

Zegona Communications plc**€1.8bn Return and 69% Reduction in Zegona Ordinary Shares**

Zegona Communications plc (LSE: ZEG) today announces the proposed allocation of the €1.8bn proceeds from the two recent FibreCo transactions¹. The proposal is to return €1.6bn to shareholders and use the remaining €200m for debt reduction. The €1.6bn shareholder return includes a €1.4bn special dividend (£1.62 per Zegona ordinary share²) and a €200m share buyback programme³. The special dividend will provide EJLSHM Funding Limited ("EJLSHM") with €975m to settle the Vodafone financing in full⁴ and a €440m pro rata payment for remaining ordinary shareholders. Settling the Vodafone financing will enable a 69% reduction in Zegona ordinary shares.

€1.4bn Special Dividend (£1.62 per Zegona Ordinary Share)

- The special dividend will provide EJLSHM with €975m to settle the Vodafone financing in full.
- The €975m includes a principal sum of €900m and €75m of accrued return⁴. €975m is equivalent to £1.62 per Zegona ordinary share held by EJLSHM.
- Settling the Vodafone financing in full will enable the cancellation of the 523m Zegona ordinary shares held by EJLSHM. This will reduce Zegona's ordinary shares in issue by 69% from 759m to 236m⁵.
- The special dividend will provide a €440m pro rata payment to remaining ordinary shareholders. €440m is equivalent to £1.62 per Zegona ordinary share excluding those held by EJLSHM.
- The special dividend repays the original equity capital raised for the Vodafone Spain acquisition⁶ plus an additional return of 12p.

€200m Share Buyback Programme

- Zegona will initiate the €200m share buyback programme following the cancellation of the 523m EJLSHM Zegona ordinary shares.
- Zegona believes a share buyback programme will drive very attractive returns to shareholders post the 69% share count reduction.

€200m Debt Reduction

- €200m of the proceeds will be used to reduce Net Debt to €3.4bn and reduce leverage to 2.58x⁷.
- This reduction in debt reinforces Zegona's commitment to its leverage target of 1.5x-2x.
- The €200m debt reduction further accelerates progress in reducing total annual interest costs. Annual interest costs⁸ have reduced from €294m at the time of the Vodafone acquisition to €235m post recent refinancings. Applying current market debt yields to the reduced net debt balance demonstrates the potential to drive annual interest costs well below €200m⁹.

The full execution of this capital allocation proposal is dependent on the completion of the FibreCo transactions and shareholder approval at a general meeting to be convened shortly. A key part of the resolution at the general meeting will be the removal of the requirement for six-months' notice for the settlement of the Vodafone financing. Full details will be included in a shareholder circular to be published soon.

Zegona expects the GIC investment in PremiumFiber (MasOrange FiberCo) to be completed by the end of this calendar year and the AXA investment in FiberPass (Telefonica FiberCo) to be completed by the end of the first quarter of the 2026 calendar year. The objective is to settle the Vodafone financing as quickly as possible. Therefore, Zegona intends to execute the special dividend once the proceeds from the PremiumFiber transaction have been received. Zegona also intends to initiate the €200m share buyback programme following the cancellation of the 523m EJLSHM shares. If the cancellation of the EJLSHM shares occurs before the completion of the FiberPass transaction Zegona plans to fund the early stages of the buyback programme with current balance sheet resources.

Eamonn O'Hare, Chairman and CEO of Zegona, commented, "Today's announcement marks another major milestone in the transformation of Vodafone Spain and Zegona Communications plc. In just 18 months since the Vodafone acquisition, we have delivered on every major element of our strategy, driving operational progress, executing two landmark FibreCos, completing the transition to a 100% FTTH network, and unlocking €1.8bn of proceeds. The capital allocation proposal we have announced today is designed to be shareholder friendly, whilst simplifying our capital structure, satisfying the needs of the business and delivering a fit for purpose balance sheet. I am particularly pleased that the special dividend allows us to reward our shareholders by returning their original equity investment plus a little extra interest."

Investor enquiries:

Alfonso Enríquez
info@zegona.com

Media enquiries:

Jaime De Andres
jaime.andres@vodafone.com

Tilly Abraham (Sodali & Co)
zegona@info.sodali.com

About Zegona

Zegona is publicly listed on the Main Market of the LSE. It was established in 2015 with the objective of investing in businesses in the European Telecommunications, Media and Technology sector and improving their performance to deliver attractive shareholder returns. Zegona is led by former Virgin Media executives Eamonn O'Hare and Robert Samuelson. In 2024, Zegona completed the acquisition of Vodafone Spain.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (together, "MAR"). The person responsible for making this notification is Eamonn O'Hare, Chairman and CEO.

Notes

¹ The GIC investment in PremiumFiber (the Vodafone Spain & MasOrange FiberCo), was announced on 4 August 2025. Vodafone Spain will retain a 17% stake. Zegona expects this transaction to be completed by the end of this calendar year.

The AXA investment in FiberPass (the Vodafone Spain & Telefonica FiberCo), was announced on 25 November 2025. This transaction is subject to customary regulatory approvals. Vodafone Spain will retain a 5% stake. Zegona expects this transaction to be completed by the end of the first quarter of the 2026 calendar year.

The above two transactions are expected to result in approximately €1.8bn of upfront cash proceeds for Vodafone Spain, €1.4bn from PremiumFiber and €0.4bn from FiberPass.

² Based on a EUR/GBP rate of 0.87. Actual GBP amount per share may change with movements in the foreign exchange market and the exact payment date.

³ The buyback programme will be carried out in accordance with a buyback agreement entered into with Canaccord Genuity Limited. This provides for on-market purchases, up to a total aggregate consideration of €200m (exclusive of expenses), to be carried out under the authorities granted at Zegona's 2025 AGM and any renewals of those authorities. During closed periods, Canaccord will be authorised to make on-market purchases independently and without influence from Zegona.

The buyback programme will commence after Zegona completes the cancellation of the 523m Zegona ordinary shares held by EJLSHM. It will continue whilst Zegona has shareholder authority and remains under the €200m limit.

⁴ The redemption of the €900m of preference shares in EJLSHM held by Vodafone Consolidated Holdings Limited (part of Vodafone Group PLC), payment of €75m accrued preferential dividends plus EJLSHM winding up expenses, to ensure full repayment of the Vodafone financing. Note this assumes repayment in the first quarter of next calendar year. The final amount will vary depending upon the exact payment date.

⁵ Post repayment of the Vodafone financing, Zegona will re-designate the Zegona ordinary shares held by EJLSHM as non-voting deferred shares with negligible economic rights. This will reduce Zegona's ordinary share count to 235,969,302 shares. The deferred shares will be bought back for £1 in aggregate and cancelled.

⁶ £1.50 per Zegona ordinary share, raised in September 2023 for the acquisition of Vodafone Spain.

⁷ Net Debt / L2QA EBITDAaL as measured on 30 September 2025 and adjusted for the €200m of debt reduction. On 30 September 2025 gross debt stood at €3,933m and cash balances at €303m.

⁸ Measured as an annual interest cost run rate, includes interest income on cash held.

⁹ Refinancings may include maturity extensions and new loans and/or new bonds (including via private placement and/or tap issuance), subject to existing call protection. Current trading levels of c3.75% yield-to-worst of the EUR senior notes.