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ZEGONA COMMUNICATIONS PLC ("Zegona")

LEI: 213800ASI1VZL2ED4S65

24 JUNE 2020

ZEGONA ANNOUNCES NEW SHARE BUYBACK PROGRAMME

As previously highlighted, the value per Zegona share of its stake in Euskaltel and net cash position is significantly higher than Zegona's share price. On 23 June 2020, the differential between Zegona's share price and the Underlying Asset Value per Share¹ was 24.5%. The Board remains committed to take actions to close this differential.

Zegona today announces a Buyback² programme of its Ordinary Shares³ for an aggregate purchase price of up to £10 million. Zegona's Board has set a Buyback Policy⁴ that allows shares to be acquired at prices up to the Underlying Asset Value Per Share. The Buyback is expected to increase the Underlying Asset Value Per Share for shareholders who retain their holdings in Zegona.

The Buyback will commence with effect from today and share repurchases may be undertaken until the earlier of 15 September 2020 or when Zegona has fully utilised the allocated £10 million⁵. The Buyback will be funded from existing capital resources.

The Board will continue to review the progress made in closing the differential between Zegona's share price and the Underlying Asset Value Per Share.

This announcement contains inside information.

ENQUIRIES

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IMPORTANT NOTICES

The sole purpose of the Buyback is to reduce the share capital of Zegona.

Pursuant to, and during the term of the Buyback, Barclays⁶ may, when instructed by Zegona in accordance with the Buyback Policy and certain other pre-agreed parameters, independently of and without influence by Zegona, purchase Ordinary Shares on the London Stock Exchange from time to time in its absolute discretion. At other times, Zegona may instruct Barclays on a daily basis to purchase Ordinary Shares in accordance with the Buyback Policy and other parameters determined by Zegona within the scope of the Buyback⁷. During closed periods, in accordance with certain irrevocable instructions given to Barclays in advance of the closed period, share purchases carried out by Barclays shall be made independently of and without influence from Zegona. On each trading day under the Buyback, a maximum of 25% of the average daily trading volume of the Ordinary Shares during the 20 trading days prior to such trading day may be purchased.

Due to the scale of the Buyback versus the level of trading in Ordinary Shares, share repurchases on any trading day may represent all or a significant proportion (over 25%) of the daily trading volume in Ordinary Shares on the London Stock Exchange. Accordingly, Zegona may not benefit from the exemption contained in Article 5(1) of Regulation (EU) No 596/2014.

Subject to the Buyback Policy, the maximum price (exclusive of fees and expenses) which may be paid for Ordinary Shares within the Buyback shall be an amount equal to the lower of (i) 5% above the average of the middle market closing quotations for such shares taken from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made and (ii) the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share as derived from the London Stock Exchange. As at 7 a.m. on 24 June 2020, this would imply a maximum price payable of 108 pence per Ordinary Share.

Any Ordinary Shares acquired as a result of the Buyback will be cancelled. Zegona will announce any market repurchases of Ordinary Shares by 7.30 a.m. on the business day following the day on which the repurchase occurred. There can be no certainty that Barclays will purchase any Ordinary Shares under the Buyback.

The information contained in this document is for background purposes only and does not purport to be full or complete.

This announcement is not for release, publication, distribution, directly or indirectly, in or into the United States (including its territories and possessions and any state or other jurisdiction of the United States) or to any US person. This announcement does not constitute or form a part of any offer to sell or solicitation to purchase or subscribe for securities in the United States or in any other jurisdictions. The Ordinary Shares referred to in this announcement have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or the securities laws of any state of the United States or with any securities regulatory authority of any state or other jurisdiction of the United States or any state securities laws of the United States.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "envisages", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not facts. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation: adverse developments in the market conditions on the London Stock Exchange, adverse conditions affecting material shareholders in Zegona, volatility in stock market trading on the London Stock Exchange, Euskaltel's failure to work with Zegona to improve the performance of the business, expected cost savings not being realised, changing demands of consumers of telecommunications services, the increasing adoption of free-to-home and direct-to-home television services, changing business or other telecommunications market conditions, and general economic conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this announcement. Forward-looking statements contained in this announcement based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Subject to any requirement under the Listing Rules, the Prospectus Rules, the Disclosure Guidance and Transparency Rules or other applicable legislation or regulation, Zegona does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Investors should not place undue reliance on forward-looking statements, which speak only as of the date of this announcement.

Barclays, which is authorised in the United Kingdom by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, is acting only for Zegona in connection with the Buyback and is not acting for or advising any other person, or treating any other person as its client, in relation thereto and will not be responsible for providing the regulatory protection afforded to clients of Barclays or advice to any other person in relation to the matters contained herein. Neither Barclays nor any of its directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for this announcement, its contents or otherwise in connection with it or any other information relating to Zegona, whether written, oral or in a visual or electronic format.

This announcement has been prepared in accordance with English law, the Listing Rules and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.

The distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about and observe such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdiction.

About Zegona

Zegona 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 listed on the standard listing segment of the Official List of the Financial Conduct Authority and the Main Market for listed securities of the London Stock Exchange and is led by former Virgin Media executives, Eamonn O'Hare and Robert Samuelson.

The person responsible for arranging for the release of this announcement on behalf of Zegona is Dean Checkley, whose business address is 20 Buckingham Street, London WC2N 6EF.

As at 23 June 2020, reflecting all TR-1 and other notifications received to date, Zegona was aware of the following shareholders holding more than 3 percent of the total voting rights of Zegona:

	Percentage of Issued Share Capital
Marwyn Asset Management	19.16%
Artemis Investment Management	13.69%
Fidelity Management & Research (FMR)	9.97%
Canaccord Genuity Group Inc	9.69%
Fidelity Investments Limited (FIL)	9.21%
Capital Research & Management Company	8.28%
Aberforth Partners LLP	6.2%
Chelverton Asset Management	5.13%

About Euskaltel

Euskaltel S.A. ("Euskaltel") is the leading converged telecommunications provider in the North of Spain, owning a network covering nearly 2.5 million households and has recently expanded nationally across Spain under the Virgin Telco brand. It provides high speed broadband, data rich mobile, advanced TV and fixed communications services to residential and business customers under the Euskaltel, Virgin Telco, R Cable and Telecable brands. Euskaltel is a public company traded on the stock markets of Bilbao, Madrid, Barcelona and Valencia.

- 1 The "Underlying Asset Value per Share" is defined for any day as the value in pounds sterling on the previous trading day of Zegona's investment in Euskaltel (using the €/£ FX rate on that day) and net cash balance divided by the number of Zegona Ordinary Shares in issue. As at 23 June 2020, the Underlying Asset Value per Share was £1.32, which was 24.5% higher than Zegona's share price at 23 June 2020
- 2 The "Buyback" is Zegona's on-market share buyback programme announced today for an aggregate purchase price of up to £10 million
- 3 Ordinary shares of £0.01 each in the capital of Zegona ("Ordinary Shares")
- 4 Zegona's "Buyback Policy" is that shares may be acquired at prices up to the Underlying Asset Value per Share on the day of purchase, subject also to normal market practice as regards buyback pricing, as set out in Important Notices
- 5 The maximum number of Ordinary Shares which Zegona is currently authorised to repurchase is 21,949,273 and therefore the Buyback will not exceed this number of shares
- 6 Barclays Bank PLC, acting through its Investment Bank ("Barclays")
- 7 Purchases under the programme are to be made either (i) as purchases made through auctions carried out on SETSqx; or (ii) over-the-counter purchases, for which the resultant Company purchases from Barclays are on-market for the purposes of the rules of the London Stock Exchange