 2017 Cellnex filed a claim which was responded by the Spanish State Attorney. To date, the ruling is still pending. As of 31 December 2019, the Group has a recorded provision for a total of €18.7 million, increasing the one recorded as of 31 December 2018. 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 €13.7 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 Guarantor establishing margin squeezing prices for (i) wholesale access to its broadcast centers and infrastructures in Spain; and (ii) retail transport services for distribution of DTT signals. The Guarantor 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 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. On 13 February 2019, the Constitutional Court dismissed Cellnex's appeal. The original bank guarantee was delivered on 4 February 2020. Following the corresponding calculation procedure, the CNMC has ruled that the amount of the fine should not be amended. Cellnex has filed an appeal against such decision. With regard to these proceedings, Cellnex registered a provision of €13.7 million as of 31 December 2019, compared to €7 million as of 31 December 2018.

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. As of 31 December 2019, Cellnex has provided three guarantees amounting to €46.3 million (€32.5 million at 31 December 2018) to cover the disputed rulings with the CNMC explained above, in addition to the provisions recorded and referred to in the paragraphs above.

- On 1 October 2014, the European Commission (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* in 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. Notwithstanding, the Kingdom of Spain also filed an appeal which was dismissed by the European Court of Justice on 20 September 2018. On 26 November 2018, the government of Castile-La Mancha restarted the aid recovery proceeding for an amount of €719 thousand. On March and May, 2019, the government of Castile-La Mancha received such amount. In any case, the Group has filed an appeal against such decision. The Group has not recorded any provisions regarding the above decision. As of the date of this Base Prospectus, the amount ordered by the EC to be recovered in relation to Retevisión is €719 thousand.

- In 3 July 2018, the Guarantor received a notice from the Spanish authority 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 are also being audited by the Spanish tax authorities due to the fact that the Abertis Group (former shareholder of the Guarantor) 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. On 12 June 2020, the Guarantor signed “tax-assessment proposals in agreement” as well as “assessments with previous agreement” regarding corporate income tax corresponding to fiscal years 2015-2018. Regarding fiscal years 2015 and 2016, the referred tax assessment proposals are final. In turn, the tax-assessment proposals for fiscal years 2017 and 2018 are provisional given that the tax audits were limited to the verification of the income reduction derived from specific intangible assets. The total amount of tax due is €3,072 thousand. The Board of Directors of the Guarantor has estimated that the criteria applied by the tax authorities does not have a material impact on the years open to tax audit. Furthermore, on 9 June 2020, the Guarantor signed, in disagreement, proposals of tax assessments regarding value added tax. The tax-assessment proposals amount to €2,413 thousand. The purpose of the value-added-tax audits is the regularisation of the consideration exchanged for the financial activities carried out by the Guarantor and its effects in connection with the deductibility of value added tax. As of 30 September 2020, no final tax assessment had been issued. Nevertheless, the tax authorities have considered that the Group's approach was reasonable and have expressly stated that no penalties should be imposed.

## Regulation

### *Telecom Infrastructure Services segment*

At European level, there is a new common regulation as the European institutions agreed on the Directive (EU) 2018/1972 of the European Parliament and of the Council, of 11 December 2018, that establishes the European Electronic Communications Code (the “**CODE**” or the “**EECC**”). The EECC is meant to be the framework regulation for the electronic communication services within the EU in the future, being —among others— the umbrella for the 5G roll-out in Europe.

At national level, telecom acts are the laws regulating the electronic communications sector, including network operations (the “**Telecom Acts**”), and with the exclusion of services regulated by audiovisual acts (the “**Audiovisual Acts**”).

On a general basis, Telecom Acts provide 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. The Telecom Acts also regulate —among others and depending on the jurisdiction— 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 networks;
- infrastructure and public electronic communications networks in buildings (affects the reception of broadcast services provided by the Guarantor);
- radio public domain, because the Guarantor is required to verify that its customers have the authorisation certificates needed to perform their activity;
- taxes on telecommunications; and
- inspection and sanction system.

The Member States shall transpose the EECC into their national legal regimes, as Telecom Acts, by 21 December 2020. That will mean the passing of 28 new Telecom Acts in the EU or the modification of the existing ones.

The CODE includes a specific article regarding the need for a *light-touch* regulation to be applied to wholesale-only operators. Indeed, article 80 of the EECC recognises the pro-competitive behaviour of the wholesale-only operators, like independent towerco’s, calling the national regulators to not regulate the infrastructure business and to only ask, if needed, for a fair and reasonable pricing.

The Group is only subject to specific sector-related regulation in Portugal, where entities that hold or operate passive hosting infrastructure used by telecom operators must comply with Decree-Law 123/2009 (the “**Decree-Law**”), according to which infrastructures shall be run as open platforms and, insofar as technically possible, access shall be granted to all telecom operators requesting access or use, under equalitarian, transparent and non-discriminatory conditions. The Decree-Law also establishes a general cost orientation principle on remuneration which will be further developed in a regulation to be issued by the Portuguese regulator (*Autoridade Nacional de Comunicações* or ANACOM). A draft of the regulation has already been prepared and was subject to public consultation but its final version is still pending.

### ***Broadcasting Infrastructure segment***

The Broadcasting Infrastructure segment is also an “electronic communications segment” regulated by the EECC and the respective Telecom Acts. In Spain, it is subject to the Spanish General Telecommunications Act (Law 9/2014, of 9 May) (the “**GTA**”), which is the law regulating the electronic communications sector in Spain, including network operations and the provision of electronic communications services and associated resources, with the exclusion of the services regulated by the Spanish Audio visual Communication Act referred to further below.

The GTA implements 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 under the European regulatory framework for electronic communications networks and services.

### ***European regulations***

In order to promote competition in the provision of electronic communications networks and services and following the prior European legislation, the EECC 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. **SMP operators' identification:** national regulation authorities ("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 broadcasting transmission services, identified as "Market 18" (a market in which the Guarantor 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 of the EU.

The GTA contains the standards to carry out market reviews under the terms described therein.

#### *Definition and market analysis of the television broadcasting transmission service*

##### Prior reviews of Market 18 declaring the Guarantor an SMP operator

The CMT (before the creation of the CNMC) conducted three reviews of the Market 18, the audio visual market according to Commission Recommendations, that were approved in 2006, 2009 and 2013.

In its resolutions of the Market 18, the market for broadcasting transmission services by terrestrial waves was defined as that which "*includes technical activities consistent in making available audio visual 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) 291 local geographical markets defined in terms of boundaries contained in the technical television plan.

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

The CMT considered that there were certain high and non-transitory barriers to market entry in the broadcasting transmission services market mainly because (i) sunk costs were particularly relevant in the market; (ii) there were significant economies of scale that allow the historical operators to obtain relevant reductions in average unit costs; (iii) the service required 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.

*Latest review of Market 18 introducing flexibility to the obligations imposed to the Guarantor as an SMP operator*

On 6 October 2018, the CNMC published a public consultation process to analyse and carry out a further review (the fourth) of the television broadcasting transmission market. With this new process, the CNMC aimed at maintaining the Guarantor's status as SMP operator while advocating for a more flexible regulatory framework to foster the number of agreements to access the Guarantor's infrastructure and, thus, increasing the number of alternative suppliers for broadcasters. In particular, the proposal aimed (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 Guarantor'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*).

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, the CNMC published on 17 July 2019 its Resolution approving the definition and analysis of the wholesale market for the television broadcasting transmission service (Market 18/2003) and notified to the European Commission and the European Electronic Communications Regulators Entity ("CNMC Resolution 2019"). The CNMC Resolution 2019 entered into force the day after its publication in the Spanish National Official Gazette (*Boletín Oficial del Estado*), i.e. 25 July 2019.

The CNMC Resolution 2019 maintains the Guarantor's status as SMP operator but introduces some flexibility in the main obligations imposed on the Guarantor as briefly described herein below:

- *Access to other operators.* Obligation to provide access to the Guarantor's national network of broadcasting centers to other operators. Generic obligation of access to the Guarantor's sites which are part of its DTT broadcasting network, by virtue of which the Guarantor will have to negotiate in good faith the access of third-party operators to its centers, either in co-location and interconnection modes, making equally available the access through both systems to Guarantor's infrastructure. The Guarantor shall not limit access based on the use to be made of its centers or the technology to be used by the alternative operator, as far as the service to be provided consists on the broadcasting of television signals or any related services such as transportation.
- *Non-discrimination.* The Guarantor shall apply equivalent conditions under similar circumstances to other operators that provide equivalent services. The Guarantor shall also provide to third parties services and information of the same quality as those provided for its own services or to its affiliates, as well as to other third-party operators.
- *Transparency.* The Guarantor shall provide to third parties a reference offer for the provision of the wholesale service, which must be sufficiently detailed in order to ensure that payment is not required for resources that are not necessary for the service at stake. If the Guarantor modifies the offer, it shall inform the CNMC. The CNMC may require the introduction of changes in the reference offer, according to article 69.2 of the EECC and article 7.3 of the Royal Decree 2296/2004, of 10 December, approving the

Regulation on electronic communications markets, network access and numbering (*Real Decreto 2296/2004, de 10 de diciembre, por el que se aprueba el Reglamento sobre mercados de comunicaciones electrónicas, acceso a las redes y numeración*).

- *Price Control.* The Guarantor is subject to four obligations related with price control: (i) replacement of the cost-oriented pricing obligation by an obligation to set reasonable prices for the provision of access services; in no case those prices shall be excessive or result in an operating margin squeeze preventing the entry of an efficient operator into the market; in order to determine whether prices are reasonable, CNMC will take into account the prices charged by the Guarantor to broadcasters for the provision of the broadcasting service under comparable conditions and the additional costs to co-location and interconnection services that an operator must incur in providing the broadcasting service to a broadcaster; (ii) notwithstanding the suppression of the cost-oriented pricing obligation, the cost accounting and separate accountability obligations remain as a source of ancillary information for the regulator in order to determine whether Cellnex's prices are reasonable; (iii) obligation to publish the prices for the access services and their modifications in the reference offer; and (iv) obligation to communicate to the CNMC the contracts with the broadcasters at a national level, and any amendment to those already in force.

#### *The GTA regulation*

In general, any natural or legal person who wants to provide services in the electronic communications market must obtain the appropriate authorisation certificate. Each country manages their own certificates and has a sort of registry for operators. The Guarantor 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 where it is necessary.

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 in each country. 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 are responsible for setting the frequency bands authorised for each of the applications. Specifically, in Spain the Spanish Secretary of State for the Telecommunications and Digital Infrastructures (*Secretaría de Estado de Telecomunicaciones e Infraestructuras Digitales* or “**SETID**”) is responsible for this, ARCEP in France, OFCOM in the UK or AGCOM in Italy for instance. The frequency allocation is performed in the National Frequency Allocation Tables, determining which frequencies are valid for each of the applications and the technical conditions of use thereof.

The appropriate authorisation certificates required for the use of the radio spectrum for radio and television broadcast are not held by Cellnex and are held by its clients (i.e. the different operators that provide final telecom services such as TV broadcasters, FM/AM radio broadcasters, etc.). The Guarantor is required to verify that its clients have those authorisation certificates prior to providing transmission and broadcasting service of the signal.

#### *Audio visual broadcasting services regulation*

At the EU level, Directive 2010/13/EU on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audio visual media services (the “**Audio visual Media Services Directive**”), as amended by Directive (EU) 2018/1808 of the European Parliament and the Council, approved on 14 November 2018 (the “**Directive 2018/1808**”) (jointly, the “**AVMSD**”) is meant to be the framework for the audio visual services for the coming years, and will be the umbrella for the broadcasters business. The Member States shall transpose the AVMSD into their national legal regimes by 19 September 2020 and that would mean new Audiovisual Acts in most of the European countries or the modification of the existing ones.

In Spain, the Spanish Audio visual Communication Act (Law 7/2010, of 31 March) (the “ACA”), which implemented the Audio visual Media Services Directive (and which will have to be modified or superseded by a new Audio visual Act in order to implement Directive 2018/1808), states that radio and audio visual broadcasting services are general interest services in Spain that can generally be provided in a competitive environment by anybody, subject to prior notice to SETID, 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 license regime. Services requiring the use of radio spectrum will have to follow a tender process to obtain the relevant licenses. These licenses 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 them to broadcast one or more channels within a digital MUX. For audio visual content to reach viewers, DTT operators need a broadcast network that carries the DTT signal from the DTT operators at production centers. 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.

Audio visual licenses 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.

#### *Digital Dividend and UHF Band*

The analogue switch-off (ASO) and the implementation of DTT in Spain were completed in April 2010. As a consequence of its successful implementation and due to the DTT providing higher spectrum efficiency (more and better services in less spectrum), the 800MHz band was allocated to mobile services on the so-called Digital Dividend process which was completed on 2015. A second Digital Dividend, the 700MHz band, is envisaged for 2020 (plus 2 years depending on the country) in all Europe. A third Digital Dividend is not expected to take place in the foreseeable future as per 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 (the “**UHF Decision**”), by which the EU ensures the allocation of the remaining spectrum for broadcasting services until, at least, 2030.

#### *First Digital Dividend, 800MHz band*

The National Technical Plan for DTT was approved by the Royal Decree 805/2014, of 19 September. Among other matters, this new Technical Plan allowed the release of the so-called “Digital Dividend”, so that the 800 MHz band 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 national level and, on a general basis, from two to one at regional level.

On 17 April 2015, the Spanish government approved a resolution published in the Spanish Official Gazette on 18 April 2015 stating the basis for a public tender for the award of six new DTT national licenses: two standard definition (SD) channels (one on the RGE2 MUX and the other on the MPE4 MUX), and three high definition (HD) channels within a new MPE5 MUX. The licenses were awarded to: Grupo Secuoya, Kiss and 13TV (SD licenses) and Mediaset, Atresmedia and Real Madrid (HD licenses). These new channels began their emissions in April 2016.

#### *Second Digital Dividend, 700MHz band*

The World Radio Communication Conference 2015 (WRC 2015) held in Geneva during November 2015 made important decisions on the UHF band:

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

After the WRC Decision and several years of debate, the EU made its choice as per the mentioned UHF Decision setting up the spectrum usage until 2030:

- 700MHz band (the second Digital Dividend): Member States shall allow by 30 June 2020 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 EC. 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 EC's decision.
- Sub 700MHz 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 the 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, which was originally expected to conclude by 30 June 2020, following the EU calendar. A massive consensus among relevant stakeholders (including both the telecommunication and broadcasting sectors) on the need for a non-disruptive transition and on keeping the DTT competitively by ensuring the current number of MUXs, drove the process. 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 21 June 2019, the Spanish government passed Royal Decree 391/2019 approving the new National Technical Plan for DTT and the regulation of certain aspects of the liberalisation of the second Digital Dividend.

This Royal Decree regulates how the 700 MHz band will be liberalized and how the radio-electric channels and the new digital MUXs will be distributed among the Spanish Public Radio and Television Corporation and other license holders, obligations of minimum range of reception and the technical specifications that the television services have to meet. The current number of MUXs (and their coverages) on the sub 700MHz band will be maintained, as well as the offer of DTT channels. The Royal Decree also states that the 700 MHz band shall not be used by audio visual communication service providers by 30 June 2020, in order to make it available for the 5G mobile services from that date onwards. The Royal Decree further establishes that the sub-700 MHz will continue to be used for television broadcasting until, at least, 2030.

On the same date, the Spanish government approved the Royal Decree 392/2019, which regulates the direct granting of subsidies to compensate the costs in the reception of or access to television audio visual communication services in buildings, as a consequence of the liberalization of frequency bands in the range 694-790 MHz (the second Digital Dividend).

The subsidies are granted to homeowners associations and will be affected to compensate for costs and investments arising from the necessary actions in order to ensure the reception of or the access to the television communication services in buildings affected by the liberalization of the second Digital Dividend. The abovementioned actions have to respect the principle of technological neutrality, in a way that does not favor a particular platform. The beneficiaries may choose any available technology allowing reception of or access to the audio visual television services in the affected buildings. The concession of the subsidies will be carried out by the public entity Red.es and will be made by a direct concession procedure, in view of the exceptional nature of the process of liberalization of the second Digital Dividend, involving the relocation of numerous public and private television channels, and the existence of reasons of public and social interest consisting in avoiding the loss of access to the television services for a part of the Spanish population, until the adaptation of their reception equipment is completed.

A few months later, the Spanish government passed Royal Decree 579/2019, of 11 October, which regulates the direct granting of subsidies to public audio visual television service providers at national and regional levels, for the purpose of compensating the costs arising from the simultaneous and transitory emission of their tv channels during the process of liberalization of the second Digital Dividend.

This Royal Decree (i) declares as service of general economic interest the simultaneous and transitory broadcasting by public audio visual television service providers of their channels in the frequencies affected by the second Digital Dividend and, as a consequence, (ii) grants subsidies, of up to €10 million, to compensate the costs arising from the simulcast during the transitory period.

Due to the sanitary crisis caused by the Coronavirus Pandemic, the Spanish government declared the state of alarm by means of Royal Decree 463/2020, of 14 March. In this context, the government decided to temporarily postpone (not suspend) the execution of the pending phases for the implementation of the liberalisation of the second Digital Dividend. As explained by the Ministry of Economic Affairs and Digital Transformation, in a press note released on 30 March 2020, the above measures had been communicated to the European Commission. Notwithstanding the above, due to the ending of the state of emergency on 21 June 2020, the Spanish Council of Ministers of 23 June 2020 approved the Royal Decree-Law 23/2020, by means of which the deadline for the implementation of the release of the second Digital Dividend was extended until 31 October 2020.

In line with the above, the Spanish government published in June 2020 a reviewed version of its national roadmap for the liberalisation of the second Digital Dividend and announced (i) the duly amendment of the regulations in force to adapt them to new deadline of 31 October 2020; (ii) the maintenance of the simulcast emissions (simultaneous emission of a TV channel through the new and old frequencies) until 30 September 2020 in order to facilitate the adaptation of users' facilities to the reception of the new planned frequencies; and (iii) the setting of the bidding for the allocation of 700Mhz frequency bands for 5G services on the first trimester of 2021.

Hence, the Spanish government approved on 28 July 2020 the Royal Decree 707/2020, which extended the deadlines established in Royal Decree 392/2019 and in Royal Decree 579/2019. In particular and respectively, the deadline for applying for the subsidy was extended until 31 December 2020 and the compensation period for the simulcast emissions of public audio-visual television service providers' tv channels during the process of liberalisation was extended until 30 September 2020.

On the same day and in parallel, the Spanish government also approved Royal Decree 706/2020, which established a new set of subsidies to compensate for the costs incurred by private operators as a result of the changes to be made to transmission equipment to adapt it to the new frequencies. This Royal Decree (i) recognises



the public and social interest in preventing the loss of access to the broadcasting service by part of the Spanish population until the adaptation of the reception equipment of private audiovisual television service providers is completed and, as a consequence, (ii) grants subsidies, of up to €10 million.

Thanks to the effort of all Spanish broadcasting sector and after more than one year of intensive works, the second Digital Dividend ended last 31 October 2020 having achieved all its objectives, including minimizing the impact for citizens.

### ***Other Network Services segment***

The activities undertaken by the Group in its Other Network Services segment are not subject to specific sector-related regulation.

### ***Competition Law***

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

The prohibition of competition-restricting practices is the result of both EU and national law. European and national competition laws (articles 101 and 102 of the TFEU and articles 1 and 2 of the LDC, as well as implementing regulations) regulate these practices in a similar manner. In general, EU laws regulate any prohibited practices that may affect trade between Member States, and national laws regulate practices that have a domestic effect.

If the relevant competition authorities (generally the EC on the European level, and the national competition authority in each relevant Member State on the national level, as well as, in the case of Spain, certain regional authorities in their jurisdictions) determine that a company has abused its dominant position or is party to a prohibited agreement, they may order the Guarantor to cease such anticompetitive practices and/or impose sanctions which may include fines. Fines imposed by the EC are computed on the basis of the revenues obtained in the affected market by the offending company and capped at 10% of the total consolidated revenues obtained by the group of the offending company (companies sharing a common control structure) in the year preceding the decision. In the case of Spain, fines imposed by the CNMC or the regional authorities are computed as up to a 10% of the total consolidated revenues obtained by the offending company in the year preceding the decision (in case of an anticompetitive agreement or concerted practice between competitors or an abuse of dominance by a monopolist or quasi-monopolist or a company enjoying special rights) or up to 5% (in case of an anticompetitive agreement or concerted practice between non-competitors or other instances abuse of dominance).

Actions constituting 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 as a result thereof.

The competition regulations prohibit as especially serious infringements any agreement or concerted practice 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 regulations also prohibit certain practices in connection with the supplier-customer relationship. In this case, there are no absolute prohibitions (other certain hardcore restrictions related to the fixing of resale prices and limits as to where or to whom the customer may resale the products) 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 Guarantor must enjoy a dominant position in the market affected by the practice as a pre-condition. Thus, before examining whether a specific conduct is abusive, it is necessary to determine the relevant market and the Guarantor's position in such market. Defining the relevant market is of

great importance because it determines the Guarantor's position 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 under EU and national regulations, however there are different criteria that are used to assess whether such a position exists or not. The main such criterion is market share which gives an indication of the existence of dominance. In this regard, market shares below 40% entail a presumption that there is no dominance. In any event, the particular circumstances applicable to each case should be carefully analysed.

Abuse may take different forms. Article 102 of the TFEU and its national equivalent 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.

As per the nature of its business, the sharing of infrastructures, the behavior of Cellnex is to promote competition, especially given that the fast and efficient roll-out of the upcoming 5G technology is a cross-cutting key priority for the EC in order to ensure the European industry's competitiveness in an increasingly digital society.

In this regard, recent European developments on the telecom and infrastructures markets are pointing to the benefit of the citizen and the roll-out of telecom networks acquiring a more prominent role as legal interests that deserve being protected by means of competition regulations enforcement. So, more attention to efficiencies that actually benefit telecom customers in the competition and regulatory examinations might be expected (as for instance in the EC's decision of 6 March 2020, case M.9674 Vodafone Italia/TIM/INWIT JV and the General Court of the EU's judgement of May 28, 2020, case T-399/16 CK Telecoms UK Investments v Commission).

### Board of Directors of the Guarantor

The Guarantor's Bylaws provide for a Board of Directors consisting of between 4 and 13 members. The Board of Directors of the Guarantor currently consists of 12 Directors, although there are currently two vacancies. The composition of the Board of Directors of the Guarantor as of the date of this Base Prospectus 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 Guarantor are shown below:

Name	Nature	Title	Principal activities outside the Guarantor
Mr. Franco Bernabè	Proprietary	Chairman	Senior advisor to Barclays Bank.
Mr. Tobías Martínez Gimeno	Executive	Chief Executive Officer	N/A
Mr. Bertrand Boudewijn Kan	Independent	Vice Chairman	Among other responsibilities, he is currently a chairman of the Advisory Board of Wadhvani Asset Management and of the Supervisory Board of UWC Netherlands.
Mr. Giampaolo Zambelletti	Independent	Coordinating Director	Vice-President of Unidad Editorial S.A.
Mr. Pierre Blayau	Independent	Director	President of CCR (Caisse Centrale de Reassurance), member of the Strategic Committee of SECP (Canal+ Group), Censor of

Name	Nature	Title	Principal activities outside the Guarantor
			FIMALAC, Senior Advisor of Bain & Company and Chairman of Harbour Conseils.
Ms. Anne Bouverot	Independent	Director	Chairperson of the Board of Technicolor, as well as Senior Advisor of TowerBrook Capital Partners, Board director at Capgemini and Edenred and Chairperson of Foundation Abeona.
Ms. Concepción del Rivero Bermejo	Independent	Director	Non-executive Chairperson of Pentacom and a Board member of Gestamp Automoción S.A., member of the advisory boards of the Mutual Society of Lawyers and of the “Made in Mobile” technology incubator and a member of the Board of the Spanish Directors Association (AED). She is also Vice-President of the International Women’s Forum Spain and member of the Women Corporate Directors Foundation in Spain.
Ms. María Luisa Guijarro Piñal	Independent	Director	Board member of Adamo Telecom Iberia, S.A. and Adamo Telecom, S.L.
Mr. Christian Coco	Proprietary	Director	Director of Industrial Investments at Edizione Srl, director of the companies of Grupo Edizione, Benetton Srl and CEO of ConnecT Due, as well as non-executive Chairman of Benetton Group Srl.
Mr. Leonard Peter Shore	Independent	Director	N/A

Mr. Jaime Velázquez Vioque is Secretary Non-Director of the Board of Directors, and Ms. Virginia Navarro Virgós is Vice-Secretary Non-Director of the Board of Directors.

The business address of the Guarantor’s Directors and senior managers is currently Juan Esplandiú 11-13, 28007, Madrid, Spain.

During the financial year ended 31 December 2019, the Board of Directors held 17 meetings. Since the beginning of the current year and until the date of this Base Prospectus, the Board of Directors of the Guarantor has met on 11 occasions.

### Senior Management of the Guarantor

The Senior Management of the Group (“**Senior Management**”) is carried out by the Chief Executive Officer and the people identified below:

Name	Title	Principal activities outside the Guarantor
Mr. Lluís Deulofeu Fuguet	Deputy Chief Executive Officer	N/A
Mr. José Manuel Aisa Mancho	Corporate Finance & M&A Director	N/A
Mr. José M <sup>a</sup> Miralles Prieto	General Counsel - Legal & Regulatory Affairs	N/A
Mr. Antoni Brunet Mauri	Corporate & Public Affairs Director	N/A
Mr. Alberto López Prior	Global Resources Director	N/A
Mr. Àlex Mestre Molins	Business Deputy Chief Executive Officer	N/A

Name	Title	Principal activities outside the Guarantor
Ms. Virginia Navarro Virgós	Legal M&A & Financing Director	N/A
Mr. Sergio Tórtola Pérez	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 Pentacom, which is active in the wholesale market of optic fiber for the FTTH -fiber to the home-operators.

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

Conflicts of interest of the Directors of the Guarantor are governed by the Internal Code of Conduct in matters concerning the Securities Markets (the “**Code of Conduct**”) and additionally by the Board of Directors Regulations which establish 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 Guarantor and refrain from intervening agreements or decisions of the Guarantor in the transaction to which the conflict refers.

Regarding Senior Management and as provided in the Code of Conduct, a senior manager shall notify the Secretariat of the Board of Directors of any potential conflicts of interest that may arise and shall act at all times with loyalty to the Guarantor 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.

## 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 Base Prospectus 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 holders of the Notes 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 holders include the beneficial owners of the Notes, where applicable.

In particular, note that the Spanish government has just announced that the draft bill for the 2021 General State Budget will foresee the introduction of specific tax measures that may modify the taxation described herein. There measures may include, inter alia, the following amendments:

- (i) Personal Income Tax: An increase of the tax rates applicable to taxable savings for capital income over €200,000.
- (ii) Net Wealth tax: An 1% increase in the Net Wealth Tax rate applicable to individuals whose net worth exceeds €10 million. Moreover, Net Wealth Tax is introduced for an indefinite period.
- (iii) Corporate Income Tax: The Spanish participation exemption may be modified from a full exemption to a 95% exemption (although certain exceptions may apply).

These measures have not yet been passed and it is not clear if (or how) they might ultimately be approved (some of these measures could be substantially modified or even abandoned).

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

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 July 29 ("**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 and article 314 of the Consolidated Text of the Spanish Securities Market Law and related provisions.

## **1 Individuals with Tax Residency in Spain**

### **1.1 Personal 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%. However, according to Section 44.5 of Royal Decree 1065/2007, of 27 July, the Issuer will make interest payments to individual holders 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 Fiscal 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 holders may credit the withholding against their Personal Income Tax liability for the relevant fiscal year and may be refundable pursuant to Section 103 of the Personal Income Tax Law.

## **1.2 Reporting Obligations**

The Issuer and the Guarantor 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.

## **1.3 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 18/2019, of 27 December, as from year 2021, a full exemption on Wealth Tax (*bonificación del 100%*) would apply, and therefore, 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 (which cannot be ruled out).

## **1.4 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 state rules. As of the date of this Base Prospectus, the applicable tax rates currently range between 7.65% and 81.6% depending on the relevant factors (such as previous net wealth or family relationship between the transferor and transferee) although the final tax rate may vary depending on any applicable regional tax laws.

# **2 Legal Entities with Tax Residency in Spain**

## **2.1 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.

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 Fiscal 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%, 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.

## **2.2 Reporting Obligations**

The Issuer and the Guarantor 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.

### **2.3 Wealth Tax (Impuesto sobre el Patrimonio)**

Spanish resident legal entities are not subject to Wealth Tax.

### **2.4 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 CIT purposes.

## **3 Individuals and Legal Entities with no Tax Residency in Spain**

### **3.1 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 CIT 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 (“NRIT”) taxpayers with no permanent establishment in Spain, are exempt from such NRIT and also from withholding tax on account of NRIT provided certain requirements are met.

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.

### **3.2 Reporting Obligations**

The Issuer and the Guarantor 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 or not.

### **3.3 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 NRIT, 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 Royal Decree-Law 18/2019, of 27 December, as from year 2021, a full exemption (*bonificación del 100%*) on Spanish Net Wealth Tax would apply, and therefore from year 2021 and onwards, individuals non-resident in Spain will be released from formal and filing obligations in relation to this Spanish Net Wealth Tax, unless the application of this full exemption is postponed or revoked again (which cannot be ruled out).

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

### **3.4 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 in accordance with the law. In addition, if the deceased or the donee is resident outside an EU or European Economic Area Member State, the relevant autonomous regions rules might be applicable pursuant to recent rulings issued by the EU Courts and the Spanish Supreme Court (judgments of 19 February, 21 March and 22 March 2018). 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 NRIT. 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.

## **4 Payments made by the Guarantor**

Any payments of principal and interest made by the Guarantor under the Guarantee may be characterised as an indemnity and, accordingly, be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by Spain or any political subdivision or authority thereof or therein having power to tax.

However, although no clear precedent, statement of law or regulation exists in relation thereto, in the event that the Spanish Tax Authorities take the view that the Guarantor has validly, legally and effectively assumed all the obligations of the Issuer under the Notes subject to and in accordance with the Guarantee. In such circumstances, the Spanish tax authorities may determine that payments made by the Guarantor will be subject to the same tax rules set out above for payments made by the Issuer.

## 5 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 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 the relevant payment is made;
- (c) the total amount of the relevant payment of income; and
- (d) the amount of the relevant payment paid to each entity that manages a clearing and settlement system for securities situated outside Spain.

In particular, the Fiscal 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 Base Prospectus.

In light of the above, the Issuer and the Fiscal 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 timely received by the Issuer, the Issuer will withhold tax at the then-applicable rate (currently 19%) 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 relevant payment date, the Fiscal 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 NRIT on income derived from the Notes, but where the Issuer does not timely receive from the Fiscal Agent the information above about the Notes by means of a certificate the form of which is attached as Annex I of this Base Prospectus, 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 NRIT Law.

Investors should note that none of the Issuer, the Guarantor or the Fiscal Agent accepts any responsibility relating to the procedures established for the collection of information concerning the Notes. Accordingly, the Issuer, the Guarantor and the Fiscal Agent will not be liable for any damage or loss suffered by any holder 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 and the Guarantor will not pay any additional amounts with respect to any such withholding. See Risk Factors “*Risks related 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.

*The language of the Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.*

## 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 ( )<sup>(1)</sup>, en nombre y representación de (entidad declarante), con número de identificación fiscal ( )<sup>(1)</sup> y domicilio en ( ) en calidad de (marcar la letra que proceda):**

Mr (name), with tax identification number ( )<sup>(1)</sup>, in the name and on behalf of (entity), with tax identification number ( )<sup>(1)</sup> 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) Issuing 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 ...

<sup>(1)</sup> **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**

<sup>(1)</sup> 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.

However, the FTT proposal remains subject to negotiation between the Participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear as of the date of this Base Prospectus. Participating Member States may decide to withdraw and additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT and its potential impact on the Notes.

On 15 October 2020, Spain has passed Law 5/2020, of 15 October, on the Spanish Financial Transaction Tax. . The issuance and subscription of Notes should not be subject to the FTT, as it would tax the acquisition of shares (including the transfer or conversion of bonds) of Spanish companies, admitted to trading on a regulated market in an EU member state or in a third country market considered equivalent, with a market capitalisation of more than €1 billion, at a fixed tax rate of 0.2%, and regardless of the jurisdiction of residence of the parties involved in the transaction. The law will come into force on 16 January 2021.

Prospective holders of the Notes 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" and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. Noteholders should consult their own tax advisers 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.

## SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Banco de Sabadell, S.A., Banco Santander, S.A., BNP Paribas, CaixaBank, S.A., Intesa Sanpaolo S.p.A., Mediobanca – Banca di Credito Finanziario S.p.A. and UniCredit Bank AG (the “**Dealers**”). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and subscribed by, Dealers are set out in an amended and restated dealer agreement dated 3 December 2020 (the “**Dealer Agreement**”) and made between the Issuer, the Guarantor and the Dealers. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and a single Dealer for that Tranche to be issued by the Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Final Terms as “Non-Syndicated” and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Final Terms. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and more than one Dealer for that Tranche to be issued by the Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Final Terms as “Syndicated”, the obligations of those Dealers to subscribe the relevant Notes will be joint and several and the names and addresses of those Dealers and any other interests of any of those Dealers which are material to the issue of that Tranche beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as Stabilising Manager in relation to that Tranche) will be set out in the relevant Final Terms.

Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

### U.S.

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold 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.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the U.S. or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and regulations promulgated thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to 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 Tranche, as determined and certified to the Fiscal Agent by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Fiscal 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 Tranche, 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 and UK 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 Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision:

- (a) 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 (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### **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, warrant and agree that:

- (a) *No deposit-taking*: in relation to any Notes having a maturity of less than one year:
  - (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 or the Guarantor; 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.

## Kingdom of Spain

Each of the Dealers, the Issuer and the Guarantor have 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 require the publication of a prospectus in Spain, or without complying with all legal and regulatory requirements under Spanish securities laws. Neither the Notes nor the Base Prospectus have been registered with the CNMV and therefore the Base Prospectus is not intended for any public offer of the Notes in Spain that would require the registration of a prospectus with the CNMV.

## Republic of Italy

The offering of the Notes has not been registered with the Commissione Nazionale per le Società e la Borsa (“CONSOB”) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to any Notes be distributed in the Republic of Italy, except, in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver any Note or distribute any copies of this Base Prospectus and/or any other document relating to the Notes in the Republic of Italy except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of the Legislative Decree No. 58 of 24 February 1998 (the “**Financial Services Act**”) and Italian CONSOB regulations; or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation and Article 34-ter of the Issuers Regulation, as amended from time to time, and applicable Italian laws.

In any event, any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy under paragraphs (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of 1 September 1993 (the “**Banking Act**”) and CONSOB Regulation No. 20307 of 15 February 2018, all as amended from time to time;
- (b) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time; and
- (c) in compliance with any other applicable laws and regulations, including any limitation or requirement imposed by CONSOB or the Bank of Italy or other competent Authority.

### Provisions relating to the secondary market

*Please note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and the Issuers Regulation. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors. Furthermore, a public offer occurs also where the Notes which are initially offered and placed in Italy or abroad to qualified investors only but in the following 12 months are “systematically” distributed on the secondary market in Italy. Where no exemption from the rules on public*

*offerings applies, failure to comply with the prospectus requirement rules provided under the Financial Services Act and Issuers Regulation may result in the purchasers of Notes who are acting outside of the course of their business or profession being entitled to declare such purchase void and to claim damages from any authorised person at whose premises the Notes were purchased (soggetti abilitati presso cui è avvenuta la vendita).*

## **France**

Each Dealer has represented and agreed and any further Dealer appointed under the Programme will be required to represent and agree, that it has only offered or sold, and will only offer or sell directly or indirectly Notes in France to, and has only distributed or caused to be distributed and will only distribute or cause to be distributed in France any offering material relating to the Notes to (i) qualified investors as defined in Article 2(e) of the Prospectus Regulation.

This Base Prospectus has not been submitted for clearance to the *Autorité des Marchés Financiers*.

## **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, “**Japanese Person**” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## **General**

Each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree with the Issuer and the Guarantor that it has, to the best of its knowledge, complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer, the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed “*General*” above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer and the Guarantor. Any such supplement or modification may be set out in a supplement to this Base Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

## GENERAL INFORMATION

### Authorisation

1. The establishment of the Programme has been duly authorised by a resolution of the Board of Directors of Cellnex on 3 November 2020 and by a resolution of the Sole Director of the Issuer on 3 November 2020, and the granting of the Guarantee by Cellnex has been duly authorised by the aforementioned resolution of the Board of Directors of Cellnex on 3 November 2020. Each of the Issuer and the Guarantor have obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.
2. The Base Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”), as Irish competent authority under the Prospectus Regulation. The Central Bank only approves this Base Prospectus as meeting the requirements of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such an approval should not be considered as an endorsement of either the Issuer or the Guarantor that are the subject of this Base Prospectus nor as an endorsement of the quality of any Notes that are the subject of the Base Prospectus. Investors should make their own assessment as to the suitability of investing in such Notes. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of MiFID II and/or which are to be offered to the public in any member state of the EEA or in the UK. Application has been made to Euronext Dublin for the Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list and trading on its regulated market.

However, Notes issued under the Programme may be listed on a stock exchange different from Euronext Dublin as the Issuer, the Guarantor and the Relevant Dealer(s) may agree.

### Legal and Arbitration Proceedings

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

### Trend Information

4. Since 31 December 2019 there has been no material adverse change in the prospects of the Issuer or of Cellnex or of the Group.

### Significant Change in the Financial Performance or Financial Position

5. Since 30 September 2020 there has been no significant change in the financial performance or financial position of the Issuer or of Cellnex or of the Group, save as described in “*Description of the Guarantor– Recent Developments*”

### Auditors

6. The consolidated financial statements of the Guarantor for the years ended 31 December 2019 and 31 December 2018 have been audited by Deloitte, S.L. expressing unqualified opinions for both years. Deloitte, S.L. address is Plaza de Pablo Ruiz Picasso, 1, Torre Picasso, 28020 Madrid, is registered under

number S0692 in the Official register of Auditors (*Registro Oficial de Auditores de Cuentas*) and is a member of the Instituto de Censores Jurados de Cuentas de España.

### **Documents on Display**

7. 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 Fiscal Agent for 12 months from the date of this Base Prospectus or by electronic means at the discretion of the Fiscal Agent (subject to the following documents having been provided by the Issuer and/or the Guarantor to the Fiscal Agent):
- (a) the articles of association of the Issuer and the Guarantor;
  - (b) the audited consolidated financial statements of the Guarantor for the years ended 31 December 2019 and 31 December 2018 and the unaudited consolidated interim financial information of the Guarantor in respect of the 9-month period ended 30 September 2020;
  - (c) the Agency Agreement;
  - (d) the Deed of Covenant;
  - (e) the Deed of Guarantee;
  - (f) the Programme Manual (which contains the forms of the Notes in global and definitive form); and
  - (g) the Issuer-ICSDs Agreement (which was entered into on 1 December 2020 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).

Documents listed in (a) through (g) above are also available for viewing at the corporate website of Cellnex ([www.cellnextelecom.com](http://www.cellnextelecom.com)).

### **Material Contracts**

8. There are no material contracts entered into other than in the ordinary course of the Issuer's or Cellnex's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's or Cellnex's ability to meet its obligations to Noteholders in respect of the Notes being issued.

### **The Legal Entity Identifier**

9. The Legal Entity Identifier (LEI) code of the Issuer is 549300OUIROMFTRFA7T23.
10. The Legal Entity Identifier (LEI) code of the Guarantor is 5493008T4YG3AQUI7P67.

### **Dealers transacting with the Issuer and the Guarantor**

11. 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, the Guarantor 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, the Guarantor

or their affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer or the Guarantor routinely hedge their credit exposure to the Issuer or the Guarantor 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 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.

### **Clearing of the Notes**

12. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and/or the International Securities Identification Number (ISIN) in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

### **Issue Price and Yield**

13. Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer, the Guarantor and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the applicable Final Terms. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from and including the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to but excluding the issue date of the relevant Tranche.

The yield of each Tranche of Notes set out in the applicable Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

### **Bank of New York Mellon**

14. The Bank of New York Mellon SA/NV, Dublin Branch is acting solely in its capacity as listing agent for the Issuer and the Guarantor (and not on its own behalf) in connection with the application for admission of Notes to the Official List of Euronext Dublin and trading on its regulated market.

### **Validity of Base Prospectus and prospectus supplements**

15. For the avoidance of doubt, the Issuer and the Guarantor shall have no obligation to supplement this Base Prospectus after the end of its twelve-month validity period.

**REGISTERED OFFICE OF THE ISSUER**

**Cellnex Finance Company, S.A.U.**  
Calle Juan Esplandiú, 11-13  
28007 Madrid  
Spain

**REGISTERED OFFICE OF THE GUARANTOR**

**Cellnex Telecom, S.A.**  
Calle Juan Esplandiú, 11-13  
28007 Madrid  
Spain

**ARRANGER**

**BNP Paribas**  
16, boulevard des Italiens  
75009 Paris  
France

**DEALERS**

**Banco de Sabadell, S.A.**  
Avenida Óscar Esplá, 37  
03007 Alicante  
Spain

**Banco Santander, S.A.**  
Calle Juan Ignacio Luca de Tena, 11  
Edificio Magdalena, Planta 1  
28027 Madrid  
Spain

**BNP Paribas**  
16, boulevard des Italiens  
75009 Paris  
France

**CaixaBank, S.A.**  
Calle Pintor Sorolla 2-4  
46002 Valencia  
Spain

**Intesa Sanpaolo S.p.A.**  
**Divisione IMI Corporate & Investment Banking**  
Via Manzoni 4  
20121 Milan  
Italy

**Mediobanca – Banca di Credito Finanziario S.p.A.**  
Piazzetta E. Cuccia 1  
20121 Milan  
Italy

**UniCredit Bank AG**  
Arabellastrasse 12  
D-81925 Munich  
Germany

**FISCAL AGENT**

**The Bank of New York Mellon, London Branch**  
One Canada Square  
London E14 5AL  
United Kingdom

**REGISTRAR**

**The Bank of New York Mellon SA/NV, Luxembourg Branch**  
Vertigo Building  
Polaris – 2-4 rue Eugène Ruppert  
L-2453 Luxembourg

**LEGAL ADVISER**

*To the Dealers as to English and Spanish law:*

**Linklaters, S.L.P.**  
Almagro 40  
28010 Madrid  
Spain

**INDEPENDENT AUDITORS TO THE GUARANTOR**

**LISTING AGENT**

**Deloitte, S.L.**  
Plaza Pablo Ruiz Picasso, 1  
28020 Madrid  
Spain

**The Bank of New York Mellon SA/NV, Dublin Branch**  
Riverside II, Sir John Rogerson's Quay  
Grand Canal Dock  
Dublin 2  
Ireland