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ZEGONA COMMUNICATIONS PLC ("Zegona")

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EUSKALTEL REFINANCES €215M AMORTISING LOAN TO ACCELERATE INVESTMENT IN VIRGIN GROWTH

Euskaltel announced yesterday that it has replaced its €215 million amortising debt with a new €215 million term loan with no amortisation before December 2023. With this change in the company's debt structure, Euskaltel eliminates all term loan repayments until December 2023. This transaction increases the average maturity of its corporate debt to over 4 years.

This refinancing provides financial flexibility to increase investments in its Virgin national expansion plan and accelerate the realisation of profitable growth.

Earlier this year, Euskaltel announced its 2020-2025 business plan. Euskaltel is expanding nationally using the Virgin Telco brand and aims to double its customer base by targeting the 85% of the Spanish telecoms market which the company currently does not address. Euskaltel aims to grow revenues to more than €1.2 billion and EBITDA to €0.5 billion by 2025, an increase of 1.8x and 1.4x vs 2019, whilst paying an attractive dividend. With the recent Telefonica and Orange announcements, Euskaltel has increased its marketable fiber footprint from 2.4 million to almost 20 million homes passed.

Negotiations to refinance the amortising debt ended with the unanimous agreement of all the financial institutions involved, reflecting the trust and support of lending banks for Euskaltel's growth strategy and business plan.

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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 led by former Virgin Media executives Eamonn O'Hare and Robert Samuelson.

About Euskaltel

Euskaltel S.A. ("Euskaltel") is the leading converged telecommunications provider in the North of Spain, with its network covering 2.3 million households. It provides high speed broadband, data-rich mobile, advanced TV and fixed communications services to residential and business customers under the Euskaltel, R Cable and Telecable brands. During 2020, Euskaltel is expanding its addressable footprint to almost 20 million households through its national expansion plan using the "Virgin telco" brand. Euskaltel is a public company traded on the stock markets of Bilbao, Madrid, Barcelona and Valencia.