

9 de mayo

Madrid **2025**

# Junta General **Accionistas**

*Annual Shareholders' Meeting*

Board of Directors' report on the proposal of share capital reduction by means of the redemption of treasury shares

**cellnex** 

**REPORT SUBMITTED BY THE BOARD OF DIRECTORS OF CELLNEX TELECOM, S.A. IN  
RELATION TO THE PROPOSAL REFERRED TO IN ITEM 6 OF THE AGENDA OF THE  
COMPANY'S GENERAL SHAREHOLDERS' MEETING CALLED FOR 8 MAY 2025, ON FIRST CALL,  
AND FOR 9 MAY 2025, ON SECOND CALL**

**1. OBJECT OF THE REPORT**

This report is issued in compliance with sections 286 and 318 of the restated text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010, of 2 July (the “**Spanish Companies Act**”) to justify the proposed resolution submitted for approval by the General Shareholders' Meeting of Cellnex Telecom, S.A. (“**Cellnex**” or the “**Company**”) under point six of its Agenda, relating to the reduction of the Company's share capital by a maximum amount of 10,000,000 euros, through the redemption of a maximum of 40,000,000 of the Company's own shares, delegating to the Board of Directors the power to establish the conditions of the reduction in all matters not provided for by the resolution of the General Meeting, as well as the execution of the reduction whose approval is proposed, redrafting the article of the Company's bylaws relating to the share capital to reflect the new amount of the share capital.

**2. JUSTIFICATION OF THE PROPOSAL**

Within the context of the shareholder remuneration policy, the Board of Directors considers that it is appropriate to reduce the share capital by the redemption of own shares of the Company. The main effect of the capital reduction will be to increase the Company's earnings per share, benefiting its shareholders.

It is proposed to reduce the Company's share capital by a maximum amount of 10,000,000 euros, through the redemption of a maximum of 40,000,000 of the Company's own shares with a par value of 0.25 euros each.

By means of the capital reduction, all the shares that are or have been acquired through the share buy-back program of up to 40,000,000 own shares will be redeemed, which the Board of Directors agreed to implement on 14 January 2025 pursuant to: (a) the authorization conferred by the General Shareholders' Meeting held on 1 June 2023 under item nine of the Agenda; and (b) section 5 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) 2016/1052, of 8 March 2016, supplementing the Market Abuse Regulation as regards regulatory technical standards concerning the conditions applicable to buy-back programs and stabilization measures.

All the shares acquired under the aforementioned buy-back programme will be redeemed, therefore, if the Company does not reach the maximum number of shares to be acquired under the programme, it is understood that the share capital will be reduced by the nominal value corresponding to the number of shares effectively acquired under the buy-back programme.

Likewise, if the proposal is approved, article 6 of the Company's Bylaws will be amended to reflect the new share capital amount and the new number of outstanding shares after the own shares whose redemption is proposed are deducted.

The capital reduction will not entail the return of contributions to the shareholders, given that, at the time of execution of the reduction, the Company will be the owner of the shares to be redeemed.

Likewise, it is hereby stated that the Board of Directors, at the time of the execution of the capital reduction, may agree to allocate, against free reserves (including the share premium reserve), a reserve for redeemed capital in an amount equal to the nominal value of the redeemed shares, which may only be used under the same requirements as those for the reduction of the share capital. Consequently, if this reserve is set up, in accordance with the provisions of Article 335 c) of the Spanish Companies Act, the right of opposition of creditors set out in Article 334 of the same Act shall not apply.

The redemption of own shares will involve a reduction in the share capital by an amount equivalent to the nominal value of the redeemed shares. On the other hand, the excess of the balance of the legal reserve account over the value corresponding to 20% of the share capital after the execution of the capital reduction will be reclassified and will become part of the voluntary reserves account once the capital reduction is effective.

Furthermore, it is proposed that the General Shareholders' Meeting authorize the Board of Directors to execute the resolution to reduce the share capital within one year of the date on which the proposed resolution object of this report is adopted.

Likewise, it is proposed that the Board of Directors be authorized to determine matters not expressly established in the proposed resolution or that arise as a result of it and to carry out the actions and execute the public or private instruments necessary or appropriate for the most comprehensive execution of the capital reduction. Specifically, it is proposed that the Board of Directors be authorized to declare the capital reduction closed and executed, establishing, for these purposes, the definitive number of shares to be redeemed that have been acquired within the framework of the buy-back programme and, therefore, the amount by which the Company's share capital should be reduced, in accordance with the rules established in this agreement, and to establish any other precise circumstances to carry it out, as well as agreeing, where appropriate, to allocate the unavailable reserve for amortised capital in an amount equal to the nominal value of the amortised shares, for the purposes of the provisions of Article 335 of the Spanish Companies Act, or, if such allocation is not agreed, to declare the expiry of the period for creditors to file objections provided for in the Spanish Companies Act, as well as, where appropriate, to attend to the exercise of the right of opposition of those creditors who may exercise it under the terms provided by law, redrafting Article 6 of the Company's Bylaws, to publish any announcements that may be necessary or appropriate in relation to the capital reduction and its execution and carry out all the actions necessary for the effective redemption of the own shares, to carry out any actions, declarations or procedures that, where appropriate, may be necessary before any competent bodies, before the National Securities Market Commission, the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and the Madrid, Barcelona, Bilbao and Valencia stock exchanges on which the Company's shares are admitted to trading, to carry out the necessary procedures and actions and to present the pertinent documents to the competent bodies so that, once the Company's shares have been redeemed and the capital reduction has been executed and registered in the Commercial Registry, the redeemed shares from the Madrid, Barcelona, Bilbao and Valencia stock exchanges are delisted, through the Stock Exchange Interconnection System (Continuous Market) and the

corresponding accounting records kept by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) are cancelled, to appear before a notary and draw up a public deed for the execution and formalization of this agreement, as well as to carry out whatever actions are necessary and to approve and formalize whatever public and private documents are necessary or convenient for the full effectiveness of the agreement, and in general to carry out whatever actions are necessary or convenient to execute and formalize the share capital reduction before any public or private entities and organizations.

Lastly, it is proposed that the Board of Directors be authorized to delegate the powers referred to in this resolution (with power of substitution where legally appropriate) to any of the members of the Board of Directors.

### **3. PROPOSED RESOLUTION TO BE SUBMITTED TO THE GENERAL SHAREHOLDERS' MEETING**

The full text of the proposal to be submitted to the Company's General Shareholders' Meeting is as follows:

*"6. Approval of a reduction in share capital for a maximum amount of 10,000,000 euros, through the redemption of a maximum of 40,000,000 of the Company's own shares. Delegation to the Board of Directors of the power to establish the other conditions of the reduction in all matters not provided for by the General Shareholders' Meeting, including, among other matters, the powers to redraft Article 6 of the Company's Bylaws, relating to capital, and to request the delisting and cancellation of the accounting records of the shares to be redeemed. All of the above under the terms indicated below:*

1. *Reduction of share capital through the redemption of own shares acquired through a share buy-back programme:* reducing the share capital by a maximum amount of 10,000,000 euros, through the redemption of a maximum of 40,000,000 own shares of the Company with a nominal value of 0.25 euros each.

*By means of this capital reduction, all the shares that are or have been acquired through the share buyback programme of up to 40,000,000 own shares will be redeemed, as the Company's Board of Directors agreed to implement by virtue of a resolution dated 14 January 2025, as published by means of an inside information communication on the same date (registration number 2548) under: (a) the authorisation granted by the General Shareholders' Meeting held on 1 June 2023 under item nine of the agenda; and (b) section 5 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, and Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 supplementing the Regulation on market abuse with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilization measures.*

2. *Purpose of the share capital reduction:* the purpose of the share capital reduction is to redeem own shares, contributing to the remuneration of the Company's shareholders by increasing earnings per share. The execution of the present transaction will not entail the return of contributions to the shareholders or a modification of the availability of the company's assets, as explained below.
3. *Procedure for the reduction, reserves against which it is to be effected and deadline for execution:* the capital reduction must be carried out within one year of the date of adoption of this resolution.

*The share capital reduction will not entail the return of contributions to the shareholders, given that, at the time of execution of the reduction, the Company will be the owner of the shares to be redeemed.*

*The redemption of own shares will result in a reduction in share capital by an amount equivalent to the nominal value of the redeemed shares.*

*Likewise, it is hereby stated that the Board of Directors, at the time of implementing the capital reduction, may agree to the allocation of a reserve for redeemed share capital will be set up, charged to free reserves (including the share issue premium reserve), for an amount equal to the nominal value of the redeemed shares, which will only be available under the same requirements as for the reduction of share capital. Consequently, in the event that the reserve is allocated, pursuant to the provisions of section 335 c) of the Spanish Companies Act, the creditors' right of opposition set out in section 334 of the same Act shall not apply.*

*The outstanding amount of the legal reserve account in excess of the equivalent to 20% of the share capital after the execution of the capital reduction will be reclassified and will become part of the voluntary reserve account once such capital reduction is effective.*

*If the Company does not reach the maximum number of shares to be acquired under the buy-back programme, it is understood that the capital will be reduced by the nominal value corresponding to the number of shares effectively acquired under the buy-back programme.*

4. Delegation of powers: *the power to determine the conditions of this agreement in all matters not expressly provided for therein is delegated to the Board of Directors. Specifically, and only by way of illustration, the following powers are delegated to the Board of Directors:*
  - a) *Proceeding with the share capital reduction within one year of the date of adoption of this agreement.*
  - b) *Declaring the capital reduction closed and executed, establishing, for these purposes, the definitive number of shares to be redeemed that have been acquired within the framework of the buy-back programme and, therefore, the amount by which the Company's share capital must be reduced, in accordance with the rules and limits established in this agreement, and establishing any other precise circumstances to bring it about.*
  - c) *Deciding, where appropriate, to allocate the unavailable reserve for amortised capital for an amount equal to the nominal value of the amortised shares, for the purposes of the provisions of Article 335 of the Spanish Companies Act or, if such an allocation is not agreed, declaring the expiry of the period for opposition by creditors provided for in the Spanish Companies Act, as well as, where appropriate, attending to the exercise of the right of opposition of those creditors who may exercise it under the terms provided by law.*
  - d) *Redrafting of Article 6 of the Company's Bylaws, relating to capital, to adapt it to the result of the capital reduction.*

- e) *Publishing as many announcements as may be necessary or convenient in relation to the capital reduction and its execution and carrying out all necessary actions for the effective redemption of the own shares referred to in this agreement.*
- f) *Carrying out any actions, declarations or procedures that, where appropriate, must be carried out before any competent bodies, the National Securities Market Commission, the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and the Madrid, Barcelona, Bilbao and Valencia stock exchanges on which the Company's shares are admitted to trading.*
- g) *Carrying out the necessary procedures and actions and present the pertinent documents to the competent bodies so that, once the Company's shares have been redeemed and the capital reduction has been recorded and registered in the Companies Register, the redeemed shares are delisted from the Madrid, Barcelona, Bilbao and Valencia stock exchanges through the Stock Exchange Interconnection System (Continuous Market) and the corresponding accounting records kept by the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) are cancelled.*
- h) *Appearing before the notary of their choice and draw up a public deed for the execution and formalization of this agreement, as well as carrying out whatever actions are necessary and approving and formalizing whatever public and private documents are necessary or convenient for the full effectiveness of the agreement in any of its aspects and contents and, especially, correcting, clarifying, interpreting, completing, specifying, or concretising, where appropriate, the adopted agreement and, in particular, correcting any defects, omissions or errors that may be observed in the verbal or written qualification of the Commercial Registry.*
- i) *Carrying out whatever actions are necessary or convenient to execute and formalize the capital reduction before any public or private entities and organizations, Spanish or foreign, including the declaration, complement or correction of defects or omissions that could prevent or hinder the full effectiveness of the preceding agreements, in the broadest possible sense.*

*Authorizing the Board of Directors so that it, in turn, may delegate (with the power of substitution when legally appropriate) in favour of any of the members of the Board of Directors the delegated powers referred to in this agreement."*

It is hereby stated that the corresponding directors' report justifying the proposed share capital reduction has been made available to the shareholders.

Madrid, 3 April 2025.