

Euskaltel refinances EUR 215m of its corporate debt

- The company has reached an agreement with banks to replace its EUR215m amortising term loan with a bullet loan due in December 2023
- The new debt structure will allow Euskaltel to eliminate EUR150m of debt repayments in the 2020-2022 period
- Additional cash available will be invested in profitable growth initiatives included in its 2020-2025 business plan
- The unanimous lender agreement shows strong support for Euskaltel's growth strategy and business plan

Bilbao, July 9th, 2020. Euskaltel has signed a new EUR 215m term loan B5 due in December 2023, replacing its outstanding EUR215m term loan A2. Term loan A2 had a calendar of repayments of EUR 45m in 2020, EUR50m in 2021, EUR55m in 2022 and EUR65m in 2023. With this change in the company's debt structure, Euskaltel eliminates EUR150m of debt repayments in the 2020-2022 period. The average maturity of its corporate debt increases from 3.9 to 4.1 years with this transaction.

Additional funds obtained through today's announced transaction will be invested in profitable growth initiatives as outlined in the company's business plan.

The company announced its 2020-2025 business plan on March 10th, a business plan that puts the company in a path of profitable growth through a national expansion plan that targets 85% of the Spanish market in which the company did not currently operate in. The business plan aims to double the customer base of the company while reaching revenue of more than EUR1.2bn and EBITDA of more than EUR470m in 2025. National expansion was launched on May 20th through its Virgin telco brand.

Negotiations to refinance term loan A2 ended with the unanimous agreement of all the institutions involved in a record time of less than two weeks, reflecting the trust and support of lending banks of Euskaltel's growth strategy and business plan.

Global Coordinator Banco Santander led the transaction, alongside additional lenders Caixabank, BBVA (Agent), ING, Credit Agricole, Banco Sabadell, Kutxabank, Abanca, CIC, Caja Laboral and Bankinter.