

24 July 2024

Zegona Communications plc

Vodafone Spain and MasOrange agree terms to create a joint FibreCo

Zegona Communications plc (LSE: ZEG) ("**Zegona**") is pleased to announce Vodafone ONO, S.A.U. ("**Vodafone Spain**") and MasOrange, S.L. ("**MasOrange**") (together the "**Parties**") have signed a confidential non-binding term sheet setting out the proposed key terms for a national network sharing agreement (the "**Proposed Transaction**").

The Proposed Transaction will involve Vodafone Spain and MasOrange creating a joint fibre network company ("**FibreCo**"). This will cover approximately 11.5 million premises across Spain and will provide fibre access services to both companies within this footprint. The initial ownership split of the FibreCo between the Parties will be based on their customer numbers within the footprint. The Parties plan to bring a third-party financial investor into the share capital of the new company, with the ownership split post this investment expected to be 50% MasOrange, 40% financial investor and 10% Vodafone Spain.

The new fibre company will benefit Vodafone Spain and MasOrange customers, as well as the Spanish market as a whole. It will guarantee access to the most modern fibre optic network, offering best-in-class quality, and enabling the rapid adoption of new technologies, while stimulating investment and innovation. This network will become a benchmark for sustainable development, meeting high ESG standards thanks to energy savings.

The Proposed Transaction is subject to final agreement between the Parties and any required regulatory approvals.

Eamonn O'Hare, Chairman and CEO of Zegona, commented "Creating this new FibreCo in partnership with MasOrange is a key part of our plan to transform Vodafone Spain. It will deliver a highly efficient fibre infrastructure for our customers with leading fixed line technology which will be at the forefront of the industry. The Proposed Transaction is expected to create significant incremental value for all Zegona stakeholders. We will have more news to share as we progress the transaction to completion."

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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.

On 31 May 2024, Zegona completed the 100% acquisition of Vodafone Spain for €5.0 billion.

About Vodafone Spain

Vodafone Spain is a national provider of fixed, mobile and TV services in Spain, serving consumer, business and public administration customers. It was acquired by Zegona in May 2024.

About MasOrange

MasOrange, a 50:50 joint venture between Orange Spain and MásMóvil, started operations in March 2024 and is currently the leading player within the Spanish telecoms market by number of customers.