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ZEGONA COMMUNICATIONS PLC ("Zegona")

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29 JULY 2021

NOTICE OF GENERAL MEETING

On 24 May 2021, the Board announced that if the sale of its investment in Euskaltel to MásMóvil is successful it plans to return £335 million in cash to Shareholders.

On 23 July 2021, Zegona began this return of cash to shareholders with a £5.7 million dividend payment. After payment of this dividend, Zegona's commitment, assuming the successful sale of its investment in Euskaltel, is now to return the balance of the £335 million, being at least £329,306,778 (the "**Return of Capital**").

If the sale is successful, the Board is seeking to complete the Return of Capital as soon as is reasonably practicable once the funds have been received. The Board has determined, following advice from its legal advisers, that the mechanism it should use is an on-market share buyback by way of a tender offer because the Directors believe this offers the best combination of timeliness, cost effectiveness and tax efficiency. The Return of Capital is therefore expected to follow a similar structure to the one that the Company used in 2017, subject to any changes required as a result of changes in law or regulation or market practice.

As Shareholders will be aware, MásMóvil's takeover bid for Euskaltel has not yet completed and is subject to a number of conditions. The acceptance period for the takeover is currently expected to run to 30 July 2021 and, were the takeover to become wholly unconditional, sale proceeds would be expected to be received by Zegona before the end of the second week of August 2021.

Whilst there is no guarantee that the MásMóvil Offer will complete, the Board is sufficiently confident that it will do so that it is taking steps now to reduce the Company's share premium account from £95,339,759 to £100,000 (the "**Capital Reduction**") to prepare for the Return of Capital.

In order to obtain the necessary Shareholder approvals for the proposed Capital Reduction, Zegona announces that the following documents have today been posted to Shareholders:

- a Circular containing a Notice of General Meeting (the "**Circular**"); and
- a Form of Proxy for the General Meeting.

The above documents will be submitted to the Financial Conduct Authority via the National Storage Mechanism and will shortly be available to the public for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

These documents will also be available on the Company's website at <https://www.zegona.com/~media/files/z/zegona/shareholder-information-disclaimer-docs/210729-shareholder-circular.pdf>, subject to certain access restrictions.

The General Meeting will be held at Travers Smith LLP, 10 Snow Hill, London EC1A 2AL at 10:30 a.m. on 20 August 2021.

Capitalised terms used but not defined in this announcement shall have the meanings set out in the Circular.

Enquiries

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