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ZEGONA COMMUNICATIONS PLC ("Zegona")

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21 JUNE 2021

ZEGONA STARTS RETURNING CASH TO SHAREHOLDERS WITH £5.7 MILLION DIVIDEND PAYMENT

On 28 March 2021, a wholly-owned subsidiary of MasMovil Ibercom, S.A.U. ("MasMovil"), a portfolio company of the private equity funds KKR, Providence and Cinven, launched a tender offer to acquire 100% of Euskaltel, S.A. ("Euskaltel") for €11.17 per share in cash (the "Offer"). On 2 June 2021, Euskaltel shareholders approved a €0.17 per share dividend which was paid on 17 June 2021. On 18 June¹, Masmovil confirmed, in accordance with its Offer terms, that as a result of Euskaltel's dividend the Offer price will now be reduced by €0.17 to €11.00.

On 24 May 2021, Zegona announced its intention to return £335 million of the proceeds from the successful sale of its investment in Euskaltel² to its shareholders as soon as is reasonably practicable. Zegona is now following through on this commitment, with its Board of Directors today declaring an interim dividend of 2.6 pence per share which returns the full dividend received from Euskaltel. This is consistent with Zegona's existing policy to pass 100% of all Euskaltel dividends straight through to its shareholders.

After payment of this 2.6 pence per share dividend, Zegona remains committed to returning the balance of the £335 million from the successful sale of its investment in Euskaltel³. This capital return will be implemented as soon as is reasonably practicable once the funds have been received, using the mechanism which the directors believe offers the best combination of timeliness, cost effectiveness and tax efficiency.

The timetable for Zegona's dividend is⁴:

Ex-dividend date	1 July 2021
Record date	2 July 2021
Payment of the dividend	23 July 2021

¹ See <https://www.cnmv.es/Portal/verDoc.axd?t={6dace521-5969-4e81-b548-bc73d0fb5793}>

² See <https://www.zegona.com/~media/Files/Z/Zegona/press-release/21-05-24-return-of-335m-final.pdf> the capital return will be conditional upon the closing of MasMovil's Offer and subject to all applicable laws and regulations, including the receipt of the required shareholder and court approvals and such other third-party approvals as reasonably required, which the Company has undertaken to use all reasonable endeavours promptly to procure.

³ This will result in a capital return of £329.3 million after the payment of £5,693,221 for this dividend.

⁴ The payment of the dividend to eligible holders of shares is expected to be effected through CREST or by BACS/cheque (in the case of shares held in certificated form).

Enquiries

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IMPORTANT NOTICES

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