

## Cellnex acquires Arqiva's Telecoms division for a total consideration of £ 2 bn

- 
- Cellnex to acquire 100% of the company resulting from an Arqiva's carve-out process. It involves the acquisition of c.7,400 sites and the rights to market c.900 sites spread across the UK
  - Total portfolio of sites in the UK (excluding those subject to market and operating rights) will reach c. 8,000. Total Cellnex portfolio will accumulate c.53,000 sites in 7 european markets.
  - The deal involves concessions to use street infrastructure as locations for telecom sites in 14 London boroughs.
  - Expected adjusted Ebitda to be generated in year 2020 amounts to c. GBP 170 M.
  - Expected to be funded through a combination of a GBP 2Bn syndicated loan facility and available cash reserves. In addition, Cellnex has approved the launch of a fully underwritten €2.5 Bn Rights Issue to support this acquisition and Cellnex's pipeline.
  - The acquisition is subject to customary antitrust authorizations as well as other conditions precedent. Closing is expected in H2 2020
  - The deal follows Cellnex's acquisition of marketing and operational rights for 220 high towers from BT in the UK last June.
  - 82% of Cellnex revenues ("run rate") will be generated outside Spain confirming the European scope and identity of the Cellnex project. Since the IPO in 2015 the Company has invested or committed to invest c. € 10.8 billion in the acquisition or construction –until 2027– of up to 42,700 infrastructures.

---

**Barcelona, October 8<sup>th</sup>, 2019.-** Cellnex Telecom, Europe's largest independent operator of wireless infrastructure, announces it has reached an agreement to acquire Arqiva's Telecoms division for a total consideration of c. GBP 2.0 bn. The business and assets to be acquired are expected to generate up to c. GBP 170 M of annual adjusted EBITDA in 2020, with Cellnex accounting for the business from closing, which is expected in H2 2020. The deal is subject to customary antitrust authorizations as well as other conditions precedent.

The transaction involves the acquisition of c.7,400 owned sites and the rights to market c. 900 additional sites, all of them spread across the UK. As a result Cellnex will become the largest independent operator of wireless infrastructure in the UK. The deal involves concessions to use street infrastructure as locations for telecom sites in 14 London boroughs. This is a key element for further extension and network densification ahead of the 5G roll out.

"The Arqiva Telecoms division acquisition is a key milestone for Cellnex," said **Tobias Martinez, CEO of Cellnex**. "Its strong UK asset-base, revenues and financial profile, combined with its long history at the heart of UK digital infrastructure, make it a perfect addition to our operations. This deal will not only add

c.8,300 telecom sites to our portfolio but an experienced team that will further strengthen Cellnex's demonstrated ability to meet its customers requirement.

"I look forward to working with the Arqiva's Telecoms division team, in order to continue to run the business successfully, assuming new challenges together within the Cellnex project."

"The UK has always been a core component of our inorganic expansion plans. This agreement further demonstrates our commitment and confidence in the UK market as we look ahead to further opportunities."

"It provides a significant opportunity for the development of a mobile network fit to match the country's ambitions –**continued Tobias Martinez**. We are ideally placed to bring our operational expertise and innovative approach to bear in a context where the Government and regulators are looking to encourage greater connectivity for all citizens and businesses through network development."

**Simon Beresford-Wylie, CEO of Arqiva said** "This agreement provides both stability and a focus for our future as we concentrate on the provision of broadcast infrastructure, end-to-end networks and connectivity solutions for our TV and radio customers, international content owners, data network providers and utilities."

"The majority of proceeds from the sale will be used to reduce debt, thereby providing a solid financial base for Arqiva and its shareholders to invest in the future of the UK's terrestrial TV and radio platforms as well as its data networks and capability."

"The deal will see a number of colleagues transfer to Cellnex, which I am confident will be an excellent owner for the business. I am sure that it will continue to go from strength to strength under their stewardship."

**This acquisition in the UK follows** the announced strategic agreement signed between Cellnex and BT in June 2019, according to which Cellnex obtained the rights to operate and market 220 high towers located throughout the United Kingdom.

Once the deal is closed Cellnex will manage a portfolio of c.53,000 sites across Europe, including forecasted roll-outs until 2027, across the UK, Ireland, Spain, Italy, France, Switzerland, and the Netherlands. Beyond telecom towers, Cellnex has a unique track record of managing a diverse portfolio of telecoms infrastructure assets, including: towers and rooftop antennas, Distributed Antenna Systems (DAS), Small Cells, Fiber (FTTA), Edge Computing, IoT, and PPDR (Public Protection and Disaster Relief) Networks.

Cellnex has been advised by Clifford Chance (acting as legal advisor), AZ Capital and HSBC (acting as financial advisor), Price Waterhouse Coopers (as financial/tax due diligence advisor) and Arthur D. Little (as commercial advisor).

## 2019, a year of transformational growth

**During 2019** Cellnex has reached various M&A agreements which will **add c.24,000 sites to its portfolio in the European countries in which the company is present**, assuming completion of the transactions and full deployment of the committed build to suit (BTS) programmes.

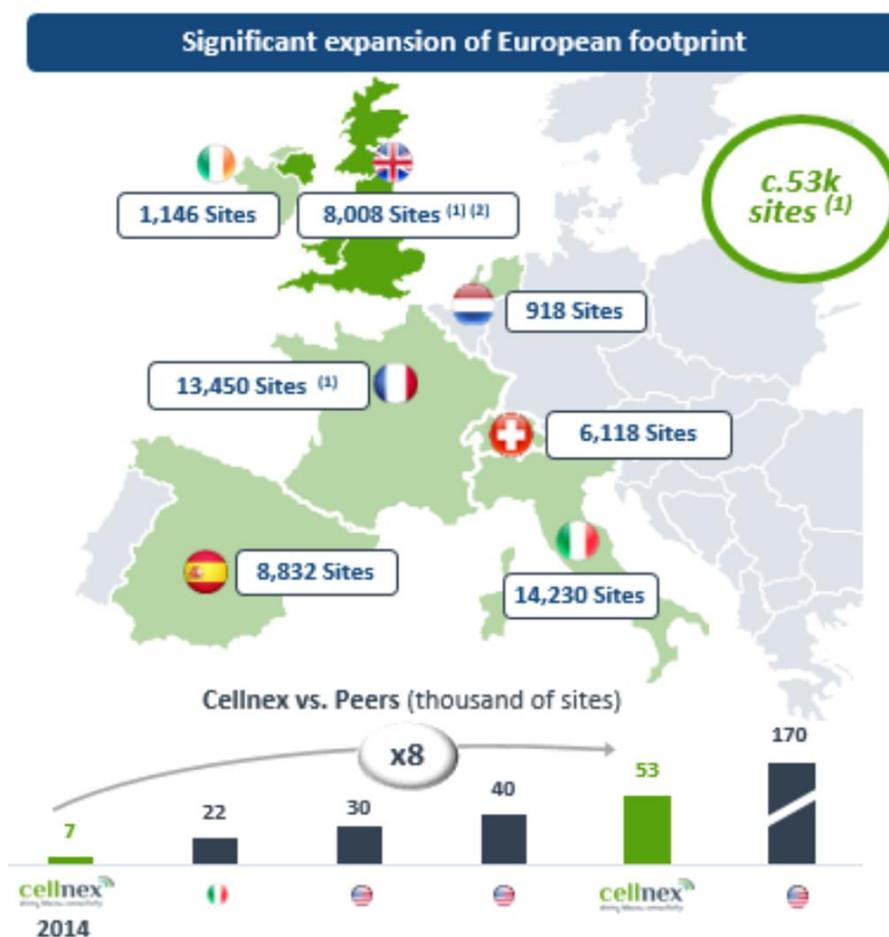
In the first half of 2019, Cellnex entered into long-term strategic cooperation agreements with Iliad - in France and Italy - and with Salt in Switzerland to acquire c. 10,700 sites (5,700 in France, 2,200 in Italy and 2,800 in Switzerland), and roll out a BTS program of 4,000 new sites until 2027 (2,500 in France and 1,000 in Italy for Iliad, and 500 for Salt in Switzerland). The estimated aggregate consideration under these

agreements amounts to c. € 4 billion (2.7 billion for the sites acquisition and 1.35 billion for the BTS programmes).

In June 2019 Cellnex and BT announced the long-term strategic collaboration agreement through which Cellnex acquired the operation and marketing rights of 220 tall telecoms towers in the UK.

In September 2019, the company announced the acquisition of Cignal in Ireland, one of the country's main telecommunications infrastructure operators, for a total consideration (Enterprise Value) of c. € 210 million. The company operates 546 sites in Ireland, which has become the seventh country in which Cellnex operates in Europe. Cignal also will roll out up to 600 new additional sites by 2026, with a further investment of approximately €60 million.

**Since the IPO in 2015** –including Arqiva's Telecoms division –, Cellnex has invested or committed to invest **c.€ 10.8 billion**, in the acquisition or construction –until 2027– of up to 42,700 infrastructures.



(1) Up to 53k sites assuming that all sites to be transferred or built under our M&A contracts are actually transferred or built, as applicable, by each relevant date. Excluding sites not owned. (2) Including c.7,400 TIS sites acquired from Arqiva and excluding sites subject to marketing rights

### About CellnexTelecom

Cellnex Telecom is Europe's leading operator of wireless telecommunications and broadcasting infrastructures with a portfolio of 53,000 sites including forecast roll-outs up to 2027. Cellnex operates in Spain, Italy, Netherlands, France, Switzerland, Ireland, and the United Kingdom.

Cellnex's business is structured in four major areas: telecommunication infrastructures services; audiovisual broadcasting networks; security and emergency service networks and solutions for smart urban infrastructure and services management (Smart cities and the Internet of Things (IoT)).

The company is listed on the continuous market of the Spanish stock exchange and is part of the selective IBEX 35 and EuroStoxx 600 indices and of the MSCI Europe index. It is also part of the FTSE4GOOD and CDP (Carbon Disclosure Project) and "Standard Ethics" sustainability indexes.

Cellnex's reference shareholders include Connect, with a 29.9% stake in the share capital, as well as CriteriaCaixa, Blackrock, Wellington Management Group and Canada Pension Plan, holding smaller stakes.

For more information, news and insights from Arqiva, please visit the website at:

[www.cellnextelecom.com](http://www.cellnextelecom.com)

### About Arqiva

Arqiva is a leading UK communications infrastructure and media services provider dedicated to connecting people and devices wherever they are through the delivery of TV, radio, mobile and machine-to-machine data services. We are an independent provider of telecom towers, with circa 8,000 active sites across Great Britain, and are also the only supplier of national terrestrial television and radio broadcasting services in the UK. Our advanced networks support the exponential growth of connected devices and the ever-increasing demand for data from smartphones to tablets through to connected TVs and smart meters.

Customers include major UK and international broadcasters such as the BBC, ITV, Sky Plc., Turner Broadcasting, the independent radio groups, major telco providers – including the UK's four mobile network operators – and energy and water companies.

For more information, news and insights from Arqiva, please visit the website at: [www.arqiva.com](http://www.arqiva.com)

---

**These written materials do not constitute an offer to sell, or a solicitation of offers to purchase or subscribe for, securities in the United States. The securities referred to herein have not been, and will not be, registered under the Securities Act of 1933, as amended, and may not be offered, exercised or sold in the United States absent registration or an applicable exemption from registration requirements. There is no intention to register any portion of the offering in the United States or to conduct a public offering of securities in the United States.**

**The issue, exercise or sale of securities in the offering are subject to specific legal or regulatory restrictions in certain jurisdictions. The Company assumes no responsibility in the event there is a violation by any person of such restrictions. The information contained herein shall not constitute an offer to sell or the solicitation of an offer to acquire, nor shall there be any sale of the securities referred to herein, in any jurisdiction in which such offer, solicitation or sale would be unlawful.**

Investors must neither accept any offer for, nor acquire, any securities to which this document refers, unless they do so on the basis of the information contained in the applicable informative prospectus (including any amendment or supplement thereto) as approved by the Spanish National Securities Market Commission (CNMV). Once it is approved, the relevant informative prospectus will be made available to the shareholders and investors on the webpage of the Company ([www.cellnextelecom.com](http://www.cellnextelecom.com)) and the CNMV ([www.cnmv.es](http://www.cnmv.es)) and physically in the CNMV's offices (calle Edison 4, 28006 Madrid, España y Paseo de Gracia 19, 08007 Barcelona, España) and in the Company's registered address (calle Juan Esplandiú 11-13, 28007 Madrid, España).

The Company has not authorized any offer to the public of securities in any Member State of the European Economic Area other than Spain. With respect to each Member State of the European Economic Area other than Spain and where the Prospectus Regulation applies ("Member State"), no action has been undertaken or will be undertaken to make an offer to the public of securities requiring publication of a prospectus. As a result, the securities may only be offered in the Member States (a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation; or (b) in any other circumstances which do not require the publication by the Company of a prospectus pursuant to the Prospectus Regulation. For the purposes of this paragraph, the expression an "offer of securities to the public" means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to exercise, purchase or subscribe the securities, as the same may be varied in that Member State, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129 of the European Parliament and of the Council, of 14 June 2017, on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC. This communication is only being distributed to, and is only directed at: (A) persons who are outside the United Kingdom or (B) in the United Kingdom, persons who (i) have professional experience in matters relating to investments who fall within the definition of "investment professionals" within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), or (ii) who are high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this communication relates will only be available to and will only be engaged in with, relevant persons. Any person who is not a relevant person must not act or rely on this document or any of its contents.

---

Corporate Affairs Department  
Corporate Communication



Tel. +34 935 021 329  
[comunicacion@cellnextelecom.com](mailto:comunicacion@cellnextelecom.com)

[cellnextelecom.com/press](http://cellnextelecom.com/press)