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ZEGONA COMMUNICATIONS PLC ("Zegona")

LEI: 213800ASI1VZL2ED4S65

8 OCTOBER 2020

ZEGONA'S ASSETS HAVE A MARKET VALUE OF £1.46 PER ZEGONA SHARE¹

Zegona's principal asset is its ownership of Euskaltel, where it is the largest shareholder owning 21.44%. 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.

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 and how this compares to the Zegona market value. This is especially the case since Zegona no longer accounts for its investment in Euskaltel at fair value.

At the Euskaltel share price of €9.03 on 30 September, Zegona's holding in Euskaltel, together with its current net cash position, is worth the equivalent of £1.46 per Zegona share². This value is over 31% higher than Zegona's current share price of £1.11³.

Zegona's Board monitors this metric on an ongoing basis and is determined to take actions with the objective to close this differential. Zegona intends to update its shareholders regularly on the value of its ownership in Euskaltel.

¹ Assets comprising Zegona's ownership stake in Euskaltel, S.A. and net cash position as at 30th September 2020.

² The value of Zegona's Main Assets per share is a computation of the Sterling equivalent of the fair value of Zegona's investment in Euskaltel, its cash and cash equivalents net of its bank borrowings, divided by the total number of shares outstanding translated using the prevailing £/€ exchange rate of 1.09829. Other assets and liabilities are not included in the calculation but have historically not been material with the exception of the contingent consideration receivable from the sale of Telecable which had a fair value of €3.7 million at September 30, 2020 or 1.7 pence per share. The calculation also includes no value for Zegona's management incentive scheme.

³ Zegona's closing share price on 30th September 2020.

ENQUIRIES

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