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**ZEGONA COMMUNICATIONS PLC ("Zegona")**

**LEI: 213800ASI1VZL2ED4S65**

**2 DECEMBER 2019**

**ZEGONA'S ASSETS HAVE A MARKET VALUE OF £1.41 PER ZEGONA SHARE<sup>1</sup>**

Zegona's principal asset is its ownership of Euskaltel, where it is the largest shareholder owning more than 20%. Euskaltel is the leading quad-play telecommunications provider in the North of Spain and is a public company actively traded on the stock markets of Bilbao, Madrid, Barcelona and Valencia. Zegona has been influential in driving changes within Euskaltel, leading to Euskaltel introducing a new strategic roadmap to drive efficiencies in its existing business and expand nationally into the 85% of the Spanish market where it is not yet present.

With Zegona's support, José Miguel García was appointed the new CEO of Euskaltel on 5<sup>th</sup> June 2019 and in Zegona's view is making strong progress in leading the implementation of the new Euskaltel Roadmap. Euskaltel's share price has responded positively and has increased by 21% since José Miguel took over as CEO<sup>2</sup>.

Zegona believes it is helpful for its shareholders to be aware of the development in the value of Euskaltel, and to understand what this represents in terms of value per Zegona share. At the current Euskaltel share price of €9.19, Zegona's holding in Euskaltel, together with its current net cash position, is worth the equivalent of £1.41 per Zegona share<sup>3</sup>. This value is over 46% higher than Zegona's current share price of 96p<sup>4</sup>.

Zegona's Board has been monitoring this metric for some time and is determined to take actions with the objective to close this differential. As a first step, it has decided to keep its shareholders regularly updated on the value of its ownership in Euskaltel and accordingly will until further notice publish what this represents in terms of value per Zegona share at least quarterly via RNS.

<sup>1</sup> Assets comprising Zegona's ownership stake in Euskaltel, S.A. and net cash position as at 29<sup>th</sup> November 2019

<sup>2</sup> Based on a Euskaltel closing share price of €7.57 on 5<sup>th</sup> June 2019 and €9.19 on 29<sup>th</sup> November 2019

<sup>3</sup> Translated using the prevailing £/€ exchange rate of 1.1728. Does not include Zegona's other net assets. Zegona's other net assets, excluding the investment in Euskaltel and net cash, in the last interim financial statements for the six months ended 30 June 2019 was £3.7m (or 1.7p per share). No value for Zegona's Management and Core Investor incentive schemes was included in this figure

<sup>4</sup> Zegona's closing share price on 29<sup>th</sup> November 2019

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