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ZEGONA COMMUNICATIONS PLC ("Zegona")

LEI: 213800ASI1VZL2ED4S65

28 OCTOBER 2020

Euskaltel Reports Record Customer and Revenue Growth

Euskaltel yesterday published its results for the third quarter of 2020 and associated investor presentation. Highlights for the quarter communicated by Euskaltel included the following:

Record Customer Growth

- Euskaltel's mass market customers increased by 20k in the quarter to 802k, the highest quarterly customer growth since the business was listed
- Strong Virgin telco growth ahead of expectations, reaching a total customer base of 39k in Q3
- Net gain of B2B customers in the quarter, despite the impact from Covid-19

Accelerating Revenue Growth

- Virgin telco customer gains are driving accelerating revenue growth, with revenue up 1.8% in the quarter to €174.2m
- B2B is also contributing with 3% revenue growth (highest ever Q3 B2B revenue)
- Addressable footprint expanded to over 20m households. Recent agreements with Orange, Telefonica and Adamo increase coverage and deliver improved customer propositions and higher margins

Guidance Reconfirmed for 2020

Euskaltel management has confirmed its expectation to meet full-year guidance for 2020. Revenue growth and continued strong cost controls are expected to enable Euskaltel to meet its guidance for 2020 EBITDA of €340-350m and OpCF of €170-180m despite the increased investment required in growing Virgin telco ahead of plan.

Eamonn O'Hare, Zegona's Chairman and CEO commented: "These results demonstrate the continued focus and delivery by the Euskaltel management team. We are particularly proud of the faster-than-expected customer growth for Virgin telco, as well as the company's strong overall revenue, EBITDA and cash flow performance. We also note that Euskaltel remains on track to meet its full-year guidance, which is an amazing accomplishment in light of the challenges created by Covid-19."

Further details on Euskaltel's third quarter 2020 results can be found on the Euskaltel website at <https://www.euskaltel.com/CanalOnline/investors>

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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 holds an equity stake of over 21% in Euskaltel and 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 and has recently expanded to offer services nationally. It provides high speed broadband, data rich mobile, advanced TV and fixed communications services to residential and business customers under the Euskaltel, R Cable, Telecable and Virgin telco brands. Euskaltel is a public company traded on the stock markets of Bilbao, Madrid, Barcelona and Valencia.

IMPORTANT NOTICES

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. 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.

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